

OC Premium Small Companies Fund

Product Disclosure Statement | Date of issue 14 October 2021

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This Product Disclosure Statement (PDS) is issued by Copia Investment Partners Ltd (ABN 22 092 872 056, AFSL 229316) (Copia, we, our or us), as the responsible entity (RE) of the OC Premium Small Companies Fund (ARSN 098 644 976, APIR OPS002AU) (Fund).

This PDS provides a summary of significant information about the OC Premium Small Companies Fund together with references to additional important information about the Fund available at ocfunds.com.au or by contacting Copia on 1800 442 129 or via email at clientservices@copiapartners.com.au.

References to additional information are highlighted with an asterisk (*). It is important that you read this PDS and the additional information (which forms part of this PDS) before making a decision about the Fund.

The information in this PDS is general information only and does not take into account your personal financial situation or needs. You should obtain financial advice tailored to your personal circumstances.

Information in this PDS may change. Any update to information that is not material will be provided at ocfunds.com.au. Please check the website or contact Copia or your financial adviser for any updates prior to investing. A paper copy of any update will be provided free of charge on request.

Contact us

Head office

Copia Investment Partners
Level 25, 360 Collins Street
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P 1800 442 129 (*free call*)
E clientservices@copiapartners.com.au

copiapartners.com.au

1. About Copia

Copia holds Australian Financial Services Licence (AFSL) number 229316 and is the RE of the OC Premium Small Companies Fund. Its role includes holding Fund assets on trust for investors and investing assets in accordance with the Fund's constitution (constitution) and any applicable laws. As RE, Copia's responsibilities and obligations are governed by the Fund's constitution, the Corporations Act 2001 and general trust law.

Copia has appointed OC Funds Management Pty Ltd (OC or the IM) as the investment manager of the Fund.

About the investment manager

Established in 2000, OC Funds Management Pty Ltd (ABN 29 377 531 171) is a boutique small and micro-cap Australian equities manager.

Led by Robert Frost, the long-standing and well-resourced team comprises four specialist small and micro-cap investors who together combine over 40 years of investment management experience.

2. How the Fund works

The Fund is a managed investment scheme in which funds subscribed by individual investors are pooled to buy assets on behalf of all investors in the Fund. Assets are selected and managed by a professional investment management team (*refer to the website at ocfunds.com.au).

The Fund is established under a constitution, which sets out your rights, as well as the powers and responsibilities of Copia. You can obtain a free copy of the constitution by contacting us.

Investors are issued units which entitle them to a proportionate interest in the income and assets of the Fund. Investors do not have an entitlement to any particular asset of the Fund. The Fund's assets are valued in accordance with the Fund's constitution based on market values. Unit prices will vary as the market value of the Fund's assets rises and falls.

A unit price is calculated each business day by dividing the Fund's net asset value (NAV) by the number of units on issue. An allowance for transaction costs incurred in buying and selling Fund assets may be added to or subtracted from the Fund's unit price to determine an application price and a withdrawal price. The difference between the application price and the withdrawal price is known as the buy/sell spread (see 'Fees and costs' for more information).

When you invest in the Fund, you will be issued a number of units calculated by reference to the applicable unit application price.

When you withdraw from the Fund, your units will be withdrawn at the applicable unit withdrawal price.

The most recent unit prices are available at <https://www.ocfunds.com.au/funds/oc-premium-small-companies/#price>.

Making an investment in the Fund

To invest in the Fund, complete the form at the back of this PDS titled *OC Premium Small Companies Fund Application Form*. See 'How to apply' for more information.

Applications can be made between 9am and 5pm on any business day. However, for unit pricing purposes, any applications we receive after 2pm Melbourne time, on a business day, we will generally treat as though we received them on the following business day. You can make payment by EFT, direct-debit or cheque. Personal cheques should be made payable to: National Nominees Ltd Office Clearing Account Copia Application Account.

Cheques must clear before we issue units. Copia reserves the right to reject an application.

A copy of the *OC Premium Small Companies Fund Application Form* is attached to this document. You can add to your investment at any time by submitting an Additional Investment Form. Additional Investment Forms are available

at ocfunds.com.au or by calling Copia on 1800 442 129.

Investments and withdrawals

You can make investments and withdrawals at any time based on the following requirements (which we may change at our discretion):

Initial investment	\$20,000
Additional investment	\$5,000
Withdrawals	\$5,000
Switches	\$5,000
Minimum account balance	\$20,000

Copia is entitled to retain any interest earned on the application money before it is paid into the Fund.

Making a withdrawal from the Fund

You can withdraw all or part of your investment by completing a *Withdrawal Request Form* and returning it to us via post, fax or mail. A *Withdrawal Request Form* can be obtained by contacting Copia.

We must receive withdrawal requests by 2pm Melbourne time for same-day processing. If we receive a withdrawal request after 2pm, we will generally treat it as being received on the following business day. We usually pay withdrawal proceeds directly to your nominated bank account within five business days of receiving a withdrawal request.

Restrictions on withdrawals

We may suspend withdrawals for a period of 60 days from the day on which units would have been withdrawn.

Where we consider it desirable for the protection of the Fund or in the best interests of investors, we may suspend the withdrawal of units in the Fund for the duration of an event or circumstance where the pricing of the underlying assets of the Fund is not possible.

Transfers and switching

You can also transfer your units in the Fund to another person or switch from the Fund to other funds operated by Copia. Contact Copia on 1800 442 129 for more information and to obtain the relevant forms.

Copia does not charge a fee for switching between funds. However, you may incur a cost in switching between funds through the buy/sell spread process (see 'Buy/sell spread' explanation).

Income distribution

The Fund may earn income such as dividends and interest, as well as net realised capital gains, on the sale of underlying assets. Fund income is distributed every year.

2. How the Fund works (continued)

Net income and realised capital gains generated by the Fund are distributed to investors half-yearly, usually within two months following the end of 31 December and 30 June. The Fund's unit price will generally fall following the end of a distribution period reflecting the amount of income and capital gains paid out to unitholders by the Fund.

The distribution amount will vary between distribution periods due to market conditions and investment performance and is not guaranteed.

Subject to the terms of the Fund constitution, there may be times when a distribution is not made by the Fund and times when a 'special' distribution is paid outside of usual distribution periods. Distributions must be made to unitholders of the Fund pro-rata to the proportion each unitholder holds in the total number of units on issue in the Fund. We may pay distributions via a non-negotiable cheque, deposit them directly into a bank account or reinvest as additional units.

Units issued on reinvestment of a distribution are issued at the unit price at the start of business on the first business day of the new distribution period.

We ask unitholders to nominate their preferred method of distribution on the *Application Form*. If you do not make a choice, we will automatically reinvest any distributions on your behalf into the Fund. We will distribute any franking credits or foreign tax credits generated during the period with the 30 June payments.

Platform investors

If you are investing through a master trust, wrap account or other investor-directed portfolio-type service (collectively referred to as a 'platform'), then it is important to understand that generally it is the platform that becomes the investor in the Fund, not you. It follows that the platform has the rights of an investor and we recognise it alone can exercise them. If you invest through a platform, you may also be subject to different conditions from those outlined in this PDS (such as procedures for making investments and withdrawals, cooling-off periods, cut-off times for transacting and additional fees and costs. Copia is not responsible for the operation of any platform). If you invest through a platform, in addition to reading this PDS, you should read the document that explains the platform service.

3. Benefits of investing in the Fund

- Focus on high quality businesses, favouring companies with:
 - strong management
 - a simple and transparent business model
 - a sustainable competitive advantage
 - favourable operational risk characteristics, and
 - attractive valuation metrics based on our proven financial analysis and valuation techniques
- Access to our highly experienced investment team focussed on generating strong returns.
- A proven bottom-up approach to active investment management where the research effort is internally driven and focussed on company visits and industry analysis.
- An emphasis on risk management where we screen out complex or speculative businesses from our investment process.
- Flexible cash weightings of up to 20%.
- Strong alignment of interests with clients, the managers are owners of the business and investors in the Fund, providing strong investment performance incentive.
- A limit on the total amount of funds under management to avoid compromising investment performance by lack of transactional flexibility.

4. Risks of managed investment schemes

All investments carry risk. Different 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. The significant risks of investing in the Fund are:

Market risk: the risk of decline across a whole asset class (e.g. the share market) due to economic factors, technological change, political or geopolitical events, changing legal conditions or changing market sentiment.

Investment selection risk: the risk that the specific investments OC chooses for the Fund will not perform as well as others. Some factors that may affect the value of a security are specific company earnings, management changes, competitor behaviour, economic conditions, liquidity, investor sentiment, currency and commodity price movements, government policy

and global events.

Interest rate risk: the risk that changes in interest rates can have a negative impact directly or indirectly on investment value or returns. For example, if rates rise, a company's borrowing costs can increase, causing its profits to decline.

Liquidity risk: the risk that securities that are not actively traded may not be readily converted to cash without some loss of capital.

The Fund may not be suitable for investors seeking a short-term investment, who are averse to unit price volatility or who are unable to sustain a loss of investment capital.

Regulatory risk: all investments carry the risk that their value may be affected by changes in laws, particularly taxation laws.

4. Risks of managed investment schemes (continued)

Compensation fee structure risk: the RE and IM may receive compensation based on the performance of the investments of the Fund. These arrangements may create an incentive for the IM to make more speculative or higher risk investments than might otherwise be the case.

Concentration risk: the Fund's typical portfolio holdings of 30 to 60 stocks represents high investment concentration. The lower the number of stocks, the higher the concentration and, in turn, the higher the potential volatility.

General risk: it is important that you carefully consider the risks of investing in the Fund and that you understand:

- the value of investments will vary over time

- the level of returns will vary and future returns may differ from past returns
- returns are not guaranteed and you may lose some, or all, of your capital
- laws affecting registered managed investment schemes may change in the future, and
- the level of risk for each investor will vary depending on a range of factors including:
 - age
 - investment time frames
 - where other parts of your wealth is invested, and
 - your risk tolerance.

5. How we invest your money

The Fund offers one investment option. The following information provides an overview of the Fund's return objective and investment strategy in respect of that option. You should consider the likely investment return and risk of the Fund and your investment time frame when deciding whether to invest in the Fund. The investment option will not change during the life of this PDS.

Description	The OC Premium Small Companies Fund is a long-only, benchmark-unaware managed investment scheme with a target investment universe of securities listed on the Australian Securities Exchange (ASX), outside the S&P/ASX 100 Index.	Investment strategy (continued)	residual after the investments have been purchased or sold.				
Investment objective	<p>The Fund aims to provide investors with strong long-term returns through investment in high quality small-to-medium-sized companies with sustainable business models and attractive investment fundamentals</p> <p>The Fund aims to provide a total return (after fees and expenses) in excess of the S&P/ASX Small Ordinaries Accumulation Index of 3-5% per annum over a rolling five-year period.</p>	Strategic asset allocation	<p>The Fund typically invests within the following guidelines:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="text-align: right;">Australian listed securities</td> <td style="text-align: right;">80 - 100%</td> </tr> <tr> <td style="text-align: right;">Cash</td> <td style="text-align: right;">0 - 20%</td> </tr> </table> <p>While our equity investments are predominantly in smaller companies, from time to time we may invest in stocks within the S&P/ASX 100 Index as long as we feel they are consistent with our investment strategy.</p>	Australian listed securities	80 - 100%	Cash	0 - 20%
Australian listed securities	80 - 100%						
Cash	0 - 20%						
Investment strategy	<p>The Fund's investment universe includes all companies listed or about to be listed on the ASX regardless of their size or business sector. Despite the broad investment universe, we focus on small businesses (ex ASX 100) believing they are easier to understand, simpler to value and more accessible to research. We look to invest in simple businesses we can understand, with a history of profits and dividends, and that offer a predictable future earnings stream that we are able to value. Access to key management and earnings transparency is critical.</p> <p>Cash isn't allocated strategically, rather it is a result of the investment process, with the cash balances simply being the</p>	Investment time frame	Five-year plus investment period. This is a guide only, not a recommendation.				
Investment strategy		Risk level	High – the likelihood of your investment going down in the short term is relatively high compared to investments in funds investing in other types of assets such as fixed interest or cash. See 'Risks of managed investment schemes'.				
Investment strategy		Fund performance	The Fund's performance is available at https://www.ocfunds.com.au/funds/oc-premium-small-companies/#performance				
Investment strategy		Other investment considerations	Labour standards and environmental, social and ethical considerations are taken into account when making investment decisions for the Fund.				
Investment strategy		Other information	For up-to-date information about the Fund's investment strategy, performance and unit prices, visit ocfunds.com.au .				

6. Fees and other 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 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 has a managed funds fee calculator to help you check out different fee options.

The following table shows the fees and other costs you may be charged. These fees and costs may be deducted directly from your money, from the returns on your investment or from the Fund's assets as a whole. Tax laws are set out in Section 7 of this PDS. You should read all the information about fees and costs as it is important to understand their impact on your investment.

Type of fee or cost	Amount	How and when paid
Fees when your money moves in or out of the Fund		
Establishment fee	Nil	Not applicable
Contribution fee	Nil	Not applicable
Withdrawal fee	Nil	Not applicable
Termination fee	Nil	Not applicable
Management costs	2.08% p.a.	Calculated daily as a percentage of the Fund NAV, payable monthly in arrears

Additional information on fees

Management costs*	
Fees and costs for managing your investment	
Management fee	1.20% p.a. (this includes GST and is net of reduced input tax credits) of the Net Asset Value of the Fund
Performance fee [^]	Estimated to be 0.88% (including GST net of reduced input tax credits) of the Net Asset Value of the Fund
Indirect costs [#]	Estimated to be 0.00% p.a. of the Net Asset Value of the Fund

* Management costs do not include the Fund's transactional and operational costs recovered via the buy/sell spread. See 'Transactional costs and buy/sell spread' on page 6

[^]The performance fee is 20.5% (including GST and net of reduced input tax credits) of any excess performance (after deducting the management fee) above the benchmark S&P/ASX Small Ordinaries Accumulation Index to 30 June. The performance fee in the table above is an estimate based on the performance fee charged for the 12 months to 30 June 2021.

[#] The estimate of indirect costs is based on the costs incurred for the 12 months to 30 June 2021, as a percentage of the average Net Asset Value of the Fund during that period.

The total expenses include transactional and operational costs (including brokerage) and is estimated to be 0.32% of the Net Asset Value of the Fund of which approximately 0.16% was recouped via the buy/sell spread when applications and withdrawals took place. The difference of 0.16% reflected the day-to-day trading costs. The expenses estimate is based on the transactional and operational costs incurred for the 12 months to 30 June 2021 (including brokerage).

6. Fees and other costs (continued)

Management fee

This is the fee we charge for managing the investments, overseeing the Fund's operations and providing access to the Fund. The management fee is calculated daily as a percentage of the NAV of the Fund and payable monthly in arrears.

Normal operating expenses

We currently pay the normal operating expenses of the Fund from our management fee and do not recover these from the Fund.

Abnormal expenses

We may recover abnormal expenses (such as costs of investor meetings, changes to the Fund's constitution and defending or pursuing legal proceedings) from the Fund. The management costs set out above do not include any abnormal expenses. While it is not possible to estimate such expenses with certainty, we anticipate the events that give rise to such expenses will not occur regularly. In circumstances where such events occur, we may decide not to recover these abnormal expenses from the Fund.

Transactional costs and buy/sell spread

The buy/sell spread is a type of transactional cost that may include brokerage, transaction costs, stamp duty and other government taxes or charges. The purpose of the buy/sell spread is to ensure only those investors transacting in the units at a particular time bear the Fund's costs of buying and selling the Fund's assets as a consequence of their transaction.

The buy/sell spread for the Fund is stated as a percentage of the NAV of the Fund and is the difference between the application price and the withdrawal price. It reflects an estimate of the transaction costs expected to be incurred in buying and selling the Fund's assets as a result of investments and withdrawals made by investors. This estimate may take into account factors such as, but not limited to, historical transaction costs and anticipated levels of investments and withdrawals.

The current buy/sell spread of the Fund is +0.30%/–0.30%, however a different buy/sell spread may apply if the estimate changes.

The RE has discretion to waive or reduce the transaction costs on investments or withdrawals to the extent permitted by the Corporations Act. The RE will notify investors of any changes to buy/sell spread transaction costs on its website.

Performance fee

A performance fee of 20.5% is payable annually on any excess performance (after deducting the management fee) above the benchmark S&P/ASX Small Ordinaries Accumulation Index to 30 June.

A performance fee is only payable where the Fund has returned

5% or more since the last performance fee was paid (High Water Mark). Where the Fund has returned less than 5%, any accrued performance fee will not be paid but carried forward. Performance fees are accrued by the Fund daily and reflected in the unit price calculated each business day.

When the Fund return is negative, it is still possible to outperform the benchmark and generate a positive performance fee. However, a performance fee will not be paid where the Fund return is less than 5%. Instead, a performance fee will be carried forward as an accrual reflected in the unit price calculated each business day and will not be paid until the Fund returns 5% or more. Any underperformance since the last performance fee was earned is required to be recovered plus 5% before a performance fee is payable.

Performance fee example

Scenario 1: assuming an investment of \$50,000, a Fund return of 10% (after deducting fees and expenses) since the last performance fee was paid and a benchmark return of 7%, the performance fee is equal to 20.5% of the excess performance, calculated as follows:

$$20.5\% \times (10\% - 7\%) \times \$50,000 = \text{performance fee of } \$307.50$$

In this case, the performance fee will be payable.

Scenario 2: assuming an investment of \$50,000, a Fund return of -1% (after deducting fees and expenses) since the last performance fee was paid and a benchmark return of -3%, the performance fee is equal to 20.5% of the excess performance, calculated as follows:

$$20.5\% \times (-1\% - (-3\%)) \times \$50,000 = \text{performance fee of } \$205.00$$

In this case, the performance fee will not be payable as the Fund's return is not positive. The dollar amount would be carried forward into the calculation of any subsequent performance fee until the Fund return is positive. If the Fund underperforms the market before the fee becomes payable, the accrued fee will be written back to the Fund until the accrued amount is zero.

Fee changes

Fees and costs can change at any time in accordance with the Fund's constitution. If fees and charges payable to the RE increase, the RE will give investors not less than 30 days notice before the change occurs.

Other costs such as the buy/sell spread may change at any time without prior notice to you. Expense recoveries may be different to those estimated in this PDS.

Fee calculators

ASIC provides a fee calculator on its MoneySmart website (www.moneysmart.com.au) which can be used to calculate the effect of fees and costs on your investment in the Fund.

6. Fees and other costs (continued)

Example of annual fees and costs

This table gives an example of how the fees and costs of 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	Amount	Balance of \$50,000 with a contribution of \$5,000 during the year
Contribution fee	Nil	For every \$5,000 you put in, you will be charged \$0
PLUS Management costs	2.08% p.a. of Net Asset Value *	And, for every \$50,000 you have in the Fund you will be charged \$1,040.94 each year
EQUALS Cost of Fund		If you had an investment of \$50,000 at the beginning of the year and put in an additional \$5,000 during that year, you would be charged fees from: \$1,040.94 to \$1,145.04 What it costs you will depend on the investment option you choose and the fees you negotiate.

*Additional fees and costs may apply. Please see 'Transactional costs and buy/sell spread' on page 6.
Note that Government fees, duties and bank charges may also apply to investments and withdrawals.

7. How managed investment schemes are taxed

Warning: Investing in a managed investment scheme is likely to have tax consequences and we strongly advise that you seek professional tax advice before investing in the Fund.

The Fund elected to become an Attribution Managed Investment Trust (AMIT) commencing from the 2018 financial year. It is intended that all determined trust components (i.e. assessable income, exempt income and non-assessable non-exempt income) will be attributed to members each year so that the Fund itself is not subject to tax. The Fund does not pay tax on behalf of investors. As an investor you will be assessed for tax on your attributed share of the Fund's taxable income, including any net capital gains. The amount attributed to an investor will be disclosed on an AMIT Member Annual (AMMA) statement that will be issued following the end of the financial year.

In summary, when investing in the Fund, investors should note:

- managed investment schemes do not pay tax on behalf of investors

- net income and realised net capital gains generated by the Fund are typically fully distributed to investors who are in turn assessed for tax on their share of the distribution based on their individual circumstances
- the Fund will pass through investors' share of any imputation or tax credits received during the year, and
- investors may be liable for tax on capital gains realised on the sale of units in the Fund, either by withdrawal, switch or transfer.

This is only a brief summary of the taxation information which is general in nature and only relates to Australian residents. It does not constitute personal advice. You should consult your own advisers for your particular circumstances.

8. How to apply

Application Process

To make your investment, complete the *OC Premium Small Companies Fund Application Form* attached to this PDS (application forms are also available at <https://www.ocfunds.com.au/contact/faq/#investing> or on request from Copia) and send your application money to us in accordance with the instructions on the form.

As part of the application process, we are required by law to verify your identity before accepting your application. We are unable to process incomplete applications. If we do not receive all of the information and documents required (AML/CTF

information essential*), we will hold your investment amount until we have received all information.

*The AML/CTF Laws refer to the obligations arising under the *Anti-Money Laundering & Counter Terrorism Financing Act 2006 (Cth)*.

8. How to apply (continued)

Cooling-off period

Investors who are retail clients (as defined in the Corporations Act) have a 14-day cooling-off period after making an application for units in the Fund during which time they may cancel their investment by notifying the RE in writing or electronically. This cooling-off period will commence from the earlier of the:

- investor's receipt of confirmation of their investment, and
- end of the fifth day after the issue of units to the investor.

If an investor cancels their investment during this period, the amount repaid to them is adjusted to allow for market movements, reasonable administration and transaction costs and any relevant taxes or duties.

Investments made through the distribution reinvestment plan are not subject to the cooling-off provisions. Indirect investors should contact the operator of their platforms about any right to cooling off.

9. Other information

Complaints procedure

The RE has arrangements in place to consider and seek to resolve any complaints within 45 days of receipt. If you have a complaint, you may contact us by email, telephone or in writing to:

The Complaints Officer
Copia Investment Partners Ltd
Level 25, 360 Collins Street
Melbourne Vic 3000

Email clientservices@copiapartners.com.au
Freecall 1800 442 129 (inside Australia only)
Phone +61 3 9602 3199

If you are not satisfied with our response to your complaint, you may lodge a written complaint with the Australian Financial Complaints Authority (AFCA) for an independent review of your matter.

Copia is a member of AFCA, which is an external dispute resolution scheme that deals with complaints from consumers about financial services and products.

AFCA's contact details are as follows:

Australian Financial Complaints Authority Limited
GPO Box 3
Melbourne VIC 3001

P 1800 931 678
F +61 3 9613 6399
E info@afca.org.au
W afca.org.au

Overseas investors

The Foreign Account Tax and Compliance Act (FATCA) is an anti-tax evasion regime enacted by the United States government to identify US taxpayers using offshore accounts. In June 2014, the Australian government passed legislation giving effect to Australia's commitment to FATCA. From 1 July 2014, there has been a requirement to ask investors whether they are US citizens or US residents and to provide information on those who answer 'yes' to the Australian Taxation Office.

Legislation introducing a single global standard on the collection, reporting and exchange of financial account information on foreign tax residents (CRS) took effect on 1 July 2017. Under CRS, we may collect and report to the ATO account information on non-residents. The CRS regime applies to 70 jurisdictions. For new accounts for non-Australian investors, we may collect additional information about the investor's residence and taxpayer identification.