

# Smarter Money Fund Assisted Investor Class



## Product Disclosure Statement

mFund code SMF01  
ARSN 154 023 408  
APIR CRE0014AU  
Issue Date 15 May 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 Smarter Money Fund Assisted Investor Class (the "Fund"). It contains a number of references to important information (including a glossary of terms) contained in the Smarter Money 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 this PDS (electronically or otherwise) in Australia.

This PDS does not constitute a direct or indirect offer of securities in the US or to any US Person as defined in Regulation S under the Securities Act of 1933 as amended ("US Securities Act"). Equity Trustees may vary this position and offers may be accepted on merit at Equity Trustees' discretion. The units in the Fund have not been, and will not be, registered under the US Securities Act unless otherwise approved by Equity Trustees and may not be offered or sold in the US to, or for, the account of any US Person (as defined in the Reference Guide) except in a transaction that is exempt from the registration requirements of the US Securities Act and applicable US state securities laws.

### Contents

1. About Equity Trustees Limited
2. How the Smarter Money Fund - Assisted Investor Class works
3. Benefits of investing in the Smarter Money Fund - Assisted Investor Class
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 of the PDS and the Reference Guide, free of charge, by calling the Investment Manager on 1300 901 711, visiting [www.coolabahcapital.com](http://www.coolabahcapital.com) or by visiting Equity Trustees at [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 the Investment Manager on 1300 901 711, visiting [www.coolabahcapital.com](http://www.coolabahcapital.com) or by visiting Equity Trustees at [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

Smarter Money Investments Pty Limited  
ABN 64 153 555 867  
Ph: 1300 901 711  
Email: [info@coolabahcapital.com](mailto:info@coolabahcapital.com)  
Web: [www.coolabahcapital.com](http://www.coolabahcapital.com)

Authorised Representative (AR) #000414337 of Coolabah Capital Institutional Investments Pty Ltd AFSL 482238 & AR #001277030 of EQT Responsible Entity Services Limited AFSL 223271.

#### Administrator

Mainstream Fund Services Pty Ltd  
ACN 118 902 891  
GPO Box 4968  
Sydney NSW 2001  
Ph: 1300 133 451  
Fax: +61 2 9251 3525  
Web: [www.mainstreamgroup.com](http://www.mainstreamgroup.com)

#### Responsible Entity

Equity Trustees Limited  
ABN 46 004 031 298, AFSL 240975  
GPO Box 2307  
Melbourne VIC 3001  
Ph: +613 8623 5000  
Web: [www.eqt.com.au/insto](http://www.eqt.com.au/insto)

# 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 Smarter Money Investments Pty Limited as the investment manager of the Fund. Equity Trustees has appointed a custodian to hold the assets of the Fund. The custodian has no supervisory role in relation to the operation of the Fund and is not responsible for protecting your interests.

## The Investment Manager

### Smarter Money Investments Pty Limited

Smarter Money Investments Pty Limited is an authorised representative (#000414337) of Coolabah Capital Institutional Investments Pty Ltd (AFSL 482238) and an authorised representative (#001277030) of EQT Responsible Entity Services Limited (AFSL 223271).

Established in 2011, the Investment Manager's goals are to develop and deliver low risk savings and retirement solutions that outperform traditional cash and fixed-income products through active portfolio management. As at 30 September 2019, it was investment manager for approximately \$1.32 billion in assets.

These savings solutions, which include this Fund, have been created to satisfy demand for lower risk investment products that can:

- provide investors with cash and fixed-income opportunities that add value generally beyond deposits,
- outperform conventional fixed-income investments without taking significant interest rate duration risk,
- offer investors diversification opportunities away from the volatility of the share market, and
- supply retirees with regular quarterly income.

The Investment Manager sub-delegates all portfolio management responsibilities for the Fund to Coolabah Capital Institutional Investments Pty Ltd (CCII), which was responsible for running \$2.9 billion in fixed income strategies as at 30 September 2019.

## 2. How the Smarter Money Fund - Assisted Investor Class works

The Fund is a class of the Smarter Money Fund ARSN 154 023 408, 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, using the online application at [www.coolabahcapital.com](http://www.coolabahcapital.com) or make 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 \$1,000.

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

Mainstream Fund Services Pty Ltd  
GPO Box 4968  
Sydney NSW 2001

Please note that cash cannot be accepted.

By completing the online application at [www.coolabahcapital.com](http://www.coolabahcapital.com), you can identify yourself and transfer funds with BPAY<sup>®</sup> or electronic funds transfer (EFT) (a reference number will be sent to you).

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 nil.

The Buy Sell Spread may change depending on the liquidity of the assets within the Fund's portfolio at that time. Any changes to the spreads after the date of this PDS will be published on the Funds website at [www.coolabahcapital.com](http://www.coolabahcapital.com)

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. Alternatively complete the online application. You can transfer funds with BPAY or electronic funds transfer (EFT). The minimum additional investment into the Fund is \$1,000 or \$100 per month through a savings plan. For more information on savings plans, BPAY and EFT see the Reference Guide.

## 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 quarterly at the end of June, September, December and March. 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  
GPO Box 4968  
Sydney NSW 2001

Or sending it by fax to +61 2 9251 3525

Or sending it by email to [registry@mainstreamgroup.com](mailto:registry@mainstreamgroup.com)

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

The minimum withdrawal amount is nil. 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 3 Business 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. Access to your investment at the end of a distribution period will take longer as the Fund's unit price is placed on a temporary hold whilst the distribution is calculated. However, Equity Trustees is allowed to reject withdrawal requests, and also to make payment up to 180 days after acceptance of a request (which may be extended in certain circumstances) as outlined in the Constitution and Reference Guide.

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

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 0.05%.

The Buy Sell Spread may change depending on the liquidity of the assets within the Fund's portfolio at that time. Any changes to the spreads after the date of this PDS will be published on the Funds website at [www.coolabahcapital.com](http://www.coolabahcapital.com).

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 \$1,000 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;
- Direct Debit & savings plan;
- Authorised signatories;
- Reports;
- Withdrawal cut-off times;
- Withdrawal terms;
- Withdrawal restrictions; and
- Compulsory redemptions,

under the "Investing in the Smarter Money Funds", "Managing your investment" and "Withdrawing your investment" sections before making a 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 Smarter Money Fund - Assisted Investor Class

### Significant benefits

Active management	The investment manager actively selects high quality cash and floating-rate assets with the goal of maximising investors' risk-adjusted returns.
Target return	Targets returns above the average returns of traditional cash products, after management costs – see the Fees and costs section of this PDS for details.
No capped return	No capped or fixed return, such as would be the case with a fixed term deposit.
No fixed term	No fixed term, such as would be the case with a fixed term deposit.
Regular income	Aims to reliably distribute quarterly income.
No withdrawal penalties	You can access your investment anytime without penalties or break costs subject to normal liquidity and spreads.
Fast access	Withdrawals generally available in your bank account after 3 Business Days.

## 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.

### Market risk

This is the risk that an entire market, country or economy (such as Australia) changes in value or becomes more volatile, including the risk that the purchasing power of the currency changes (either through inflation or deflation), potentially causing a reduction in the value of the Fund and increasing its volatility. This may be because, amongst many other things, there are changes in economic, financial, technological, political or legal conditions, natural and manmade disasters, conflicts and changes in market sentiment.

### Investment and credit risk

This is the risk that the value of an individual investment in the Fund may change in value or become more volatile, potentially causing a reduction in the value of the Fund and increasing its volatility. This may be because, amongst many other things, there are changes in government or bank policies, the Investment Manager's operations or management, or business environment, or a change in perceptions of the risk of any investment. Various risks may lead to the issuer of the investment defaulting on its obligations and reducing the value of the investment to which the Fund has an exposure.

### Interest rate risk

This is the risk that changes in interest rates can have a negative impact on certain investment values or returns. Reasons for interest rates changes are many and include variations in inflation, economic activity and Reserve Bank of Australia (RBA) policies. However, interest rate risk with this Fund is reduced because the Fund predominantly invests in cash and floating-rate debt securities and is prohibited from investing in fixed-rate (i.e. not floating-rate) debt securities with a term to maturity of longer than 12 months unless it hedged the interest rate risk.

### Ratings risk

The assets in which the Fund invests may or may not have been assigned credit ratings by independent ratings agencies. A ratings downgrade could significantly reduce the value of an investment and impact the value of the units of the Fund. Credit ratings do not guarantee the credit quality of a security, its underlying assets or its repayment, and may be re-assessed by ratings agencies in a range of circumstances. Ratings agencies can make mistakes. The Investment Manager seeks to minimise this risk by assessing the credit risks inherent in any investments it makes.

### Risk measure

The Investment Manager considers that the 'standard risk measure' for this Fund is a conservative style fund, with a Very Low risk rating, which means that the estimated number of negative annual returns over any 20 year period is less than 0.5. On a scale of 1 to 7 where 7 is riskiest in this respect, the Fund is in category 1.

The standard risk measure is based on industry guidance to allow investors to compare investment options that are expected to deliver a similar number of negative annual returns over any 20 year period. It is not a complete assessment of all forms of investment risk, for instance it does not detail what the size of a negative return could be or the potential for a positive return to be less than an investor may require to meet their objectives. Further, it does not take into account the impact of fees and tax on the likelihood of a negative return.

Investors should still ensure they are comfortable with the risks and potential losses associated with the Fund.

### Further reading...

You should read the important information in the Reference Guide under "Additional information on risks" about the risks 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.

## 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 targets returns above the average returns of traditional cash products after management costs.

More specifically, the Fund targets returns that outperform the Reserve Bank of Australia's (RBA's) cash rate by 1.0% to 2.0% pa after management costs, over a rolling 12 month period.

The investment objective is not intended to be a forecast. It is only an indication of what the investment strategy aims to achieve over a rolling 12 month period. The Fund may not achieve its investment objective. Returns are not guaranteed.

### Benchmark

RBA cash rate plus 1.00% plus management fees (0.66% p.a.)

### Minimum suggested time frame

Greater than 1 year.

### Risk level of the Fund

Low.

### Investor suitability

Those seeking returns above the average of traditional cash products.

### Investment style and approach

Although the Fund is not the same as a bank account, the Fund does have a conservative investment approach:

- all the Fund's debt securities are of an 'investment grade' quality when bought, ('investment grade' normally equates to a Standard & Poor's rating of between BBB- and AAA, or equivalent rating).
- the Fund targets a dollar-weighted average Standard & Poor's 'A' credit rating across its bonds and deposits (or equivalent rating as determined by rating agencies),

- all the Fund's investments are Australian dollar-denominated or fully hedged into Australian dollars (so the Fund has no direct exposure to foreign exchange risk),
- the Fund targets holding all of its money in a range of bank deposits, money market securities and investment-grade floating-rate debt securities. The Fund may also invest in units in an ASX-listed fund or trust that solely invests in Australian-dollar denominated deposits, issued by APRA-regulated, Authorised Deposit-taking Institutions,
- the Fund can invest in bonds issued by Australian incorporated companies (or their wholly-owned subsidiaries) in foreign currencies, subject to hedging the exchange rate risk associated with these bonds back into Australian dollars.
- the Fund does not invest directly in listed or unlisted shares (so the Fund has no direct exposure to the volatility or risks of those markets),
- the Fund does not invest in fixed-rate debt securities with maturities greater than 12 months unless it hedges out the fixed interest rate component (so the Fund does not carry the significant interest rate (or duration) risk associated with these assets) and targets holding interest rate duration risk of less than 3 months,
- the Fund places a maximum limit on its exposure to asset-backed securities and requires these to have a minimum 'A-' credit rating,
- the Investment Manager seeks to limit the Fund's interest rate risk, as defined by changes in capital values resulting from interest rate movements, by investing in short-term deposits and floating-rate debt securities that ensure the Fund's underlying income moves when the RBA's cash rate moves,
- the Fund is not permitted to use leverage or gearing to enhance its returns, and
- the Fund has a very low risk rating under the 'standard risk measure' (see the **Risks** section of this PDS for details).

The Fund also has access to liquidity facilities that allow assets that are classified as "eligible securities" for repurchase by the RBA to be swapped with major Australian and international trading banks in exchange for cash, subject to these banks accepting these assets as part of their own repurchase operations. The Fund targets having at least 30% of its investments in cash and investment-grade assets that are classified as such repurchase eligible securities.

Due to movements in the market or similar events, the guidelines set out above may not be adhered to from time to time. In these circumstances, the Investment Manager will seek to bring the Fund's investments within the guidelines within a reasonable period of time.

### Asset allocation

The Fund is actively managed by the Investment Manager and aims to take advantage of investment opportunities within the Australian cash and fixed-income markets.

Investment in the Fund is not the same as putting your money into a bank account. The Fund invests in cash instruments and investment grade debt securities, including at-call deposits, term deposits, bank bills, money market securities and investment-grade bonds issued by governments, government-owned enterprises, banks and companies. The Fund may also invest in units in an ASX-listed fund or trust that solely invests in Australian-dollar denominated deposits, issued by Authorised Deposit-taking Institutions (ADIs) which are regulated by the Australian Prudential Regulation Authority (APRA). It is also possible that from time to time derivatives may be used to manage the Fund's risks when considered appropriate.

### 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

The investment manager considers that that environment, social and governance (ESG) issues can affect investment performance and other issues including like credit ratings. It considers for example that that ESG issues are not always fully incorporated by credit agencies when rating Australian fixed-income securities. Accordingly, it may take into account ESG issues as part of its active investment process, including with the goal of helping reduce potential credit risks and enhance investment performance. In accordance with its ESG policy, the Investment Manager takes a broad, implicit approach when carrying out this subjective assessment.

The types of ESG that may be taken into account include:

- environmental: weather, pollution and environmental disruption, sustainability, and associated reputational and brand risks,
- social: political stability, human rights issues, privacy and cybersecurity, impact on local communities, health and safety, and associated reputational and brand risks, and
- governance: board composition, risk management track-record, legal and compliance track-record, history of prosecutions, management remuneration, distribution of equity, and associated reputational and brand risks.

### Fund performance

Up to date information on the performance of the Fund can be obtained from [www.coolabahcapital.com](http://www.coolabahcapital.com). A free of charge 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 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
Exit fee	Nil
<b>Management costs</b>	
The fees and costs for managing your investment <sup>1</sup>	<p><b>Management fees:</b> 0.66% p.a. of the NAV of the Fund<sup>2</sup></p> <p><b>Performance fees:</b> 20.5% of the amount by which the Fund's performance exceeds the RBA cash rate plus 1.00% plus management fees 0.66% p.a. (Benchmark). No performance fees are payable until any accrued Fund losses from prior periods has been made up (we call this the high-watermark)<sup>3</sup></p>

<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 0.66% 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 costs shown above do not include extraordinary expenses (if they are incurred in future), including litigation costs and 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 the Sell Spread).

### Performance fees

Performance fees are payable to the Investment Manager where the investment performance of the Fund exceeds the performance of the RBA cash rate plus 1.00% plus management fees 0.66% p.a. (Benchmark). The performance fees are 20.5% of this excess, calculated daily and paid monthly 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 Fund losses 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 \$120 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 and break 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 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 applications 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 nil upon entry and 0.05% upon exit. The dollar value of these costs based on an application or a withdrawal of \$1,000 is \$0 (application) and \$0.50 (withdrawal) for each individual transaction. The Buy/Sell Spread can be altered by the Responsible Entity at any time and any changes to the spreads after the date of this PDS will be published on the Funds website at [www.coolabahcapital.com](http://www.coolabahcapital.com). 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 2019, the total transaction costs for the Fund were estimated to be 0.12% of the NAV of the Fund, of which 29.46% of these transaction costs were recouped via the Buy/Sell Spread, resulting in a net transactional cost to the Fund of 0.08% 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.

## 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 – Smarter Money Fund Assisted Investor Class		
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
Plus Management costs comprising:	0.90% p.a.	And, for every \$50,000 you have in the Fund you will be charged \$450 each year comprising:
Management fees:	0.66% p.a.	\$330
Performance fees:	0.24% p.a.	\$120
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, then you would be charged fees of: \$450* <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.

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 your investment in the Fund.

The performance fees stated in this table shows the actual performance fees for the financial year ended 30 June 2019 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 "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 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.

## 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  
GPO Box 4968  
Sydney NSW 2001

By completing the online application at [www.coolabahcapital.com](http://www.coolabahcapital.com), you can identify yourself and transfer funds with BPAY<sup>®</sup> or electronic funds transfer (EFT) (a reference number will be sent to you).

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.

## 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.

## 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

### Consents

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 and CCII, 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 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");

under the "Other important information" section before making a 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.