

Peters MacGregor Global Fund

# PRODUCT DISCLOSURE STATEMENT

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**14 JUNE 2016**

Peters MacGregor Capital Management Limited  
ABN 77 087 181 600  
AFSL 225984  
APIR WPC0002AU  
mFund PMW01

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## IMPORTANT INFORMATION

This PDS is a summary of significant information about the Peters MacGregor Global Fund (Fund). It also contains references to important additional information, marked with an “!”, which form part of this PDS. You should consider that information before making a decision about the Fund. This PDS has been prepared in accordance with Subdivision 4.2C of Division 4 of Part 7.9 Corporations Regulations.’

The PDS provides a summary of significant information relating to the Fund. This PDS includes references to important additional information contained in the Peters MacGregor Global Fund Additional Information Booklet (Additional Information) which forms part of this PDS. You should consider both information in this PDS and the Additional Information before making a decision to invest in the fund. A reference to both ‘the PDS’ or ‘this PDS’ refers to both the PDS and the Peters MacGregor Global Fund Additional Information Booklet.

The Additional Information about the Fund is available on our website or you can request a copy free of charge. The information contained to the Additional Information may change between the day you receive the PDS and the day you sign the Application Form. You must ensure that you have read the Additional Information current at the date of application.

The information in this PDS is general information only and does not take account of your personal financial situation or needs. You should consult a licensed financial adviser to obtain financial advice tailored to suit your personal circumstances.

Information in this PDS may change. If a change will not be materially adverse to investors, then updated information will be made available by us. Updated information can be obtained by going to our website [www.petersmacgregor.com](http://www.petersmacgregor.com), by calling us, by contacting your licenced financial adviser or by contacting your master trust or wrap account operator (for indirect investors). You may request a paper copy of any undated information at anytime, free of charge.

Investments in the Fund can only be made by someone receiving this PDS (including the electronic version) in Australia and New Zealand. If you’re in possession of this PDS outside of Australia or New Zealand, you should seek advice about restrictions on investing. Failure to comply with relevant restrictions may violate laws.



## 1. About Peters MacGregor Capital Management Limited

The responsible entity and investment manager for the Fund is Peters MacGregor Capital Management Limited, ABN 77 087 181 600, Australian Financial Services Licence Number 225984 (**Peters MacGregor**).

As the responsible entity, we're responsible for the day-to-day management of the Fund and for ensuring that it complies with the Fund's constitution and the law. As the investment manager, we are responsible for selecting and managing the assets of the Fund.

## 2. How the Fund works

The Fund is a registered managed investment scheme structured as an unlisted, open-ended unit trust. When you invest your money in the Fund, your money is pooled together with other people's money. Peters MacGregor uses this pool of money to buy investments and manage them on behalf of all Fund members.

So that you know what your share of the Fund is worth, the total value of the assets in the Fund is divided into "units". We will quote you a price for each unit and will keep a record of the number of units you have bought. The price of units will change from time to time as the market value of assets in the Fund rises or falls. We will be able to provide you with information about the current unit price to help you decide whether to sell your units or buy more. The price of buying and selling units will vary due to the costs of buying and selling the underlying assets in the Fund.

The minimum initial investment is \$10,000 and the minimum additional investment is \$5,000 (although Peters MacGregor may, at its discretion, accept lower amounts) or you can choose to participate in a regular monthly investment plan, the minimum initial investment is \$5,000 and the minimum regular monthly investment is \$200. You can increase your investment at any time by buying more units in the Fund. Generally, you can decrease your investment by redeeming some of your units, although in certain circumstances (such as a freeze on withdrawals) you may have to wait a period of time before you can reduce your investment.

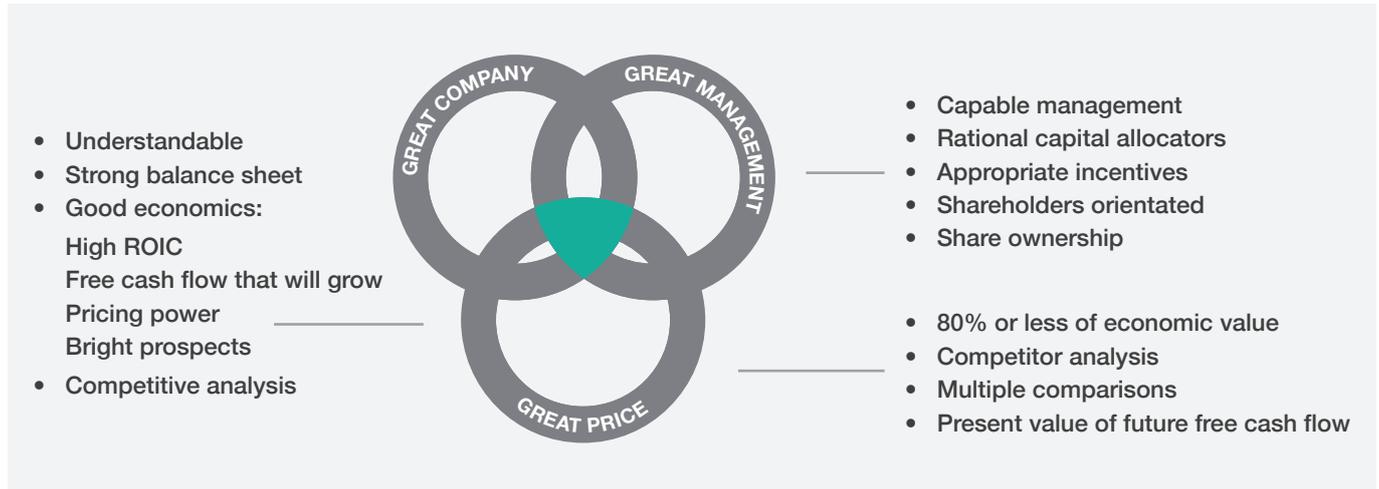
The Fund may distribute income, if any, on an annual basis as at 30 June. It is expected that distributions will generally be paid within 30 days after the end of the relevant distribution period, although the Fund's constitution allows 60 days for the payment of distributions. Income distributions for the Fund are based on the distributable amount per unit determined by Peters MacGregor at the end of the distribution period multiplied by the number of units held on the last day of the distribution period.

**!** You should read the important information about "Completing the Application Form", "Additional investments", "Payment of your application monies" and the "Regular Investment Plan". Along with the information relating to the acquisition and disposal of interests in the Fund before making a decision. For more detailed information on the acquisition and disposal of interests in the Fund, go to section 1 of the "Peters MacGregor Global Fund Additional Information Booklet" document at [www.petersmacgregor.com](http://www.petersmacgregor.com).

The material relating to the acquisition and disposal of interests in the Fund may change between the time when you read this PDS and the day when you sign the application form.

### 3. Benefits of investing in the Fund

- The Fund offers investors an opportunity to invest in a focused portfolio of global securities and cash.
- The investment objective of the Fund is to outperform the MSCI ACWI IMI Net Return (AUD) Index over the long term (five years plus) net of fees, while reducing the risk of permanent capital loss.
- We are value focused and seek to invest in outstanding businesses that are trading at a material discount to assessed valuation.
- Identifying outstanding investments is focused on three key areas, as outlined in the diagram that follows:



**Investing in the Fund offers investors a range of benefits, including:**

- Access to a professionally managed portfolio of global securities;
- Exposure to assets and strategies that would ordinarily be difficult for an individual to invest into;
- Prudent risk management; and
- Periodic investment statements and an annual tax statement to keep you up to date on your investment.

### 4. Risks of managed investment schemes

All investments carry risk. Different investment strategies may carry different levels of risk, depending on the assets that make up the strategy. Assets with the highest long-term returns may also carry the highest level of short-term risk.

It is possible that the Fund may be exposed to the risks described below either directly or indirectly through the underlying investments of the Fund:

**Security specific risk**

Returns are affected by the underlying strength of the cash flows, balance sheets and management (i.e. business) of the entities in which the Fund invests. Specific investments held in the Fund can fall in value for many reasons, such as changes in an entity’s internal operations or management, or in the business environment in which the entity operates. If specific investments held in the Fund fall in value, the value of the units in the Fund will also fall. As the Fund holds a relatively concentrated portfolio of investments, this risk is likely to be higher than when compared with an otherwise similar, however more diversified fund.



## Market risk

The returns from investments are affected by a range of economic factors including changes in interest rates, exchange rates, inflation, general investment market conditions, government policy (including monetary and taxation policy and other laws), fluctuations in general market prices for shares, bonds and other tradeable investments, and the general state of the domestic and world economies. These factors can affect the value of the investments held in the Fund and thus the value of units in the Fund.

## Fund risk

These are risks specific to the Fund. These risks include that the Fund terminates, that the Fund's fees and expenses change, that Peters MacGregor is replaced as responsible entity and/or the investment manager. There is also a risk that investing in the Fund may lead to a different result than investing individually, because of income or capital gains accrued in the Fund, the consequences of investment by and withdrawal of other investors and the deduction of fees.

## Income risk

The level of income generated on the Fund's investments can fall as well as rise and the tax status of such income can change.

## Currency risk

Investment in international markets usually involves currency risk. Currency risk is the potential for adverse movements in exchange rates to reduce the Australian dollar value of international investments. For example, if the Australian dollar falls, the value of international investments expressed in Australian dollars can increase; if the Australian dollar rises, the value of international investments expressed in Australian dollars can decrease.

A significant portion of the investments of the Fund will be denominated in foreign currencies, exposing the Fund to currency risk. As the Fund's investment focus is to achieve returns from the performance of the Fund's investments, rather than fluctuations in foreign currencies, the Fund may enter into forward purchase contracts for foreign exchange to hedge some or all of the Fund's exposure to the fluctuations in foreign exchange rates. It should be noted that in some circumstances forward contracts could be unwound early with adverse consequences.

## Asset risk

Asset risk is the risk that a particular asset or asset class in which the Fund invests may fall in value, which may have an impact on the value of units in the Fund.

## Liquidity risk

Liquidity risk is the risk of being unable to transact in a market for a particular asset within a reasonable period of time. There is also a withdrawal risk where the Fund is deemed to be illiquid (as defined in the Corporations Act), where liquid assets do not account for at least 80% of the value of scheme property. If the Fund is illiquid, investors do not have an automatic right to request a withdrawal. This may also apply to any underlying fund into which the Fund invests.

## Credit risk

Credit risk is the risk that an issuer of securities or the counterparty to a foreign exchange transaction may not meet its obligations to pay interest and repay capital or satisfy other financial obligations in full and/or on time.

The Fund may invest in forward purchase contracts for foreign exchange to hedge some or all of the Fund's exposure to fluctuations in foreign exchange rates. As a result, the Fund may be exposed to credit risk. In addition, the Fund may, through its investment in other

Funds, have indirect exposure to credit risk. Credit risk may affect the value of the Fund's investments, the income of the Fund and the value of units in the Fund. While risks can be managed, they cannot be eliminated. It is important to understand that:

- The value of investments will vary;
- The level of returns will vary, and future returns may differ from past returns;
- Returns are not guaranteed, and members may lose some of their money; and
- Laws affecting registered managed investment schemes may change in the future.

The appropriate level of risk for you will depend on a range of factors, including your age, investment time frame, where other parts of your wealth are invested and your risk tolerance.

## 5. How we invest your money

Set out below is a summary of the key features of the Fund that you should consider before investing in the Fund.

<b>PETERS MACGREGOR GLOBAL FUND</b>	
<b>Investment Strategy</b>	The Fund invests in a concentrated and benchmark unaware portfolio of global equities that meet the firm's strict investment criteria, employing a contrarian approach. The Fund can hold up to 30% of its assets in cash in the absence of there being enough ideas that meet the Fund's criteria, in order to preserve capital. The Fund takes a long term and patient approach with low turnover, when compared with similar funds.
<b>Investment style</b>	Value and bottom up.
<b>Objective</b>	The investment objective of the Fund is to outperform the MSCI ACWI IMI Net Return (AUD) Index over the long term (five years plus) net of fees, while reducing the risk of permanent capital loss.
<b>Performance Benchmark</b>	Unaware
<b>Asset classes and allocation ranges<sup>1</sup></b>	Global securities ..... 70% – 100% Cash <sup>2</sup> ..... 0% – 30%  Peters MacGregor will publish Fund updates on its website at <a href="http://www.petersmacgregor.com">www.petersmacgregor.com</a>
<b>Minimum recommended investment time frame</b>	5+ years <sup>3</sup>
<b>Risk level</b>	The Fund is considered to be a Medium to High risk investment.
<b>Changes to the Fund</b>	We may make changes to the Fund from time to time, including amending the asset classes into which the Fund invests or the strategic asset allocations and geographic coverage of the Fund. We will notify you of any material changes to the Fund.
<b>Labour standards or environmental, social or ethical considerations</b>	While Peters MacGregor intends to conduct their affairs in an ethical and sound manner, the investment criteria of the Fund does not include giving additional weight to labour standards, environmental, social or ethical considerations when making or realising an investment of the Fund.

### Footnotes:

- 1 The actual investment mix can change significantly and quickly as markets move, and occasionally we may move outside a specified range by up to 10% of net asset value and at times exposures may remain outside their range, for example where risk is being reduced or to plan for upcoming redemptions or distributions.
- 2 Includes cash equivalents such as other investment grade interest bearing securities.
- 3 The minimum recommended investment time frame, capital growth potential and income potential are indicative only. Peters MacGregor, its officers, employees and agents do not guarantee the repayment of capital invested in the Fund, any particular rate of capital growth or income, or the fulfilment of the investment objective of the Fund. You should discuss any proposed investment with your financial adviser to ensure it is suitable.

**!** You should read the important information about the Fund before making a decision. Go to section 2 of the “Peters MacGregor Global Fund Additional Information Booklet” document at [www.petersmacgregor.com](http://www.petersmacgregor.com).

The material relating to the Fund may change between the time when you read this PDS and the day when you sign the Application Form.



## 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 fund 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 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 investment fee calculator to help you check out different fee options. The calculator can also be used to calculate the effects of fees and costs on your investment.

### 6.1 Fees and other costs table

This section provides a summary of the main fees and costs that you may be charged in relation to an investment in the Fund. Information in the fee table can be used to compare costs between different simple managed investment schemes.

The fees and costs charged by the Fund may be paid directly from your account, deducted from investment returns or from the Fund assets as a whole. It is our intention to pay such amounts from the Fund's assets.

TYPE OF FEE OR COST	AMOUNT <sup>1</sup>
<b>Fees when your money moves in or out of the Fund<sup>2</sup></b>	
<b>Establishment fee</b> The fee to open your investment	Nil
<b>Contribution fee</b> The fee on each amount contributed to your investment	Nil
<b>Withdrawal fee</b> The fee on each amount you take out of your investment	Nil
<b>Termination fee</b> The fee to close your investment	Nil
<b>Management costs<sup>2</sup></b>	
<b>The fees and costs for managing your investment</b>	Estimated to be 1.35% <sup>2</sup> p.a. of your balance within the Fund, or \$675 for every \$50,000 you have in the Fund.

#### Footnotes:

- <sup>1</sup> The Fund also has a buy/sell spread. While not strictly a fee, this is a cost that is passed on to you when you acquire or dispose of units in the Fund.
- <sup>2</sup> Further details of management costs are set out below. In addition, the amount of this fee may be negotiated, see "Negotiable fees" in "Additional information about fees and costs" below.
- <sup>3</sup> Additional fees may be payable by you if a financial adviser is consulted, or to the licensed broker or financial advisor who uses a stockbroking service on your behalf for using mFund. For more detail, refer to the "Additional Information Booklet" and the Statement of Advice (if any) provided to you by your financial adviser.

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

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

<b>EXAMPLE<sup>3</sup></b>		<b>BALANCE OF \$50,000 WITH A CONTRIBUTION OF \$5,000 DURING THE YEAR</b>
<b>Contribution fees</b>	Nil	For every \$5,000 you put in <sup>1</sup> , you will not be charged a contribution fee
<b>Plus Management costs</b>	1.35 <sup>2</sup> %	And for every \$50,000 you have in the fund, you will be charged \$675 each year <sup>2</sup>
<b>Equals Cost of fund</b>		<p>If you had an investment of \$50,000 at the beginning of the year and you put in an additional \$5,000 during that year, you would be charged fees of \$675</p> <p><b>What it costs you will depend on the fees you negotiate with the Fund or your financial adviser</b></p>

### Footnotes:

- 1 We have assumed that the \$5,000 contribution occurs on the last day of the year.
- 2 The management costs figure has been calculated by reference to:
  - a. the base fee of 1.35%;
  - b. expense recoveries excluding costs and expenses we consider to be of an extraordinary or abnormal nature.
- 3 In this example, the amount held in the Fund has not been adjusted to take account of variable unit pricing of the Fund. Investors should note that their investment balance and the value of the Fund will vary daily, and that the actual fees charged will be based on the value of the Fund, and will vary as the value of the Fund changes.

### Important notes for investors:

All costs above are:

- (a) Calculated by reference to the net asset value of the Fund; and
- (b) Rounded to two decimal places

## 6.3 Additional information about fees and costs

Fee changes

Under the Fund's constitution, Peters MacGregor has the power to waive, defer or reduce fees at its discretion without notice, but importantly is not able to increase fees beyond the maximum amount provided in the Fund's constitution without seeking approval of investors by special resolution at a meeting. Peters MacGregor will provide 30 days' notice of any future fee increases.

**!** You should read the important information about fees and costs before making a decision. Go to section 3 of the "Peters MacGregor Global Fund Additional Information Booklet" document at [www.petersmacgregor.com](http://www.petersmacgregor.com). The material relating to fees and costs may change between the time when you read this PDS and the day when you sign the application form.

## 7. How managed investment schemes are taxed

Your investment in a managed investment scheme is likely to have tax consequences, which in general will occur on an annual basis even if you do not change your investment. Managed investment schemes do not pay tax on behalf of members, and as a member you will be assessed for tax on any income and capital gains generated by the scheme. As tax matters for managed investment schemes are complicated, you are strongly advised to seek your own professional tax advice.

**!** You should read the important information about taxation matters relating to registered managed investment schemes before making a decision. Go to section 4 of the "Peters MacGregor Global Fund Additional Information Booklet" document at [www.petersmacgregor.com](http://www.petersmacgregor.com). The material relating to taxation matters relating to registered managed investment schemes may change between the time when you read this PDS and the day when you sign the Application Form.

## 8. How to apply

1. Read this PDS together with the “Additional Information Booklet” referred to throughout.
2. Complete the Application Form accompanying this PDS and send to the address provided on the Application Form.
3. To participate in a “Regular Investment Plan”, please complete the relevant section of the Application Form, along with ‘a Regular Investment Plan Form to establish’ an authority to direct debit the contributions from your nominated bank account. Direct debits will be processed on the 19th of each month. When the 19th falls on a non-Business Day, money will be debited from your account on the next Business Day. Units will be applied upon the clearing of the direct debits (three business days from the date of debit).

or;

4. Ask your licensed broker to apply for units in the fund via mFund. In this situation, you will need to provide the application money in relation to your application to your licensed broker. MFunds Settlement Service (“mFund”) operated by the ASX (mFund code: PMW01).

### Applying for Units

Investors can acquire units by completing an Application Form or by making an application through the mFund settlement service (“mFund”) by placing a buy order for the units with your licensed broker. The minimum investment amount of the Fund is \$10,000.

### mFund

Peters MacGregor is a member of the mFund settlement service which is operated by the ASX. Whilst the Fund is admitted as an mFund product under the ASX Settlement Operating Rules, investors will be able to buy and redeem units via mFund. Your licensed broker will process buy and redemption orders through CHESS. CHESS will confirm the order with your licensed broker once received and accepted by Peters MacGregor. Applications for units received by Peters MacGregor will be forwarded by CHESS to your licensed broker for your payment to be passed through the CHESS daily settlement process. We will price and allot new units in the Fund to your CHESS Holder Identification Number. CHESS will notify your licensed broker of the unit price and units allotted.

### Complaints Process and Cooling Off period

Retail investors can request in writing to have their investment in the Fund cancelled within the 14-day cooling off period under the Corporations Act. The cooling-off period begins when you receive a transaction confirmation or five days after the units are issued, whichever is earlier. If you cancel your investment, you may not receive the same amount that was invested due to negative market movements and applicable transaction costs. There is no cooling-off period with respect to units issued under the distribution reinvestment plan.

If you feel we are not dealing with you, as you would like, you can make a complaint to us. Our mailing address is on the back cover. Persons investing through an Administration Service should consult the operator of that Administration Service regarding applications and the cooling-off rights (if any) that may apply to their investment through the Administration Service.

**!** You should read the important information about complaints and dispute resolution before making a decision. Go to section 5 of the “Peters MacGregor Global Fund Additional Information Booklet” document at [www.petersmacgregor.com](http://www.petersmacgregor.com).

The material relating to complaints and dispute resolution may change between the time when you read this PDS and the day when you sign the Application Form.

