

# Spaceship Universe Portfolio

## Product Disclosure Statement

21 September 2018

The issuer and responsible entity is:

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## Important information

This Product Disclosure Statement (**PDS**) is a summary of significant information you'll need to consider when making a decision about the Spaceship Universe Portfolio ARSN 623 321 022 (**Fund**). It contains a number of references to additional important information contained in the Spaceship Voyager Additional Information Document, which forms part of this PDS (together, **Disclosure Documents**).

The information in this PDS is general information only. It does not take into account your personal circumstances, financial situation or needs.

Before making a decision about the Fund, you should consider the Disclosure Documents and obtain financial advice tailored to your personal circumstances.

The Fund is a fully digital investment product. By making an application, you agree to receive communications in digital form only (including via email or your Spaceship customer account with a copy of, or hyperlink to, the relevant communication).

This offer is only open to persons who are Australian residents for tax purposes and who have an Australian residential address. All monetary amounts referred to in this PDS are in Australian dollars.

Information in this PDS may change from time to time. Where a change is not materially adverse to investors, it may be updated via our website and can be found anytime by visiting [spaceshipinvest.com.au](https://spaceshipinvest.com.au). You can ask us to provide a link to a digital copy of any updated information, which we'll do free of charge - just email us at [help@spaceshipinvest.com.au](mailto:help@spaceshipinvest.com.au).

A reference in this PDS to '**Business Day**' means a day (other than a Saturday, Sunday or public holiday) on which banks are open for general banking business in Sydney.

Neither Spaceship Capital Limited (**Spaceship Capital, we, us, our**), nor its related entities, directors, officers or service providers for the Fund, guarantee the performance of the Fund, the repayment of capital from the Fund or any particular rate of return.



## Summary of key information

Topic	Summary	Page
1 <b>About Spaceship Capital</b>	Spaceship Capital is the responsible entity of the Fund and the issuer of this PDS.	2
2 <b>How the Fund works</b>	The Fund is a registered managed investment scheme and structured as a unit trust. When you invest, you get units in the Fund.	2
3 <b>Benefits of investing in the Fund</b>	Key benefits include investing where the world is going, transparency and low barriers to get started.	3
4 <b>Risks of managed investment schemes</b>	All investments carry risk. The key risks to consider when investing in the Fund include: <ul style="list-style-type: none"><li>• investment objective risk;</li><li>• market risk;</li><li>• sector concentration risk;</li><li>• country risk;</li><li>• foreign currency risk;</li><li>• counterparty or default risk;</li><li>• regulatory change risk;</li><li>• inflation risk;</li><li>• interest rate risk; and</li><li>• liquidity risk.</li></ul>	4
5 <b>How we invest your money</b>	The Fund aims to replicate its reference indices to gain exposure to companies listed on the Australian Stock Exchange ( <b>ASX</b> ) and on overseas stock exchanges, which Spaceship Capital has identified in accordance with its Where the World is Going ( <b>WWG</b> ) rating as having sustainable competitive advantages.	4
6 <b>Fees and costs</b>	You'll pay management fees of 0.10% per year of your investment balance, but only on your investment balance over \$5,000.  You won't pay any other fees, including withdrawal fees. And, there are no other charges paid by the Fund, such as transaction and operational costs. Costs charged by others, such as audit, banking, brokerage and market data, are paid by us.	5
7 <b>How managed investment schemes are taxed</b>	Investing in the Fund is likely to have tax consequences, so you should seek professional tax advice. Spaceship Capital provides an annual summary of the distributions made to you during the financial year, as well as the relevant taxation information required to complete your Australian tax return.	7
8 <b>How to apply</b>	You can invest or withdraw your investment in the Fund by submitting a request electronically through your Spaceship customer account. There is no minimum investment in the Fund.	7
9 <b>Other information</b>	The Additional Information Document contains other additional information that you should read before making a decision about the Fund.	7



## 1. About Spaceship Capital

Spaceship Capital is the responsible entity of the Fund, and the issuer of units in the Fund. We are responsible for the operation, investment decisions, management and administration of the Fund.

Our obligations are governed by the Fund's constitution (**Constitution**), the *Corporations Act 2001* (Cth) (**Corporations Act**), general trust law and other relevant laws.

## 2. How the Fund works

### A registered managed investment scheme and unit trust

The Fund is a unit trust registered under the Corporations Act as a managed investment scheme.

When you invest in the Fund, your money is pooled together with other investors' money and invested in the manner described in section 5.

### When you invest you'll get units in the Fund

As an investor, you acquire units in the Fund. A unit represents a proportionate beneficial interest in the Fund's assets as a whole (but not to any particular assets). You can increase your investment by acquiring units in the Fund, or decrease your investment by withdrawing your investment and therefore redeeming units in the Fund.

### How units are valued

The unit price (or value of each unit), at any time, is determined by dividing the Fund's net asset value by the number of units on issue in the Fund at that time. Units are usually valued each Business Day. The unit price will vary as the market value of shares in the Fund rises or falls.

### Making an investment in the Fund

You can make an initial investment in the Fund by opening a Spaceship customer account, successfully completing the application process to our satisfaction (including providing any identification document we ask you to provide) and paying your application funds to us. There is no minimum initial investment in the Fund.

After you successfully complete the application process to our satisfaction and we receive your cleared funds, units will be issued to you on the Business Day after we receive your cleared funds and you will become an investor in the Fund.

You can make additional investments on an ad-hoc basis, or establish a regular investment plan, at any time through your Spaceship customer account. No minimum amount applies to additional investments. Units will be issued to you on the Business Day after we receive your cleared funds.

We may delegate some of our functions (including custody or investment management) to third parties. We have appointed a custodian to hold Fund assets (the custodian is the legal owner of the assets, but not the beneficial owner). The custodian may provide other services (including services relating to trade and transaction settlement, corporate action reporting and administration, proxy voting, income and distribution processing and cash management).

The number of units issued to you is based on the amount you invest divided by the unit price on the Business Day we receive your cleared funds.

We can accept or reject an application for an investment in the Fund at our discretion. See section 8 for more details on how to apply.

### Withdrawing your investment from the Fund

You can ask to withdraw all or part of your investment in the Fund at any time by making a request to withdraw a specified amount through your Spaceship customer account, but it will only be processed on a Business Day. No minimum amount applies to withdrawals.

Withdrawing your investment involves redeeming (or exchanging) your units for the amount you've asked to withdraw. The number of units redeemed is based on the amount you've asked to withdraw divided by the unit price on the Business Day on which your withdrawal request is processed.

Withdrawal amounts will usually be paid to you within 5 Business Days after we receive your withdrawal request. Before paying the withdrawal amount to you, we may deduct from the withdrawal amount any money you owe us in relation to your investment.

Withdrawing your investment and redeeming units could make you liable for tax on any gain (see section 7).

We may suspend or delay withdrawals in certain circumstances in accordance with the Constitution (including where the Fund is illiquid).

### Distributions

We generally calculate distributions annually on 30 June each year, and pay distributions within 90 days of that date. We may change the timing of distributions, or whether one will be paid for a particular year, at our discretion.

Distributions will generally include income earned from holding and disposing of the Fund's assets during the year, taking into account taxable gains and losses. This is divided by the total number of units of the Fund on issue at the end of the day the distribution is calculated to determine the income per unit. All income distributions are paid in Australian dollars.



*You should read the important additional information about investing in and withdrawing your investment from the Fund before making a decision. Go to section 1 of the Additional Information Document. This material relating to investing in and withdrawing your investment from the Fund may change between the time when you read this PDS and the day you acquire the product.*

## 3. Benefits of investing in the Fund

### Significant features

The Fund aims to provide investment returns that (before fees and taxes) track the performance of the following reference indices. These indices have been formulated by Spaceship Capital Index Solutions (SCIS), a business unit of Spaceship Capital, and will be reviewed every three months.

- **SCIS Australia WWG Index:** is a rules based, market weighted index of ASX listed companies, which are actively selected by SCIS. The target weighting for each company within the index is subject to a maximum weighting of 2.50%. We apply our WWG methodology to identify what we believe to be high quality, differentiated and defensible businesses for the portfolio. In Australia, the WWG methodology reduces your exposure to cyclical companies like mining and banking, and increases your exposure to technology and healthcare.
- **SCIS Global WWG Index:** is a rules based, market weighted index of companies listed on overseas stock exchanges, which are actively selected by SCIS. The target weighting for each company within the index is subject to a maximum weighting of 2.50%. We apply our WWG methodology to identify what we believe to be high quality, differentiated and defensible businesses for the portfolio. It excludes companies listed in Australia.

#### Each a Reference Index.

Each Reference Index is subject to eligibility and investability requirements, including minimum trading liquidity levels and access to the relevant stock market (i.e. whether shares in a company are available for purchase by us).

The Fund aims to replicate the Reference Indices by investing directly in each of the companies that comprise the indices - it does this by acquiring listed shares in each company. The Fund does not invest in listed investment companies (LICs) or exchange traded funds (ETFs).

When a Reference Index is rebalanced, the exposure to each company in the Reference Index reflects its target weighting. Between reviews, the weightings will fluctuate due to changes in the market value of the shares (so the Fund will sometimes hold shares in weightings which differ from target weightings in the Reference Index).

We maintain the ability to:

- hold a smaller or larger number (and therefore weighting) of shares in any of the companies; or
- hold shares in more or less than the target number of holdings (i.e. we may hold shares in more or less than 50 companies in each Reference Index).

This may be due to a market event, such as a merger, acquisition, demerger or privatisation. In addition, the Fund may hold shares in companies that have been removed from, or are expected to be included in, the Reference Index around the index review period.

### Spaceship Where the World is Going rating

The companies that make up the Reference Indices are actively selected by SCIS, who applies an internal methodology that evaluates, amongst other factors, a company's competitive advantage, management and risk of disruption from technology. This methodology is termed our "Where the World is Going" or WWG methodology.

*You should read the important additional information about our Where the World is Going rating before making a decision. Go to section 2 of the Additional Information Document. This material relating to our Where the World is Going rating may change between the time when you read this PDS and the day you acquire the product*

### Key benefits

The key benefits of investing in the Fund include:

- **Investing where the world is going:** we believe that our investment philosophy adds value to a traditional index investing approach.
- **Transparency of holdings:** we provide you with transparency in respect of portfolio holdings in the Fund, which you can view through your Spaceship customer account. The portfolio of assets in the Fund is also available at [spaceshipinvest.com.au](https://spaceshipinvest.com.au).
- **Simple, low fees:** we've kept it simple by charging one low management fee and no other fees. Refer to section 6 for further details.
- **Low barriers to get started:** no minimum investment amount and competitive fees lower the barriers to get started, so you can start building wealth today.



## 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 have the highest levels of short-term risk.

The level of risk you are willing to accept will depend on a range of factors, including your investment time frame and your personal circumstances (such as your age, objectives, financial situation and needs, your other investments and your individual risk tolerance). Obtaining professional advice can help you decide whether an investment in the Fund is right for you.

The significant risks of investing in the Fund include, but are not limited to:

- **Investment objective risk:** the risk that the Fund's investment objective will not be achieved or earn any positive return in the short or long-term.
- **Market risk:** the risk of negative returns resulting from unfavourable investment market conditions. Unit values reflect the market value of the assets of the Fund and consequently may rise and fall in line with market variations.
- **Sector concentration risk:** the risk of negative returns where the Fund has concentrated exposure to a particular sector that is heavily affected by an adverse event. Aligning with its WWG investment philosophy, the Fund will typically have concentrated exposure to the technology sector.
- **Country risk:** there is a risk that a country where assets in which the Fund invests are located could become politically or economically unstable. This may prevent assets (such as shares) being sold or the proceeds being repatriated to Australia. This risk is generally higher in countries classified as emerging markets.
- **Foreign currency risk:** investing in companies listed on overseas stock exchanges exposes the Fund to the risk of losses related to investments exposed to foreign exchange rate movements. The Fund does not use currency hedging to manage

the impact of this risk. Movements in exchange rates between the Australian dollar and foreign currencies can affect the performance of the Fund as it has exposure to international investments. When foreign currencies fall in value relative to the Australian dollar, this can have an adverse impact on investment returns for the Fund.

- **Counterparty or default risk:** the risk that a person with whom Spaceship contracts in relation to the Fund, such as a broker, fails to meet its contractual obligations, resulting in losses.
- **Regulatory change risk:** the value of the investments held by the Fund may be affected by changes to laws in Australia or overseas.
- **Inflation risk:** changes in inflation may impact the value of your investment in the Fund as inflation reduces the purchasing power of assets or income over time.
- **Interest rate risk:** the risk of investment losses resulting from an increase in interest rates.
- **Liquidity risk:** the risk that investments may not be able to be converted into cash on a timely basis with little or no loss of capital. During extreme market volatility, Spaceship Capital may choose to suspend redemptions and defer payments for a period of time to protect investors.
- **General risks:** other risks of investing in managed investment schemes include the value of investments will vary and future returns may differ from past returns, returns are not guaranteed, and investors may lose some of their money.

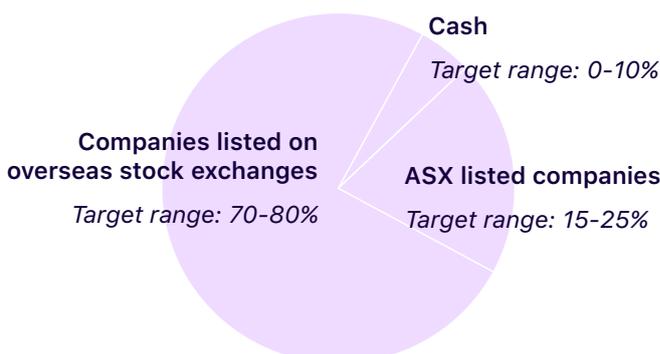
*You should read the important additional information about the risks of investing in the Fund before making a decision. Go to section 3 of the Additional Information Document. This material relating to the risks of investing in the Fund may change between the time you read this PDS and the day you acquire the product.*

## 5. How we invest your money

When deciding whether to invest in the Fund, you should consider the likely investment return, the risk and your investment timeframe.

### Asset classes and allocation

The Fund's asset allocation is made up of shares in companies listed on the ASX or overseas stock exchanges, with an allowance for cash to efficiently manage the Fund to minimise trading costs. The Fund does not invest in ETFs or LICs.





## Investment profile

Investment objective	To provide investment returns that (before fees and taxes) track the performance of the Reference Indices.
Investment strategy	High-growth investment strategy to invest in companies listed on the ASX or on overseas stock exchanges, which are assessed by SCIS as having a high WWG rating. We believe that a company with a high WWG rating indicates that the company has sustainable competitive advantages.
Minimum suggested timeframe for holding investment	5 years
Suitable investor profile	The Fund is designed for investors seeking potential capital growth.
Risk profile	High - the potential for higher returns in the long-term than lower risk investments, however the potential for greater returns is generally associated with higher risk and volatility.
Changes to the Fund's investment objective and strategy	The Fund's investment objective and strategy can be changed without notice in some cases. Investors will be informed of any material change to the Fund as required by law.

## Ethical considerations

The Fund does not take into account labour standards or environmental, social or ethical considerations in the selection, retention or realisation of its investments.

## Proxy voting

We intend to vote all proxies in accordance with the best interest of investors and with our Proxy Voting Policy.

## Securities lending

The Fund does not engage in securities lending.

## Derivatives

The Fund does not invest in derivatives or undertake any hedging activities.

## Borrowings

The Fund does not engage in borrowings.

*You should read the important additional information about how we invest your money before making a decision. Go to section 4 of the Additional Information Document. This material relating to how we invest your money may change between the time when you read this PDS and the day you acquire the product.*

## 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 administration fees. 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** website ([moneysmart.gov.au](http://moneysmart.gov.au)) has a managed investment fee calculator to help you check out different fee options.



The table below shows fees and other costs that you may be charged. These fees and costs may be deducted from your money, from the returns on your investment or from the assets of the Fund as a whole.

Information about how managed investment schemes are taxed is set out in section 7. You should read all the information about fees and costs because it is important to understand their impact on your investment.

Type of fee or cost	Amount
<b>Fees when your money moves in or out of the Fund</b>	
Establishment fee	Nil
Contribution fee	Nil
Withdrawal fee	Nil
Termination fee	Nil
<b>Management costs</b>	
The fees and costs for managing your investment	Nil for balances of \$5,000 or less. 0.10% per year of investment balances over \$5,000.

## Example of annual fees and costs for the Fund

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

### Example of a Spaceship Universe Portfolio investment with a balance of \$50,000 and a contribution of \$5,000 during the year

<b>Contribution fee</b>	Nil	For every additional \$5,000 you put in, you will be charged \$0.
<b>Plus management costs</b>	Nil for the first \$5,000. 0.10% per year on the \$45,000 (of the balance of \$50,000).	<b>And</b> , for the initial \$50,000 you have in the Fund you will be charged \$45 <sup>†</sup> each year because: <ul style="list-style-type: none"> <li>no management costs payable for the first \$5,000; and</li> <li>a management cost of \$45<sup>†</sup> is payable for the remaining \$45,000.</li> </ul>
<b>Equals cost of Fund</b>		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 \$45.*

<sup>†</sup> Management costs are inclusive of the estimated net effect of Goods and Services Tax (GST) (i.e. inclusive of GST less any reduced input tax credits).

\* This example assumes the \$50,000 is invested for the entire year and the \$5,000 investment occurs on the last day of the year.

### Fee changes

We can change the amount of the fees without your consent. You will be given notice of any changes to fees in accordance with the Corporations Act (for example, where there is an increase in fees or charges, you'll be notified at least 30 days before the increase takes effect).

### Fee calculators

ASIC provides a fee calculator on its MoneySmart website ([moneysmart.gov.au](http://moneysmart.gov.au)) which can be used to calculate the effect of fees and costs on your investment in the Fund.



*You should read the important additional information about fees and costs before making a decision. Go to section 5 of the Additional Information Document. This material relating to fees and costs may change between the time you read this PDS and the day you acquire the product.*

## 7. How managed investment schemes are taxed

Investing in a registered managed investment scheme is likely to have tax consequences. We strongly advise that you seek professional taxation advice before investing in the Fund.

The Fund does not pay tax on your behalf. You will be assessed for tax on your share of the Fund's net income and net capital gains that is attributed to you. Tax laws, and the interpretation and administration of them can change over time.

Spaceship Capital provides an annual summary of the distributions made to you during the financial year, as well as the relevant taxation information required to complete your Australian tax return.

*You should read the important additional information about tax before making a decision. Go to section 6 of the Additional Information Document. This material relating to tax may change between the time you read this PDS and the day you acquire the product.*

## 8. How to apply

After you've read the Disclosure Documents, go to [spaceshipinvest.com.au](https://spaceshipinvest.com.au) to create a Spaceship customer account, and complete and submit your application via your Spaceship customer account.

You can only apply if you're an Australian resident for tax purposes and you have an Australian residential address.

Your investment account will only be established after you've successfully completed the application process to our satisfaction.

### Cooling-off period

You can change your mind about your investment in the Fund and exercise your right to cancel your investment by telling us in writing. You can exercise your right to do so during a 14 day cooling-off period, which commences on the earlier of confirmation of your investment or 5 days after your units are issued to you. The amount refunded will reflect any change in unit price and taxation. It may be less than the amount you initially invested.

## Complaints

We want you to have to have a good experience when investing with us. If you are dissatisfied or have a complaint about your investment in the Fund, please contact us at [help@spaceshipinvest.com.au](mailto:help@spaceshipinvest.com.au) or **1300 049 532**.

We'll acknowledge your complaint within 2 Business Days and aim to consider and resolve your complaint within 45 days.

If you are not satisfied with our response, you can seek assistance from the Financial Ombudsman Service (FOS) (an independent and free dispute resolution scheme). Before FOS can investigate the matter, you must have first given us the opportunity to review it.

### Financial Ombudsman Service

**Telephone:** 1800 367 287 (free call)

**Email:** [info@fos.org.au](mailto:info@fos.org.au)

**Post:** GPO Box 3 Melbourne VIC 3001

## 9. Other information

*Before you make a decision about this product, you should read the important additional information about requesting information from us, telling us when your details change, how we keep you updated (i.e. transaction confirmation and reporting), our privacy statement, requirements relating to your foreign tax residency status, what we need to know and understand about you (including under anti-money laundering laws), when we may suspend your investment account or refuse to process a transaction, the Constitution, and how we meet our obligations in respect of the Fund (i.e. our compliance plan).*

*It also contains information about your rights and liability under the Constitution and investor meetings, your liability, what happens if the Fund terminates, financial information we'll give you about the Fund and what happens if the Fund terminates, changes to the Fund and employee investing. Go to section 7 of the Additional Information document. This material may change between the time you read this PDS and the day you acquire the product.*