



# **Mainstream Separately Managed Account**

## **PRODUCT DISCLOSURE STATEMENT Book 1**

**Mainstream Separately Managed Account**

**ARSN: 631 635 473**

This PDS is issued by The Trust Company (RE SERVICES) Limited  
ABN 45 003 278 831 | AUSTRALIAN FINANCIAL SERVICES LICENCE  
(AFSL) NUMBER 235150

Date of Issue: 30 June 2021

# CONTENTS

|  |           |
|--|-----------|
| <b>About this PDS</b>  | <b>3</b>  |
| <b>About Mainstream</b>                                      | <b>4</b>  |
| <b>Features of the Mainstream Separately Managed Account</b> | <b>5</b>  |
| <b>Significant Benefits</b>                                  | <b>7</b>  |
| <b>Other Key features</b>                                    | <b>9</b>  |
| <b>At a glance</b>   | <b>10</b> |
| <b>Investment risk</b>                                       | <b>11</b> |
| <b>How to Apply</b>  | <b>16</b> |
| <b>Fees and other costs</b>                                  | <b>19</b> |
| <b>Example of annual fees and costs</b>                      | <b>22</b> |
| <b>Cost of Product for 1 year information</b>                | <b>23</b> |
| <b>Additional explanation of fees and costs</b>              | <b>23</b> |
| <b>How managed investment schemes are taxed</b>              | <b>26</b> |
| <b>Operating a managed account</b>                           | <b>28</b> |
| <b>Other information</b>                                     | <b>33</b> |
| <b>Contact details</b>                                       | <b>35</b> |
| <b>Definitions</b>   | <b>36</b> |

## **ISSUER AND RESPONSIBLE ENTITY**

The Trust Company (RE Services) Limited  
(Perpetual, Responsible Entity, RE, we, us or our),  
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# About this PDS

## IMPORTANT INFORMATION

This Product Disclosure Statement (PDS) is issued by The Trust Company (RE Services) Limited ABN 45 003 278 831 Australian Financial Services Licence (AFSL) number 235150 (Perpetual, Responsible Entity, RE, we, us, our), the responsible entity for the Mainstream Separately Managed Account ARSN 631 635 473 (Scheme). The investment managers of the portfolios (Model Managers) are listed in [Book 2](#) of this PDS. Mainstream Fund Services Pty Ltd ABN 81 118 902 891 and AFSL number 303253 (Mainstream) is the administrator and custodian of the Scheme.

### Updated Information

This PDS is not an offer or invitation in relation to the Scheme in any jurisdiction other than Australia, or to any person to whom, it would not be lawful to make that offer or invitation.

All references to \$ amounts are to Australian dollars, unless otherwise specified.

This PDS is current as at 30 June 2021. Information in this PDS is subject to change from time to time. To the extent that the change is not materially adverse to investors, it may be updated by posting a notice of the change on the Scheme's website at: [www.mainstreamgroup.com/SMA](http://www.mainstreamgroup.com/SMA). Investors will be provided, free of charge, a paper copy of the updated information upon request.

If the change is materially adverse to investors, Perpetual will notify affected investors and replace this PDS in accordance with the Law. Neither Perpetual nor Mainstream nor the Model Managers listed in [Book 2](#) of this PDS guarantee that you will earn any return on your investment or that your investment will gain or retain its value. No company other than Perpetual and the Model Managers listed in [Book 2](#) of this PDS makes any statement or representation in this PDS.

### Disclaimer

This PDS summarises significant information relating to the Scheme. It also contains a number of references to important information which is contained in [Book 2](#) of the PDS, the Investment Guide (which forms part of the PDS). This is important information you should read together with this PDS before making a decision to invest in the Scheme. You can access [Book 2](#) of the PDS on the Scheme's website ([www.mainstreamgroup.com/SMA](http://www.mainstreamgroup.com/SMA)) or request a copy free of charge by calling the Mainstream on 1300 133 451. The information provided in the PDS is general information only and does not take account of your personal financial situation or needs. You should consider the appropriateness of the information in this PDS and the additional Information in [Book 2](#) of the PDS having regard to your personal objectives, financial situation and needs before acting on the information in this PDS and the additional Information in [Book 2](#) of the PDS. You may wish to obtain financial advice tailored to your personal circumstances.

# About Mainstream



Mainstream is a specialist custodian and administrator to the financial services industry. Established in Sydney in 2006, Mainstream has grown to become one of the leading independent investment administration providers in Australia. Mainstream is a wholly owned subsidiary of the ASX listed Mainstream Group Holdings Limited (ASX:MAI) with more than \$224 billion in funds under administration globally.

Mainstream has been appointed by agreement with the Responsible Entity as both the Scheme administrator and custodian of the Scheme. As custodian of the Scheme, Mainstream will be responsible for the safekeeping of assets in the portfolios and may, from time to time appoint sub-custodians dependent on the assets held within the Scheme. As the Scheme administrator, Mainstream provides account administration and record keeping for investors in the Scheme. This includes effecting transactions, such as buying and selling securities on your behalf for your chosen Model Portfolio.

## About the Responsible Entity

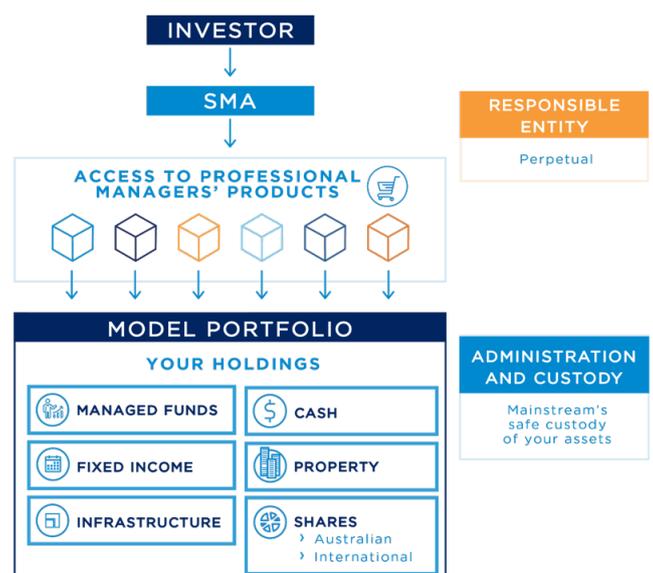
The Trust Company (RE Services) Limited is the responsible entity for the Scheme. The Responsible Entity is responsible for the operation of the Scheme and it has the power to delegate certain duties. It ensures that the Scheme is operated in accordance with its constitution (Constitution) and the Corporations Act (the Act). The Responsible Entity is part of the Perpetual Group of companies. More information about Perpetual can be found at [www.perpetual.com.au](http://www.perpetual.com.au).

## What is a managed account?

A managed account is a managed investment product. As an alternative to traditional managed funds, managed accounts generally provide more transparent access to assets that are managed on a discretionary basis. The Scheme offers investors access to a suite of specialist Model Managers and a variety of different strategies aimed to achieve a given financial return within a risk framework.

The underlying investments held will vary depending on the portfolio selected, and may include, but are not limited to, listed securities, Exchange Traded Funds (ETFs), Listed Investment Companies (LICs), Listed Investment Trust's (LITs) managed funds, debentures, and cash and cash equivalents. The investment allocations and target weights in a Model Portfolio are set by the Model Managers and may be subject to change.

## SEPARATELY MANAGED ACCOUNT



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# Features of the Mainstream Separately Managed Account

***The Scheme provides access to a selection of professionally managed investments from a range of Model Managers.***

## **INVESTMENT IN THE MAINSTREAM SEPARATELY MANAGED ACCOUNT**

The Scheme is established and offered within the registered managed investment scheme known as the Separately Managed Account. The Scheme comprises Model Portfolios from a range of Model Managers. The Scheme allows investors to choose from a number of available Model Portfolios providing exposure, either directly or indirectly, to a range of asset classes including cash, fixed interest, domestic equities, international equities, property and infrastructure. Each Model Portfolio has a designed investment objective and target return for a given level of risk.

Unlike many managed investment schemes, the Scheme is not a unit trust and instead investors in the Scheme achieve a beneficial interest in the specific investments included in their chosen Model Portfolios which may contain listed securities, units in listed and unlisted managed funds and cash.

Please refer to the Model Portfolio list contained in [Book 2](#) of the PDS for a full range of available Model Portfolios and Model Portfolio Managers.

***The benefits and risks of investing in a managed account are explained in this PDS.***

### **Investment choice**

You have the choice of a number of available Model Portfolios provided by a range of Model Managers listed in [Book 2](#) of this PDS.

The Model Manager may add or remove underlying investments in the Model Portfolio as required, to achieve its investment objectives. Rebalancing of the Model Portfolio will occur in order to keep it consistent with the relevant target investment allocation. For further information on available Model Portfolio's, refer to the Model Portfolio profile listed in [Book 2](#) of this PDS.

### **Ownership**

As an investor in the Scheme, you have beneficial ownership or a beneficial interest in the underlying assets within your Account, being the Model Portfolio(s) you have selected; however, beneficial ownership or a beneficial interest in these investments is not identical to holding them directly and this may affect certain rights with respect to that investment. For example, you will not be listed on the share register of listed securities, nor the unit register of relevant managed funds, nor will you be able to vote at shareholder or investor meetings. These rights are held by Mainstream as the custodian which holds the underlying assets on your behalf.

## Transparency

When you invest in a Model Portfolio, depending on the preference of the Model Manager, you may have greater transparency of the underlying investments compared to a managed fund. You will be able to view any transactions and fees within the portfolio on a daily basis through your allocated portal available via: <https://mainstream.xplan.iress.com.au/client>

For further information on this option, you should refer to the 'Investment in the Mainstream Separately Managed Account' section and the 'Customisation risk' section in this PDS.

## Asset transfers

Approved investments may be able to be transferred into or out of an Account, subject to the Constitution and approval by the Responsible Entity.

Where a request to transfer out of an account cannot be fulfilled the relevant investments will be redeemed and placed in cash. You should consider carefully the tax and other implications of in specie transfers and redemptions.

## Reporting

Reporting for the Scheme is made available through your online portal, including annual statements and tax statements which are available after each 30 June.

### ***Some of the other key reports available online include:***

- › ***Valuation:*** This gives a full valuation broken down by the Model Portfolios that you have invested in.
- › ***Performance:*** The performance of your chosen Model Portfolios over a selected date range is available daily.
- › ***Transaction Listing:*** Lists all buys and sells, transfers, brokerage and fees and charges deducted in respect of your Account.
- › ***Income and Expense:*** Lists all income and expenses received and incurred within your Account.
- › ***Tax:*** Daily tax reporting is available online with a tax parcel level interface to many commonly used accounting software packages.

# Significant Benefits

## *The significant benefits of investing in the Scheme include:*



### **Access to a wide range of professional managers and asset classes**

The Scheme offers investors access to Model Portfolios professionally constructed and managed by professional Model Managers and wholesale rates of brokerage not available individually. Through these Model Portfolios, investors are able to create a diversified portfolio across a range of asset classes including cash, fixed interest, domestic equities, international equities, property and infrastructure.



### **Tax optimisation**

Managed funds pool their assets in a unitised trust and as such the fund builds up capital gains and losses across the year. In the Scheme, you maintain beneficial ownership of the securities within your account and as such your tax position as a result of investing in the Scheme is affected only by the activity within your own Account. You do not buy into gains which have built up from other investors' earlier investments, and you do not realise gains as a result of other investors' decisions to withdraw.



### **Personal tailoring with a flexible platform**

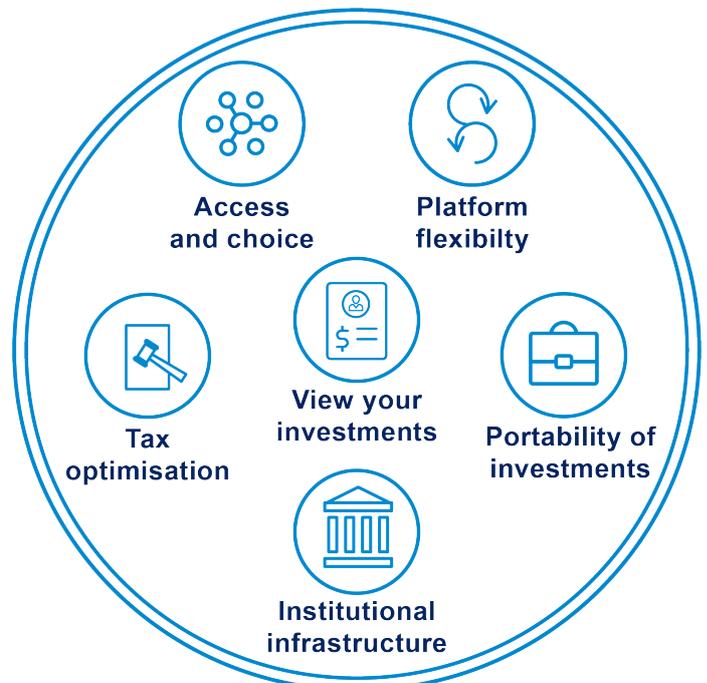
If a number of Model Portfolios are available through the Investment Menu, you can mix them in any proportion that you choose. Your individual blend of Model Portfolios will result in a single Account that you have tailored to your preferences.



### **View the investments that make up your Account at any time**

You own a portfolio of investments, not a unit in a trust. You can log into the online portal at any time to view the individual investments that make up your Account within the Scheme (note some Model Managers may elect to display the holdings with a time lag to protect the intellectual property of their portfolio.) Through our online reporting, investors are able to monitor their investment continuously through a large range of online reports including portfolio valuations, performance, transaction and income reports.

Please note, in some circumstances, such as when trading is being conducted for your selected Model Portfolio(s), your exact investment holdings will not be available for the period of the trading or longer at the discretion of the Model Manager.





### **Portability of underlying investments**

Contributions and withdrawals can be in cash or in kind - all CHESS-eligible listed Australian securities and a selection of other investments are accepted (Eligible Investments). Once you have selected your blend of Model Portfolio(s) we will sell those investments not required and invest the proceeds as per your selection.



### **Institutional infrastructure provided to retail investors**

We understand the need for Investors to have peace of mind when it comes to the safety of their investment holdings. Mainstream partners with leading global institutions for the safekeeping of Investors assets within custody.

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## Other Key features

| FEATURE                              | BENEFITS   |
|--------------------------------------|--|
| <b>Professional Model Managers</b>   | Access to Model Managers with investment experience that are generally only available to wholesale investors unless investing via a managed fund.  |
| <b>Variety</b>                       | There are a variety of strategies to choose from. You can select one or more options from the range of Model Portfolios available.   |
| <b>Tax outcomes</b>                  | Investing via a managed account provides you greater control in the management of your individual tax outcomes. Unlike a managed fund where there is a collective tax treatment, your tax position is based on the underlying holdings within the managed account. |
| <b>Asset transfers</b>               | You may be able to transfer your existing assets into and out of your Account removing the need to sell down your assets first. This may also mean that you spend less time out of the market.   |
| <b>Transparency</b>                  | Transparency to view all your underlying investments and consolidated reporting within the investment portfolios chosen. You can view your account online 24 hours a day, 7 days a week.   |
| <b>Minimum cash balance</b>          | You will be required to maintain a minimum cash balance of 1% in the Scheme. This is outside of any cash the Model Manager holds in its respective Model Portfolio.  |
| <b>Rebalancing managers strategy</b> | Model Portfolios will be monitored daily and rebalanced at the Model Manager's discretion when required to retain alignment with the Model Portfolio.  |

# At a glance<sup>1</sup>



## Investment options

Refer to Book 2 of this PDS, for a list of Model Managers and Model Portfolios you may select.



## Minimal initial investment

The minimum investment amount may differ for each Model Portfolio. Please refer to the Model Portfolio profile in Book 2 of this PDS for your selected portfolio for information on the minimum investment amount.



## Minimum additional investment amount

Nil: Once an account is established, you can continue to invest in the Model Portfolio. All additional investments will form part of the Model Portfolio and will be rebalanced in line with the Model Manager's strategy.



## Minimum order amount

The minimum order amount for investment transaction within the Scheme is \$100.



## Minimum Portfolio balance

\$25,000.

Note - The balance of your Account can fall below the initial investment amount due to market movement or partial withdrawals.

The RE reserves the right to redeem the Portfolio if the value of the assets in your Account fall under this threshold.

Proceeds will be payable to your nominated bank account.



## Maximum portfolio balance

No maximum.



## Withdrawals

Will be paid to your nominated bank account.



## Minimum withdrawal amount

\$1,000

<sup>1</sup> Under the Constitution the Responsible Entity may make changes to the above items at its discretion without the consent of investors.

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# Investment risk

## ***Model Managers will have differing views about the minimum investment time frame you should hold their investment.***

Your personal circumstances and risk tolerance will also be an important consideration. While Model Managers have suggested minimum investment time frames for each Model Portfolio within the Scheme, you should review your investment regularly to ensure it continues to meet your needs and objectives. It is important to understand that:

- › all investments are subject to risk
- › Model Portfolios carry different levels of risk depending on the underlying investments
- › assets with the highest long-term returns may also carry the highest level of short-term risk
- › the value of investments will go up and down
- › returns are not guaranteed
- › you may lose money
- › past performance is not a reliable indicator of future performance
- › laws and regulations affecting investments may change and
- › the appropriate level of risk will vary, depending on your age, investment time frame, other assets held and how comfortable you are with the possibility of losing some of your investment in some years.

### ***The risks discussed below may apply to investments in the Scheme.***

#### **Market risk**

Economic, technological, political or legislative conditions and even market sentiment, local and international political events, pandemic outbreaks, environmental and technological issues can (and do) change or arise. This can mean that changes in the value of investment markets can affect the value of the investments in a Model Portfolio.

#### **Volatility risk**

Volatility risk refers to the potential for the price of investments in your Account to vary, sometimes markedly and over a short period of time. Generally, the higher the potential return, the higher the risk and the greater the chance of substantial fluctuations in returns over a short period of time. Investments in listed securities are traditionally towards the higher end of the risk-return spectrum. This may lead to fluctuations in your Account value, including over the period between a withdrawal request being made and the time of payment. Markets are volatile. Some markets can have frequent and/or high volatility.

#### **Liquidity risk**

In addition to volatility there is the risk of not being able to withdraw from or sell an investment at short notice. This could occur if, in the case of a managed fund within a Model Portfolio, the responsible entity of the managed fund suspends withdrawals because the assets of the managed fund have become illiquid or, in the case of a listed investment, trading in that investment on the stock market is suspended for a period of time. Some overseas markets do not provide the same level of liquidity as Australian markets, which means that it may be harder to trade some international securities in a timely manner at a fair market price.

#### **Security-specific risk**

Each investment in a company's securities is subject to the risk of that a particular company's performance is due to factors that are pertinent to that company, the market sector the company is involved in or the equity market generally. This risk also includes changes in credit ratings from rating agencies.

### **Short selling risk**

Some investment managers of underlying managed funds held in a Model Portfolio may use short selling. Short selling means the underlying managed fund sells a security it does not own to try and profit from a decrease in the value of the security. This is generally done by borrowing the security from another party to make the sale. The short sale of a security can greatly increase the risk of loss, as losses on a short position are not limited to the purchased value of the security.

#### ***Short selling strategies involve additional risks such as:***

#### **Liquidity risk**

Particular securities or investments may be difficult to purchase or sell, preventing the underlying managed fund from closing out a position or rebalancing within a timely period and at a fair price. As a result, withdrawal requests may not be able to be fully met when they are received. Liquidity risk may potentially be amplified where a Model Portfolio invests in listed interest rate securities and unlisted managed funds due to the illiquid nature of these assets.

#### **Leverage risk**

While short selling can often reduce risk, it is also possible for an underlying managed fund's long positions and short positions to both lose money at the same time.

#### **Prime broker risk**

Model Managers do not directly engage with prime brokers in their management of the available portfolio. Prime brokers may be used by underlying managers for managed funds in a Model Portfolio.

When short selling is employed, the assets of the relevant underlying managed fund are generally held by a prime broker (which provides broking, stock lending and other services). As part of this arrangement, assets may be used by or transferred to the prime broker, and there is a risk that the prime broker does not return equivalent assets or value to the option (for example, because of insolvency). This would have a substantial negative impact on the value of a Model Portfolio.

### **Concentration risk**

The fewer the number of differing underlying securities and investments in a Model Portfolio, that are appropriately diversified across industry sectors, asset classes or countries, the higher the concentration risk. The more concentrated a Model Portfolio is, the greater the risk that poor performance in an investment or in a group of investments may have a significant adverse effect on the performance of a Model Portfolio.

#### **Portfolio and Model Manager risk**

Model Manager risk refers to the risk that a Model Manager will not achieve the performance objectives or not produce returns that compare favourably against its peers. Additionally, there is the risk that a Model Manager's investment strategy may not prove to be effective. Many factors can negatively impact the manager's ability to generate acceptable returns from their investment management process, including loss of key staff.

#### **Customisation risk**

There is a risk that Model Portfolio customisation may trigger additional trading (including associated costs), impact the performance of your investments and may result in negative returns and/or underperformance your account relative to your selected Model Portfolio(s).

#### **Counterparty risk**

Counterparty risk is the risk of loss due to a counterparty not honouring a commitment, which may cause the value of a portfolio to fall. Counterparties may include custodians, brokers and settlement houses. A Model Manager will not directly engage in swaps, forwards or stock lending, but an underlying fund manager for a fund within your selected Model Portfolio may engage with counterparties.

#### **Tax risk**

Taxation law is complex and its impact on the Scheme may vary according to your individual circumstances. Over time, tax law and practices may change and may become retrospective in their application. You should seek your own professional taxation advice in relation to the Scheme.

## Regulatory risk

Regulatory risk means that any change in taxation or other laws may adversely affect an investment. In certain circumstances, statutory or other restrictions may preclude the acquisition or disposal of investments. There is also a risk that regulatory changes to law may make certain assets less effective in achieving the desired return in the portfolio.

This also applies to assets outside Australia, which may have exposure to broader economic, social or political factors in addition to regulatory change.

## Implementation risk

This is the risk that a Portfolio's performance is different to that of a Model Portfolio constructed by the Model Manager. This can occur due to timing of investments in the underlying investments, as well as any cash and security movements in and out of an account including in specie asset transfers.

There may be periods where your Portfolio differs from the indicative investment allocations specified. There may also be circumstances where the Model Manager may not be able to proceed with the rebalance of an account, such as if an underlying managed fund suspends applications or redemptions or there are trades already waiting to be executed.

## Currency risk

Investments in global markets or securities which are denominated in foreign currencies give rise to foreign currency exposure. This means that the Australian dollar value of these investments will vary depending on changes in the exchange rate. This risk applies to those Model Portfolios (as applicable) that invest in international share or bond markets without fully hedging currency risk

## Derivatives risk

Model Portfolios will not directly engage in derivatives transactions. Investment managers of underlying managed funds included in a Model Portfolio may utilise derivative instruments as an option to manage investments.

Derivatives are contracts between two parties that usually derive their value from the price of a physical asset or market index. They can be used to manage certain risks in investment portfolios or as part of an investment strategy. However, they can also increase other risks in a portfolio or expose a portfolio to additional risks, including:

- › the system and security risks associated with electronic platforms used to trade derivatives
- › the possibility that the derivative position is difficult or costly to reverse
- › that there is an adverse movement in the asset or index underlying the derivative
- › that the parties do not perform their obligations under the contract, and
- › the potential lack of liquidity of the derivative.
- › In general, investment managers of underlying managed funds may use derivatives to:
  - protect against changes in the market value of existing investments
  - achieve a desired investment position without buying or selling the underlying asset
  - leverage a portfolio
  - manage actual or anticipated interest rate and credit risk
  - alter the risk profile of the portfolio or the various investment positions, and
  - manage currency risk.

As financial instruments, many derivatives are valued regularly, and movements in the value of the underlying asset or index should be reflected in the value of a derivative. Depending on the Model Portfolio, the underlying managed funds held may use derivatives such as futures, options, forward currency contracts and swaps.

## Leverage risk

Some investment managers of underlying managed funds held in a Model Portfolio may use leverage as part of their investment strategy. Leverage is the ability to control a larger investment exposure using a smaller amount of investment capital. Leverage is a form of borrowing to increase the return on an investment.

Leverage risk is the risk that gains or losses will be magnified to a greater degree than would occur if the investment exposure was unleveraged. Leverage may be achieved through the use of derivative assets, which have their own associated risks as outlined above.

## Credit risk

Credit risk refers to the risk that a party to a credit transaction fails to meet its obligations. It is the risk that for cash and interest rate investments, income and/or capital investment will not be repaid due to the financial position of the financial institution or issuer of that investment. This creates an exposure to underlying borrowers and the financial condition of issuers of these securities.

## Emerging markets risk

Due to the nature of emerging markets, there is an increased risk that the political and/or legal framework may change and adversely impact investments in those markets. This could include the ability to sell assets. Underlying managed funds in a Model Portfolio that invests in global markets may have exposure to emerging markets. Investment in emerging markets may involve a higher risk than investment in more developed markets. Investors should consider whether or not investment in emerging markets should constitute a substantial part of their investment exposure.

Companies in emerging markets may not be subject to:

- › accounting, auditing and financial reporting standards, practices and disclosure requirements comparable to those applicable to companies in major markets, or
- › the same level of government supervision and regulation of stock exchanges as countries with more advanced securities markets.

Accordingly, certain emerging markets may not afford the same level of investor protection as would apply in more developed jurisdictions.

There are also risks that, while existing in all countries, may be increased in emerging markets due to the legal, political, business and social frameworks being less developed than those in more established market economies. Examples of increased risks include:

- › political or social instability (including recession or war)
- › institutional manipulation of currency or capital flows
- › deflation, inflation, or loss in value of currency, and
- › greater sensitivity to interest rates and commodity prices.

As a result, investment returns are usually more volatile than those in developed markets. This means that there may be large movements in investment value over short or long periods of time.

## Cyber risk

There is a risk of fraud, data loss, business disruption or damage to the information of the Scheme or to investors' personal information as a result of a threat or failure to protect the information or personal data stored within the IT systems and networks of the Responsible Entity and its agents.

## **Trading risk**

If an underlying investment in a Model Portfolio is listed on a stock exchange, it may be adversely affected by the suspension of trading of the securities of the underlying investment. In these circumstances, the Model Manager may not be able to achieve the exact investment allocation for the relevant Model Portfolio.

## **Responsible Entity risk**

There is a risk that the Responsible Entity may not be able to continue to act, for example if it loses its Australian financial services licence (in which case it could be replaced as responsible entity of the Scheme). Any replacement responsible entity and service providers they appoint might achieve different results for investors, positive or negative, than would otherwise be the case.

## **Operational and system risk**

Perpetual has appointed the various Model Manager's as outlined in Book 2 of this PDS as well as the Custodian and Administrator of the Scheme. The performance of the Scheme depends on the integrity of its administration and computer systems. However, there is a risk that these systems may not be available in certain circumstances. The Administrator manages this risk through the implementation of corporate governance, risk management and compliance frameworks designed to mitigate operational risk.

We are satisfied that Mainstream has in place adequate internal controls. However, there still may be break downs in operations and procedures that cannot be prevented that may result in a loss to the Scheme. This could be the result of oversight, ineffective security processing procedures, computer system problems or human error.

## **Conflict of interest**

Model Managers appointed within the Scheme may manage other funds not described in this PDS and entities within the 'Perpetual Group' (comprising Perpetual Limited and its subsidiaries, including the RE) may act in various capacities (such as responsible entity, trustee and custodian) for other funds or accounts. The Model Managers and Perpetual Group have implemented policies and procedures to identify and where possible mitigate or avoid the conflict.

## **Timing risk**

Timing risk is the risk that you invest at an unfavourable point in the investment cycle. This might mean that, at the date of your investment, you invest at higher market prices than those available soon after. Alternatively, it might also mean that you redeem at lower prices than those that were recently available or that would have been available soon after.

## **Labour, environmental, social and ethical considerations**

We do not take into account labour, environmental, social or ethical considerations for the purpose of selecting, retaining or realising an investment in the Model Portfolios.

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# How to Apply

To make an investment in the Scheme and open your Account, you must complete the Application Form that accompanies this PDS, at [www.mainstreamgroup.com/SMA](http://www.mainstreamgroup.com/SMA). The deadline for receipt of an application request is 10.00am Eastern Standard Time (EST) on any Business Day for scanned or mailed Application Forms. Requests received after this time will be treated as received on the following Business Day.

## Minimum application amount

Unless otherwise specified under 'Other key features' there is currently no minimum investment amount which applies to an investment in the Scheme. However, there may be Model specific minimum investment amounts as set out in the Model Portfolio profiles in Book 2 of this PDS.

Please note that an initial investment of some cash and/or investments is required before your Account becomes active.

## Initial investment

You may choose your initial investment to be cash, in-specie transfer of Eligible Investments or a combination of both.

## Cash-only applications

Application amounts must be transferred via electronic funds transfer (EFT) or direct debit into the Scheme.

If you elect to use the direct debit facility, we will collect money from your nominated bank account on the day we accept your application and will invest the cash on the next Rebalancing Date after cleared monies have been received. If a direct debit is rejected, we will try to contact you via the details provided in your application or through your nominated representative. It is important you ensure your nominated bank account has sufficient funds available on the day your application is submitted to us.

## Transferring investments

Any existing holdings of Eligible Investments may be transferred into your Account subject to the approval of the Responsible Entity; any investments being transferred into your Account must be in the same name under which you are applying for an Account and the investments must be part of the Model Portfolio you are applying for.

Original documents must be forwarded to us by you or your financial adviser who will also complete the details of your Account. Your Account will only become active once details are completed and we have received your completed Application Form, together with your application amount and any investments you are transferring to your Account. The value of the Eligible Investments transferred in will be as determined by the Responsible Entity as set out in the section, 'How are managed accounts valued?', on page 28.

Note that while an investment transfer is in progress, your Account will not be included in the daily rebalance process (i.e. your Account will not trade). The investment transfer, particularly for unlisted managed funds, can take a number of weeks. Please note, an investment transfer is considered 'in progress' once the transfer details have been entered onto the system.

Until your Account becomes active any investments transferred will be held apart from the rebalance process, you will receive interest on cash balances held in this period and may also incur fees.

Once your Account is active, your investment amount will be applied to your selected Model Portfolio(s) at the next rebalancing opportunity after we receive your investment instructions.

Please note, if you transfer an Eligible Investment into your Account and its value exceeds the required allocation in the chosen Model Portfolio, part or all of this investment is likely to be sold down as part of the rebalancing process.

## Making additional investments

Additional investments can be made at any time by EFT, direct debit or by transferring Eligible Investments into the Scheme if approved by the Responsible Entity. There is no minimum additional investment amount. The additional investments will be invested in or applied to (if Eligible Investments) your selected Model Portfolio(s) at the next available date for investment.

Note that while an investment transfer is in progress, your Account will not be included in the daily rebalance process (i.e. your Account will not trade). Please note an investment transfer is considered 'in progress' once the transfer details have been entered onto the system.

## Receiving income or dividends

Income or dividends received will form part of your cash holding within your Account. A description of how cash is managed is set out under 'Account cash holding' on page 28.

## Withdrawing your investment

You will normally be able to request a withdrawal on any Business Day and requests will be complied with promptly, subject to any requirements of the Law and as set out below. Withdrawal instructions can be made to us by:

- › requesting your adviser to instruct us directly; or
- › submitting the withdrawal form available on request or from your adviser.

Once you give a withdrawal instruction, you cannot revoke the instruction unless we give our approval. Withdrawals from the Scheme can be made in cash (to your nominated bank account) or via a transfer of Eligible Investments to your name, or a combination of cash and investments.

If a combination of cash and investments is selected, the transfer out of investments must be confirmed before the remaining investments are sold to generate the cash portion of the withdrawal.

Unless otherwise specified under 'Other key features' there is currently no minimum withdrawal amount. However, there may be Model-specific minimum withdrawal amounts as set out in the Model Portfolio

profiles in Book 2 of this PDS. See also the section 'How are managed accounts valued?' on page 28 of this PDS to understand the value of your portfolio.

(Note that you will be required to maintain a minimum cash balance of 1% in the Scheme).

You can switch between Models by instructing us to do so; this is treated as switching, that is, a withdrawal from one Model and an application into another. No switching fees apply although there may be tax consequences.

In certain circumstances outside our control, we may need to suspend withdrawals from your Account -for example, if a particular investment is suspended from trading, or the closure of a stock exchange. If this is the case, we will inform you as soon as we can after we receive your request.

If a full withdrawal is requested, your investment in the Scheme will be treated as being terminated and your Account will be closed.

## Withdrawal of Eligible Investments

A withdrawal request for the transfer of Eligible Investments must indicate the name and number of the investments to be transferred and the account number into which they are to be transferred. Eligible Investments can only be transferred into the same name as your Account. Transaction fees may apply for each investment transferred out.

Requests will generally be actioned within 3 Business Days following receipt of your request.

While an investment transfer is in progress, your Account will not be included in the daily rebalance (i.e. your Account will not trade). Please note, an investment transfer is considered 'in progress' once the transfer details have been entered onto the system.

If insufficient cash is available in your Account to pay the in-specie transfer fee, investments may be sold.

## Cash withdrawals

Cash withdrawals will be paid into your nominated bank account. Any instruction to vary this account must be in writing and signed by you and accepted by Mainstream. We cannot accept these instructions

from your Nominated Representative. The sale of investments in your Account will commence at the next Rebalancing Date following receipt of your withdrawal request. Generally, each Business Day is a Rebalancing Date.

Investments will be sold across your selected Model Portfolio(s) (if applicable). The value you will receive will be that at which the investments are sold net of all fees, charges and expenses including transaction costs such as brokerage. The sale of investments will generally be actioned on the Business Day following receipt of your request and the proceeds will generally be available within 24 hours of settlement of the sale of investments. While this is typically within 4 Business Days, this cannot be guaranteed as there may be delays depending on liquidity of assets, market and other factors beyond our control.

Unless specifically requested, the withdrawal amount will accumulate as part of your cash holding until the full amount is available for transfer into your nominated bank account.

### **Suspension of withdrawals**

In unusual circumstances outside our control such as the closure or disruption of a relevant securities exchange, we may suspend withdrawals from investor Accounts for the period that these circumstances prevail.

### **Your Nominated Representative**

When you invest in the Scheme, you may appoint a Nominated Representative (this is generally your financial adviser) to provide instructions to us and to receive communications from us on your behalf. By completing the Application Form and appointing a Nominated Representative, you will be authorising us to take all instructions for your Account from that Representative on your behalf. We will also send any communications relating to your Account to your Nominated Representative, who will be responsible for providing these communications to you.

Your Nominated Representative is not able to change your bank account details for payment of any withdrawal proceeds. Refer to “Authorised Representative Details” in the Scheme Application Form for details on this authorisation.

The majority of instructions will be given online or in writing by your Nominated Representative. Terms and conditions relating to online instructions are set out under ‘[Electronic instructions](#)’ on page 34.

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# Fees and other costs

## *Consumer advisory warning*

### **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 fees. Ask the Scheme 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.

## ***Fees and Costs Summary***

This section outlines all the fees and costs that you may be charged. These fees and costs may be deducted from your money, from the cash within your Portfolio or from the returns on your investment. Taxes are set out in another part of this document.

You should read all the information about fees and costs because it is important to understand their impact on your investment.

## MAINSTREAM SEPARATELY MANAGED ACCOUNT

| TYPE OF FEE OR COST   | AMOUNT   | HOW AND WHEN PAID  |
|---|--|--|
| <b>Ongoing annual fees and costs<sup>1,3</sup></b>  |  |  |
| <p><b>Management Fees and costs<sup>4</sup></b></p> <p>The fees and costs for managing your investment</p>                | <p>Each Model Portfolio has its own investment management fee which will vary between 0% and 2% p.a. of your Model Portfolio value.<sup>2</sup></p> <p>A Cash Holding Fee applies estimated to be up to 1.1% of your cash holding.</p> <p>An Expense Recovery Fee of up to \$50 p.a. applies</p> | <p>The Model Manager's fee is calculated and paid monthly in arrears based on the daily Model Portfolio value and the particular Model Portfolio(s) selected. It is deducted directly from your Account and paid to the Model Manager.</p> <p>The Cash Holding Fee is the amount that Mainstream charges to arrange for the establishment of, and effect transactions relating to, your cash holdings held with interest earning accounts. The interest credited to your Account is net of this fee, so that it is not separately deducted from your Account.</p> <p>The Responsible Entity is entitled to reimbursement of expenses such as audit, legal, tax consulting fees, expenses and liabilities relating the management and operation for your Account. Payable annually from your Account.</p> |
| <p><b>Performance Fees</b></p> <p>Amounts deducted from your investment in relation to the performance of the product</p> | <p>See Additional explanation of Fees and Costs.<sup>5</sup></p>   | <p>The performance fee, if applicable, is calculated in arrears based on the daily Model Portfolio value and the particular Model Portfolio(s) selected. It is deducted directly from your Account at the end of the performance fee period.</p>   |
| <p><b>Transaction Costs</b></p> <p>The costs incurred by each Model Portfolio when buying or selling assets</p>           | <p>Transaction costs of between 0.30% p.a. and 1% may apply.<sup>6</sup></p>   | <p>Each Model Portfolio may incur transaction costs when buying or selling assets. Transaction costs are payable from the Model Portfolio's assets as and when they are incurred.</p>  |

## MAINSTREAM SEPARATELY MANAGED ACCOUNT

| TYPE OF FEE OR COST  | AMOUNT | HOW AND WHEN PAID |
|--|--------|-------------------|
| <b>Member activity related fees and costs (fees for services or when your money moves in or out of the product)<sup>6</sup></b>      |        |                   |
| <b>Establishment Fees</b><br>The fee to open your investment   | Nil    | Not Applicable    |
| <b>Contribution Fees</b><br>The fee one each amount contributed to your investment   | Nil    | Not Applicable    |
| <b>Buy-sell Spread</b><br>An amount deducted from your investment representing costs incurred in transactions by the Model Portfolio | Nil    | Not Applicable    |
| <b>Withdrawal Fees</b><br>The fee on each amount you take out of your investment   | Nil    | Not Applicable    |
| <b>Exit Fees</b><br>The fee to close your investment   | Nil    | Not Applicable    |
| <b>Switching Fees</b><br>The fee for charging investment options   | Nil    | Not Applicable    |

1. Management Fees and Costs and any performance fees quoted are inclusive of GST and net of any RITC at the prescribed rate (depending on the nature of the fee or expense).
2. Each Model Portfolio has its own fee structure. Please refer to the Model Portfolio profiles in Book 2 of the PDS for the Indirect Costs specific to each Model Portfolio.
3. Your financial adviser may receive payment for providing advice services to you. Refer to the information below in 'Additional Explanation of Fees and Costs'.
4. Management Fees and Costs include indirect costs as part of its calculation. Refer to the information below in 'Additional Explanation of Fees and Costs'.
5. As outlined in the Model Portfolio profile in Book 2 of the PDS and paid to the Model Manager. The Performance Fee for a Model Portfolio is updated from time to time and can be found at website <https://rivkin.com.au/members/resources/analysis-updates/separately-managed-account-performance-report>
6. There are no specific establishment or exit fees for the Model Portfolio(s) however you will incur any relevant transaction costs on the initial purchase, sell down, withdrawal or transfer of securities when transferring between Model Portfolios.

# Example of annual fees and costs

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

## MODEL PORTFOLIO

Balance of \$50,000 with a contribution of \$5,000 during year

|  |  |   |
|--|--|---|
| Contribution fees                                      | Nil  | For every additional \$5,000 you invest; you will be charged \$0.   |
| <b>PLUS</b> Management Fees and Costs <sup>1</sup>     | 1.00% p.a. to 1.55% p.a. of the daily Model Portfolio value +<br>a Cash Holding Fee up to 1.1% of your cash holding <sup>2</sup> +<br>an Expense Recovery Fee of \$50 p.a. | <b>And</b> , for every \$50,000 you have in the Model Portfolio, you will be charged <b>\$500 -775</b> each year<br><br>+ <b>\$11.00</b> each year<br><br>+ <b>\$50</b> each year   |
| <b>PLUS</b> Performance Fees <sup>3</sup>              | See ' <a href="#">Additional information of Fees and Costs</a> '   | And, you will be charged or have deducted from your investment \$0 in performance fees this year  |
| <b>PLUS</b> Transaction Costs                          | 0.50%  | <b>And</b> , you will be charged or have deducted from your investment <b>\$250</b> in transaction costs  |
| <b>Equals</b> Cost of the Model Portfolio <sup>4</sup> |  | If you had an investment of \$50,000 at the beginning of the year and you put an additional \$5,000 during that year, you would be charged fees in the range of:<br><br>\$811 to \$1086<br><br><b>What it costs you will depend on the Portfolio option you choose and the fees you negotiate</b> |

1. This fee varies from Model to Model. This example includes the range for the Management Fees and Costs applicable to each Model. For the Management Fees and Costs that applies to a particular Model, please see Book 2 of the PDS.

2. Based on a cash weighting of 2.00%.

3. The Performance Fee for a Model Portfolio is updated from time to time and can be found at [website <https://rivkin.com.au/members/resources/analysis-updates/separately-managed-account-performance-report>]. As the Models are new, there is no reasonable basis for estimating a performance fee to include in the example. Prior performance is not an indicator of future performance.

4. Assumes the \$50,000 is invested for the entire year and the \$5,000 investment occurs on the last day of each year.

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# Cost of Product for 1 year information

The cost of product gives a summary calculation about how ongoing annual fees and costs can affect your investment over a 1-year period for all investment options. It is calculated in the manner shown in the Example of annual fees and costs.

You should use this figure to help compare this product with other products offered by managed investment schemes. The Cost of Product Information can be found in the Book 2 of the PDS which applies to your Model Portfolio.

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## Additional explanation of fees and costs

### MANAGEMENT FEES AND COSTS

Management Fees and Costs include the Management fee and performance fee (if any) of the Model Manager and are payable to the Model Manager for managing the assets of each Model Portfolio. The calculation of these costs is based on the asset value of the relevant Portfolio and will be deducted from the relevant Model Portfolio's holding account.

The Management Fees and Costs are paid monthly in arrears. The Management Fees and Costs include indirect costs as outlined below. Ordinary expenses, such as the RE fees, administration and custody fees and audit fees will be recovered outside of the Scheme and will not be charged to investors.

Please note that the total Management Fees and Costs applicable will be different based on the Portfolio you choose to invest in. Please refer to Book 2 of this PDS for the Management Fees and Costs payable for specific Model Portfolios.

### Performance Fee

Any Performance Fee for a Model Portfolio is typically calculated as a percentage (%) of Outperformance and is charged on an individual account basis. "Outperformance" is the Model Portfolio return minus the benchmark return (if applicable) for a time period. The performance fee in dollar terms is calculated as the performance fee multiplied by the average Model Portfolio value over the performance fee period (after all fees but before performance fees). A high-water mark is applied to prevent a performance fee being paid if the Model Portfolio value at performance fee period end is less than the sum of the Model Portfolio value at the start of that period less the Model Portfolio value at the end of the period (excluding contributions and withdrawals to the Model Portfolio). The high-water mark is reset to the Model Portfolio value after performance fee period end each time a performance fee is paid.

The Outperformance must be positive for a Performance Fee to be paid.

You should refer to the relevant Model Portfolio in Book 2 for full disclosure on any performance fees. Estimated performance fees where quoted for Portfolios are based on previous financial years and reasonable estimates going forward.

### Indirect costs

Indirect costs are any amounts that the Responsible Entity knows or where required, reasonably estimates, will reduce a Portfolio's returns (other than the Management Fees and Costs, Transaction Costs described elsewhere in this section) or that are paid from the assets of any interposed vehicle (such as an underlying fund, ETF, LICs and LITs in which a Model Portfolio may invest).

Investment managers of the underlying funds in Model Portfolios may receive fees for their services. These types of fees are generally deducted by the investment manager before calculating the unit price for the underlying fund. It is not taken from your cash holding but will be reflected in the indirect costs that have been calculated for the relevant Model Portfolio. These fees may also change as determined by the investment manager of the underlying fund and may or may not include performance fees. These types of fees do not apply to investments in listed shares held directly in a Model Portfolio.

Please refer to Book 2 of this PDS for the indirect costs payable for specific Model Portfolios.

### Expense Recovery Fees

The Constitution allows for the ongoing operating expenses (such as registry, audit and taxation advice) that are reasonably and properly incurred by the Responsible Entity to be paid directly from your Portfolio. The Responsible Entity may recover costs related to audit, regulatory, production of the offer document and particular transactions.

The maximum fee that will be recovered for these types of expenses per account is \$50 per annum. Operating expenses of this type in excess of this amount will be paid by Mainstream.

Abnormal costs reasonably and properly incurred by the Responsible Entity (such as costs of investor meetings, recovery and realisation of assets, changes to the Constitution, winding up and termination of a Model Portfolio, change of responsible entity and defending or pursuing legal proceedings) are paid out of the relevant Portfolio. These costs are expected to be incurred infrequently.

### Borrowing costs

Where short-term settlement borrowing occurs, borrowing costs such as interest on borrowings, legal fees and other related costs are payable by the Responsible Entity and may be recovered from your Account. The Responsible Entity reasonably estimates the borrowing costs that will apply for the current financial year will be zero (nil) per cent of net asset value of the relevant portfolio (adjusted to reflect a 12-month period).

### Transaction costs

Transaction Costs such as government taxes/duties/levies, bank charges and account transaction charges may apply to a Model Portfolio or the underlying funds that the portfolio invests in and are paid from the relevant Model Portfolio.

Transaction Costs are an additional cost to you and are not included in the Management Fees and Costs.

The Scheme does not charge a buy/sell spread. However, some investment managers of underlying funds that a Model Portfolio may invest in do charge a buy/sell spread. This buy/sell spread allows investment managers to direct the costs involved in buying or selling assets to investors based on their transactions. The Transaction Costs, including buy/sell spreads, for the underlying funds vary for each fund.

Please refer to the [Book 2](#) of this PDS for the Transaction Costs for specific Model Portfolios.

### Differential fees

We may reduce the Management Fees and Costs for certain investors. Such arrangements would be subject to individual negotiation, compliance with Law and any applicable ASIC class orders.

### Related party payments

Fees may be paid to related parties and associates of the Responsible Entity, the Model Managers or Mainstream on arm's length commercial terms for providing services to the Scheme. For example, fees may be paid for underlying funds that are managed by the Model Manager or its related party or associate.

### Advice fees

You may separately negotiate an advice fee with your financial adviser for the advice services provided to you. The types of advice fees are:

- › One off advice fee: A one-off fee for advice and other services for your Account. There is no maximum limit to the one-off advice fee and it may be charged multiple times a year as agreed with your adviser. The One-off Advice fee is deducted from your account at the time the request is processed.

- › Adviser Service Fee: Up to 2.20% p.a. of your Account or alternatively a fixed amount p.a. If applicable, the Adviser Service Fee is calculated monthly in arrears (based on the daily Account value for percentage based fees) and is deducted directly from your Account.
- › Dealer Group Service Fee: Up to 2.20% p.a. of your Account or alternatively a fixed dollar amount p.a. If applicable, the Dealer Group Service Fee is calculated monthly in arrears (based on the daily Account value for percentage-based fees) and is deducted directly from your Account. This amount is as separately agreed by you with your adviser.

There may be tax consequences where assets in your Account must be sold to meet the advice fee; refer to 'How managed investment schemes are taxed' on page 26.

### **Increases or alterations to the fees**

Fees used to calculate the Management Fees and Costs may be varied at any time at the discretion of the Responsible Entity without consent, within the limits prescribed in the Constitution. If the variation is an increase in a fee or charge, the Responsible Entity will give 30 days' prior written notice to members.

The Constitution provides for the following maximum fees (all fees and management fees and costs specified in this PDS are GST inclusive, net of any input tax credits (including reduced input tax credits) available):

- › entry fee of up to five per cent of the investment
- › portfolio management fee of up to three per cent per annum of the gross value of assets of an Account
- › administration fee of up to five per cent per annum of the net value of an Account
- › expense fee payable to us of up to one per cent per annum of net value of an Account
- › in specie transfer fee of up to two per cent of value of assets transferred calculated and payable at the time of transfer
- › transaction fee of up to on-market transactions of two per cent on the value of the transactions executed.

For the duration of this PDS we have waived the maximums above for the fees and expenses set out in this PDS or as otherwise subsequently advised in writing to you by the Responsible Entity.

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# How managed investment schemes are taxed

The taxation information below is a general summary of taxation implications for resident Australian individuals who hold their investment on capital account. Tax comments are made on the basis that you will have an absolute entitlement to the assets in your portfolio.

You should seek your own tax advice in relation to investment in a managed account. Neither the Responsible Entity nor Mainstream is liable for the taxation information provided herein. The Australian taxation system is complex and different investors have different circumstances; you should consider seeking professional taxation advice before investing in the managed account.

This is only a summary of the tax treatment that may apply to an investment in a managed account and should not be relied upon by investors. This information is based on the tax laws and announced Government proposals that are current at the date of this PDS. Tax laws and the Australian Taxation Office's (ATO) and Courts' interpretation and rulings may be altered at any time.

Where you invest in the managed account, you are the beneficial owner of the assets in your managed account. All income, capital gains and capital losses and their tax consequences pass directly to you. Income and capital gain information associated with your managed account will be aggregated and form part of the consolidated tax statement you receive each year. You can use this information to complete your tax return.

## Taxation on income

Income received from investments in your account will form part of your taxable income.

Depending on your total taxable income and your income tax rate you may be liable for tax on your income distributions.

This will be the case regardless of whether income distributions are actually paid to you in the form of cash or reinvested.

Any tax you pay depends on the nature of the distributions. The types of distributions you may receive include:

- › income such as dividends and interest
- › net capital gains from the sale of investments
- › tax credits such as franking credits attached to dividend income and credits for tax paid on foreign income.

## Buying or selling investments

Depending on your total taxable income and your income tax rate, you may be liable for tax when changes are made to the underlying holdings of your Model Portfolio (s) or you withdraw from a Model portfolio(s). Australian residents who hold their investments on capital account are generally subject to capital gains tax (CGT) when they withdraw or transfer their shares or units to another person or entity.

Depending on your taxpayer classification type and how long you have held your listed securities or units, you may be entitled to a CGT concession. Sell trades from within the account will be recorded on a first in first out (FIFO) basis.

## Tax on foreign investments

Income sourced from overseas may be subject to foreign taxes. You may be entitled to a foreign income tax offset in respect of foreign taxes paid.

## Quoting your Tax File Number (TFN) within the Mainstream SMA

When you invest in the Scheme you will be asked to provide us with your TFN. If you do not quote your TFN or your exemption, and you are an Australian resident, we will deduct tax from income received by you at the highest marginal tax rate plus Medicare levy and other applicable levies.

## Goods and Services Tax (GST)

The Scheme is registered for GST. No GST should be payable by the Scheme in respect of dealings in units, investment in cash and cash equivalents or in

respect of distributions received from investments. GST may be payable by the Scheme under the reverse charge provisions for acquisitions it makes from suppliers outside of Australia that relate to its input taxed activities.

Some of the acquisitions made by the Scheme are likely to be subject to GST (and have an embedded GST component in their cost). This includes third party costs for goods and services acquired in connection with its operations (to the extent that they are connected with Australia), and the Responsible Entity's fees and certain administration expenses. It is expected that the Scheme will be entitled to claim back some or all of this GST from the ATO by way of input tax credits or reduced input tax credits.

### **Changes to the taxation of Managed Investment Trusts (MITs)**

The underlying managed funds which you may have exposure to through your account are generally structured by their investment manager's as Managed Investment Trusts (MIT). Legislation has been passed which changes how MITs will be taxed. Under the changes, the fund manager of an eligible MIT will be able to elect into the attribution regime for the taxation of MITs. The legislation took effect from 1 July 2016, but in some cases might apply to income distributed by MITs from 1 July 2015. If you invest in a MIT that elects into the attribution regime, that MIT may attribute income to you without paying a cash distribution for that income. This means that you may have to pay tax on the attributed income, even though you have not received a cash distribution for that income. Where applicable, TFN withholding tax and non-resident withholding tax may also apply to attributed income.

### **Foreign Account Tax Compliance Act (FATCA)**

The United States of America (USA) has enacted rules known as FATCA. FATCA could result in an underlying managed fund becoming subject to a 30 per cent withholding tax on part or all of the payments it receives from USA sources (from 1 January 2014) or from financial institutions or investment bodies with US assets (from 1 January 2017). On 28 April 2014, Australia entered into an Intergovernmental Agreement (IGA) with the USA to improve international tax compliance and implement FATCA. The Australian Government has introduced legislation to give domestic effect to Australia's obligations under the IGA.

Investors should seek their own advice regarding the possible implications of FATCA on their investment in the Scheme and the information that may be required to be provided and disclosed to us, and in certain circumstances, to the Internal Revenue Service.

### **Common Reporting Standards (CRS)**

The CRS is the single global standard for the collection, reporting and exchange of financial account information of non-residents, which applies to calendar years ending after 1 July 2017. The CRS is similar to FATCA, whereby the Responsible Entity will need to collect and report similar financial account information of all non-residents to the ATO. The ATO may exchange this information with the participating foreign tax authorities of those non-residents.

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# Operating a managed account

## How are managed accounts valued?

The Responsible Entity is not to be regarded as having any special expertise in valuation. The Responsible Entity may cause your Portfolio to be revalued from time to time at its discretion in accordance with the requirements noted in the Constitution.

Your Account value will be based on the market value of the underlying investments held within your Model Portfolios plus the value of your cash holding. Prices will be based on the end of day price of each of your holdings. The Responsible Entity will adopt a valuation method which is consistent with the range of ordinary commercial practice. Assets acquired must be valued at cost until revalued. The Responsible Entity may determine the value of any Portfolio as at any time (not limited to once a day) but must do so at least once a month, on the basis of the most recent valuation of each item comprising the Portfolio.

## Target investment allocation ranges

The Model Managers aim to maintain each portfolio within target investment allocation ranges (refer to the relevant profile for the target investment allocation within [Book 2](#) of this PDS). The actual asset allocation may vary from the target investment allocation. The target investment allocation for each Model Portfolio should only be used as a guide.

Your investment in a Model Portfolio may vary from the target investment allocation if:

- › there are minimum requirements for cash holdings or trade size, or minimum holding requirements, or
- › the settlement price was different to the price used to value the Model Portfolio you have selected.

The Model Managers will actively manage the Model Portfolio according to market changes and any other opportunities they deem will be optimal. This may at times involve an allocation of the Model Portfolio's assets to cash. For some Model Portfolios, this may be a significant departure from the target investment allocations provided.

For the target investment allocation ranges relating to the portfolios refer to the Model Portfolio list in [Book 2](#) of this PDS.

Model Managers reserve the right to add or remove underlying investments within their portfolio anytime they see fit without consultation, in order to maintain their investment strategy.

## Account cash holding

In order to ensure there is sufficient cash to pay fees and satisfy charges in connection with the settlement of trades that are carried out in respect of your Account, you must maintain a minimum amount of cash in the Scheme. This is in addition to any cash that a Model Portfolio may require to be maintained in your Account. The minimum cash amount is calculated as a percentage of your Account and is set out in the table under "Other key features".

If at any time the cash in your Account falls below the required minimum, we may sell some of the investments in your Account to bring your cash back up to the required minimum level. Please refer to the section below '[Going above or below the Minimum Cash Holding](#)'.

Any interest or income earned on any cash that is held in respect of your Account will be credited to your Account as and when it is received by us, less the Cash Holding Fee. If your Account has a negative cash holding (i.e. your cash holding is overdrawn as a result of trades carried out for your Account), your Account will be charged interest on the negative cash holding.

## Going above or below the Minimum Cash Holding

Where cash in excess of the Minimum Cash Holding accumulates, (for example from the receipt of income or dividends) it will be invested on the next Rebalancing Date subject to minimum trade sizes being achieved. To the extent practicable the funds will be invested in proportion to your current Model Portfolio(s) weights.

If the cash holding in your Account falls below the minimum required, additional investments will be sold (or purchases reduced) pro-rata across your Account (subject to any minimum holding locks). Any such transactions will not change the relative weightings of the Model Portfolios that your Account was constructed on but will reduce the overall amount allocated to each Model Portfolio. Alternatively, you can elect to top up your cash holding from your nominated bank account, as outlined under 'Making additional investments'.

## FEES ATTRIBUTABLE TO YOUR MINIMUM CASH HOLDING

The minimum cash holding held in your Account will be subject to the Management Fees and Costs and any cash held in accordance with a Model Portfolio will be subject to the Management Fee and Performance Fee applicable to that Model Portfolio. See 'Fees and other costs' for details of applicable fees.

### Portfolio rebalancing

The asset allocations and target weights of each Model Portfolio are monitored by the Model Managers on an ongoing basis. A Model Portfolio may be rebalanced by Mainstream as the administrator at the Model Manager's instruction. Rebalancing involves buying and/or selling underlying investments of a Model Portfolio in order to achieve the desired weightings in line with the relevant portfolio. The rebalances may be made to take advantage of opportunities arising from market movements or in other circumstances the Model Managers believe appropriate.

The rebalancing of a Model Portfolio will usually occur under the following scenarios:

- › market movements in the underlying holdings causing the target weights to differ by more than an acceptable range; or
- › a material change is made to the underlying investment allocation of a portfolio by the Model Manager.

There may be periods where, due to the timing of rebalancing determined by the Model Manager, a Model Portfolio may differ from its target investment allocation.

A rebalance can only be performed or suspended by a Model Manager or if required by the Responsible Entity. A rebalance cannot be initiated by you or your adviser.

The allocation to assets in your Portfolio will adjust with movements in the value of the assets and reflect income and management fees that apply to each Model Portfolio.

### Corporate actions and voting rights

The underlying investments in the Model Portfolio(s) may be subject to corporate actions and voting resolutions.

Mainstream will provide the Model Manager with information about corporate actions, with any decisions subject to the discretion of the Model Manager. This may result in buying or selling investments to participate in the corporate action.

### Changes to Model Portfolios

The Responsible Entity may vary or discontinue a Model Portfolio at any time. If the Responsible Entity discontinues a Model Portfolio, you will be provided with at least 30 days' notice and will receive information about whether each relevant affected managed account portfolio will:

- › be redeemed (with the proceeds returned), or
- › be switched to another Model Portfolio.

Please refer to [Book 2](#) of this PDS available for up-to-date information on Model Portfolio's available for investment.

## Constitution of the Mainstream Separately Managed Account

The Scheme is governed by a Constitution. Together with the Law, the Constitution sets out the terms and conditions under which the Scheme operates and the rights, responsibilities, powers, discretions and duties of the Responsible Entity, or its agents.

The Constitution allows the Responsible Entity a broad discretion about what investments are held in each Model Portfolio. The investments intended to be held are outlined in the strategy of the relevant Model Portfolio and Model Manager. Any changes will be advised as soon as practicable. A copy of the Constitution can be requested from Mainstream.

The Constitution deals with a number of issues including:

- › the rights of Investors under the Scheme;
- › termination of the Scheme; and
- › the Responsible Entity's broad powers to invest, borrow, receive fees and other payments and generally manage the Scheme.

The Constitution is binding on all Investors and the Responsible Entity. Each Investor has separate beneficial ownership or a beneficial interest in that part of the property, rights and income held solely for the benefit of an investor in the Scheme, and the Responsible Entity holds the property, rights and income of the Investor as their nominee.

The Constitution states that the Investor's liability is limited to the property, rights and income for their Account, but the courts are yet to determine the effectiveness of provisions of this kind.

Subject to the Law, the Responsible Entity may amend the Constitution by deed.

### Rights and obligations

The Constitution provides that the Responsible Entity:

- › may refuse applications for investment, in whole or in part, at the Responsible Entity's discretion and without giving reasons

- › may permit an Investor to transfer all or part of their Account in such manner as the Responsible Entity from time to time determines
  - will determine, and may from time to time vary, a Model Portfolio
  - may set a minimum investment, a minimum withdrawal and a minimum balance to be held in the Scheme
  - may suspend or delay the issue of interests in respect of an Account or withdrawals from the Account for a period of 90 days in certain circumstances
  - is indemnified out of each Investor Account for any liability incurred by the Responsible Entity in properly performing its duties or exercising any of its powers for an Account or the Scheme as a whole
  - will not be liable to Investors beyond the amount which the Responsible Entity is entitled to and does recover through its right of indemnity from the Scheme
  - may charge a remuneration fee for providing certain administration services as set out in the Constitution (clause 26.2 of the Constitution).

The Responsible Entity may alter the Constitution in accordance with the Law, if the Responsible Entity reasonably considers the amendments will not adversely affect Investors' rights. The Responsible Entity may retire or be required to retire as Responsible Entity (if Investors, representing at least 50% of the total votes for the Scheme, approve the Responsible Entity's removal and replacement with a new responsible entity).

The Investors' rights to requisition, attend and vote at meetings are contained in the Act and the Constitution. Except where the Constitution provides otherwise, or the Act requires otherwise, a resolution of Investors must be passed by Investors who have at least 50 per cent of the votes entitled to be cast at a meeting.

A resolution passed at a meeting of Investors held in accordance with the Constitution and the Law binds all Investors.

The Responsible Entity may wind up the Scheme at any time with prior notice to investors.

### Compliance plan

The Responsible Entity has prepared and lodged a compliance plan for the Scheme with ASIC. The compliance plan sets out how the Responsible Entity will ensure that it continues to comply with the Act and the Constitution. In accordance with the Law, the compliance plan, and the Responsible Entity's compliance with the compliance plan, will be independently audited on an annual basis and the auditor's report will be lodged with ASIC.

### Compliance committee

The Responsible Entity's compliance committee's functions include:

- › monitoring the Responsible Entity's compliance with its compliance plans and reporting its findings to the Responsible Entity;
- › reporting breaches of the Act or the Constitution of which the compliance committee becomes aware or that it suspects to the Responsible Entity;
- › reporting to ASIC if the compliance committee is of the view that the Responsible Entity has not taken or does not propose to take appropriate actions to deal with breaches reported to it by the compliance committee; and
- › assessing at regular intervals the adequacy of the compliance plan, recommending any appropriate action and reporting these to the Responsible Entity.

### Custody

A professional custodian generally holds the assets of each Portfolio. The custodian is appointed by the Responsible Entity and is responsible only to it. The custodian may be changed from time to time and the Responsible Entity may change the custodian where it is satisfied that the proposed new custodian meets all regulatory requirements. You will not be notified of a change in custodian. The custodian may appoint sub-custodians.

## HOW IS YOUR PERSONAL INFORMATION DEALT WITH?

### Privacy

We collect personal information from you in the application and any other relevant forms to be able to process your application, administer your investment and comply with any Law. If you do not provide us with your relevant personal information, we will not be able to do so. In some circumstances we may disclose your personal information to Perpetual's related entities or service providers that perform a range of services on our behalf, and which may be located overseas.

Privacy laws apply to our handling of personal information and we will collect, use and disclose your personal information in accordance with our privacy policy, which includes details about the following matters:

- › the kinds of personal information we collect and hold;
- › how we collect and hold personal information;
- › the purposes for which we collect, hold, use and disclose personal information;
- › how you may access personal information that we hold about you and seek correction of such information (note that exceptions apply in some circumstances);
- › how you may complain about a breach of the Australian Privacy Principles (APP), or a registered APP code (if any) that binds us, and how we will deal with such a complaint; and
- › whether we are likely to disclose personal information to overseas recipients and, if so, the countries in which such recipients are likely to be located if it is practicable for us to specify those countries.

Our privacy policy is publicly available at [www.perpetual.com.au](http://www.perpetual.com.au) or you can obtain a copy free of charge by contacting us. Your personal information will also be used in accordance with the Administrator's privacy policy. You may obtain a copy of the Administrator's privacy policy at: [www.mainstreamgroup.com](http://www.mainstreamgroup.com).

### **Anti-money laundering and counter terrorism financing laws**

The Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (AML/CTF Act) and other applicable anti-money laundering and counter terrorism laws, regulations, rules and policies which apply to the RE (AML Requirements), regulate financial services and transactions to detect and prevent money laundering and terrorism financing. The AML Act is enforced by the Australian Transaction Reports and Analysis Centre (AUSTRAC). To comply with the AML Requirements, the RE is required to, among other matters:

- › verify your identity and source of your application monies before providing services to you, and to re-identify you if we consider it necessary to do so; and
- › where you supply documents verifying your identity, keep a record of this documentation for 7 years.

The RE and the Scheme's administrator as its agent (collectively the Entities) will request such information as is necessary to verify your identity and the source of payments. In the event of delay or failure by you to produce this information, the Entities may refuse to accept an application and the application monies or may suspend the payment of withdrawal proceeds if necessary, to comply with AML Requirements applicable to them. Neither the Entities, nor their delegates shall be liable to you for any loss suffered by you as a result of the rejection or delay of any subscription or payment of withdrawal proceeds.

The Entities have implemented measures and controls to ensure they comply with their obligations under the AML Requirements, including identifying and monitoring investors. As a result of the implementation of these measures and controls:

- › transactions may be delayed, blocked, frozen or refused where an Entity has reasonable grounds to believe that the transaction breaches the law or sanctions of Australia or any other country, including the AML Requirements;
- › where transactions are delayed, blocked, frozen or refused the Entities are not liable for any loss you suffer (including consequential loss) caused by reason of any action taken or not taken by them as contemplated above, or as a result of their compliance with the AML Requirements as they apply to the Scheme; and
- › the Entities may from time to time require additional information from you to assist it in this process.
- › The Entities have reporting obligations under the AML Requirements and are prevented from informing you that any such reporting has taken place. Where required by law, an Entity may disclose the information gathered to regulatory or law enforcement agencies, including AUSTRAC. The Entities are not liable for any loss you may suffer as a result of their compliance with the AML Requirements.

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# Other information

## What are the Responsible Entity's reporting requirements?

The Scheme is subject to regular reporting and continuous disclosure obligations. Copies of documents lodged with ASIC to fulfil these obligations may be obtained from, or inspected at, an ASIC office.

You may obtain the following documents from the Responsible Entity:

- › the annual report most recently lodged with ASIC in respect of the Scheme;
- › any half-year financial report lodged with ASIC in respect of the Scheme after the lodgement of the above mentioned annual report and before the date of this PDS; and
- › any continuous disclosure notices given in respect of the Scheme after the lodgement of the abovementioned annual report and before the date of this PDS.

## Managing conflicts of interest

Any related party transactions relating to the Scheme are conducted on arm's length terms. Any conflict of interest or potential conflict of interest is managed in accordance with the relevant party's conflicts of interest policy.

A Model Portfolio may include securities or other financial products issued by the Responsible Entity or managed by a Model Manager. For example, your Account may be managed or include investments which are also managed by Perpetual, as Model Manager, who also acts as the Responsible Entity, or by an entity related to Mainstream. As a result, the other activities of these parties may have an effect on your Account.

Neither the Responsible Entity, the Model Managers, Mainstream, nor any other person, make any representation as to the future performance of any underlying investments held in a Model Portfolio.

The Responsible Entity, the Model Managers, Mainstream and their directors and employees may hold, buy or sell shares or other financial products in

the underlying funds or listed entities forming part of a Model Portfolio. These parties may have business relationships (including joint ventures) with each other or any of the underlying funds or listed entities included in a Model Portfolio. In addition, the parties may from time-to-time conduct business with each other or the Model Managers or advisers of underlying funds or listed entities included in a Model Portfolio in relation to activities unconnected with the Scheme.

The directors and employees of the Responsible Entity, the Model Manager, Mainstream and members of their corporate groups may hold directorships in the listed entities or underlying funds or entities included in a Model Portfolio. Any confidential information received by these parties and their directors and employees as a result of the business relationships, advisory roles and directorships discussed above will be handled in accordance with applicable law.

## Is there a cooling-off period?

You have a 14-day cooling-off period in which to decide if investing in the Scheme is right for you. The 14-day period commences from the earlier of the time your investment is confirmed by us and the 5th Business Day after your Account is activated.

Your refund will be paid by either an in-specie transfer of investments or cash following the sale of investments (at your request) commencing at the next Rebalance Date following receipt of your instructions to exercise your cooling-off right.

Irrespective of whether you choose to be paid in cash or by having the individual investments returned to you, the value of your investment is likely to have changed over the period due to market movements. For this reason, depending upon the circumstances, the amount returned to you may be greater or less than the amount you initially invested.

## What happens if you change your mind?

If you cancel your investment, you will receive back the amount you invested, adjusted for any changes in

valuations due to market movements and less any adjustments we are required to deduct on your behalf including transaction costs.

### Complaint resolution

The Responsible Entity has established procedures for dealing with complaints. If an Investor has a complaint, they can contact the Responsible Entity during business hours at the contact details shown on the inside cover.

The Responsible Entity will use reasonable endeavours to resolve your complaint fairly and as quickly as we can and within the maximum response timeframe. The maximum response timeframe is 45 days for standard complaints (or 30 days for standard complaints we receive on or after 5 October 2021). Other type of complaints and complex complaints may have a different maximum response timeframe. We will let you know if a different maximum response timeframe will apply to your complaint.

If an investor is not satisfied with the outcome, the complaint can be referred to an independent external dispute resolution scheme, the Australian Financial Complaints Authority (AFCA). AFCA is the external dispute resolution scheme for complaints involving financial services and products. You can contact AFCA on 1800 931 678, or by writing to:

### Australian Financial Complaints Authority

#### *Mailing Address:*

GPO Box 3  
Melbourne VIC 3001

 [info@afca.org.au](mailto:info@afca.org.au)

 [www.afca.org.au](http://www.afca.org.au)

### Where can you obtain the latest information about the Mainstream Separately Managed Account?

It is important to keep up to date with the latest information on the Scheme. Information that is not materially adverse is subject to change from time to time, may be updated online and can be accessed at any time by visiting [www.mainstreamgroup.com/SMA](http://www.mainstreamgroup.com/SMA). You can also refer to your adviser for this information.

When we become aware of new material information, we will ensure this is made available as soon as practicable on [www.mainstreamgroup.com/SMA](http://www.mainstreamgroup.com/SMA). If you would like hard copies of this information, call Mainstream on 1300 133 451 and it will be sent to you free of charge.

On request, your adviser or the administrator can provide you with up-to-date details of the investments for your Account without charge.

### Electronic instructions

If you or your Authorised Representative instructs us by electronic means, such as facsimile or using the internet, you release us and Mainstream from, and indemnify us and Mainstream against, all losses and liabilities arising from any payment or action we or Mainstream make on our behalf based on any instruction (even if not genuine) received by an electronic communication bearing your Account details and which appears to indicate to us that the communication has been provided by you. You also agree that neither you nor anyone claiming through you has any claim against us, Mainstream or the Scheme for these payments or actions.

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# Contact details

## Sydney, Australia Office

### Mainstream Fund Services Pty Limited

Level 1, 51 - 57 Pitt Street  
Sydney NSW 2000  
AUSTRALIA

**Mailing Address:**

GPO Box 4968  
Sydney NSW 2001  
AUSTRALIA

☎ 1300 133 451

☎ +61 2 9251 3525

✉ [sma.au@mainstreamgroup.com](mailto:sma.au@mainstreamgroup.com)

🖱 [www.mainstreamgroup.com](http://www.mainstreamgroup.com)

### The Trust Company (RE Services) Limited

(Perpetual, Responsible Entity, RE, we, us or our),  
part of the Perpetual Group

**ABN** 45 003 278 831

**AFSL No** 235150

Level 18, 123 Pitt Street  
Sydney NSW 2000

☎ +61 2 9229 9000

🖱 [www.perpetual.com.au](http://www.perpetual.com.au)

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# Definitions

**Account** means your interest in the Scheme that is issued under this PDS.

**Account value** means the value of your Portfolio determined by the Responsible Entity as set out in the section, 'How are managed accounts valued?', on page 28.

**Adviser, Financial Adviser or Nominated Representative** means the person nominated by you on your Application Form as your nominated representative and who is authorised by you to provide instructions to us and receive certain information and communications from us on your behalf.

**Application Form** means the application form which accompanies this PDS.

**Business Day** means any day on which Australian banks are open for business in Sydney other than Saturday or Sunday.

**Custodian and Administrator** is Mainstream Fund Services Pty Ltd ABN 81 118 902 891 (AFSL No 303253).

**Eligible Investment** means any ASX listed CHESSE-eligible security and any unlisted investment as listed in the Investment Menu; or other investment given prior approval by the Responsible Entity.

**Investor** means an investor in the Scheme.

**Investment Menu** means the list of Model Portfolios that are available for investment as outlined in [Book 2](#) of the PDS.

**Law** means any legislation and related regulations, including the *Corporations Act 2001* (Cth), Regulatory Guides and Class Orders issued by the Australian Securities and Investments Commission and law applying to the Scheme and its operation.

**Minimum Cash Holding or cash holding** means the cash held in your Account in addition to any cash held in the Model Portfolio(s) which may be used to maintain your Account.

**Model Portfolio(s) or Model(s)** means the investment model(s) offered under the Scheme that are applied to your Account.

**Model Portfolio value** means the value of a Model Portfolio as determined by the Responsible Entity (see 'How are managed accounts valued?', on page 28).

**Model Manager(s)** means the person(s) responsible for providing investment management services to the relevant Model Portfolio(s) for your Account.

**PDS** means [Book 1](#) and [Book 2](#) of this Product Disclosure Statement.

**Portfolio** means the total of your Model Portfolios plus any Minimum Cash Holding.

**Rebalancing Date** is generally each Business Day.

**Responsible Entity or RE** is The Trust Company (RE Services) Limited ABN 45 003 278 831 (AFSL No 235150).

**Scheme, SMA or Separately Managed Accounts** means the registered managed investment scheme which is known as the Mainstream Separately Managed Accounts ARSN 631 635 473.

# MAINSTREAM SMA

THE TRUST COMPANY (RE SERVICES) LIMITED ABN 45 003 278 831  
MAINSTREAM SEPARATELY MANAGED ACCOUNT (SMA) ARSN 631 635 473



This Initial Application Form relates to a Product Disclosure Statement dated 1<sup>st</sup> July 2021 (“PDS”) issued by The Trust Company (RE Services) Limited ABN 45 003 278 831, for the offer of interest in the Mainstream Separately Managed Account (“SMA”). Terms defined in the PDS have the same meaning in this Initial Application Form. The PDS contains important information about investing in the SMA, and you are advised to read the PDS before completing this Initial Application Form.

If you are an existing investor and this is an additional investment, please use the Additional Investment Form.

If you are a new investor, or if you are an existing investor and this investment is NOT in the same name(s) and strategy as your existing account, please complete the sections of this Initial Application Form and the Identification Forms noted below in Section 1.

If you have not been provided with the Identification Form with this application, you can obtain this at [www.mainstreamgroup.com/SMA](http://www.mainstreamgroup.com/SMA).

## 1. INVESTOR TYPE

Please complete the required Identification Form and provide certified copies of the identification requested on the Identification Form.

| INVESTOR TYPE                  |  | COMPLETE SECTIONS | IDENTIFICATION FORM  |
|--------------------------------|--|-------------------|--|
| Individual and Joint Investors | A natural person or persons.   | 2, 4, 5, 6, 7 & 8 | Form A – Individuals   |
| Sole Trader                    | A natural person operating a business under their own name with a registered business name.                      | 3, 4, 5, 6, 7 & 8 | Form A – Individuals   |
| Companies                      | A company registered as an Australian public company or an Australian proprietary company, or a foreign company. | 3, 4, 5, 6, 7 & 8 | For a Company complete the relevant form based on company type either Forms B or C. All Beneficial Owners named on Form B or C must complete Form A. |

| INVESTOR TYPE           | COMPLETE SECTIONS   | IDENTIFICATION FORM  |
|-------------------------|---|--|
| Trusts                  | Types of trusts include self-managed superannuation funds, registered managed investment schemes, unregistered wholesale managed investment schemes, government superannuation funds or other trusts (such as family trusts and charitable trusts).   | <p>For the Trust complete either Form D or E; and</p> <p>For an Individual Trustee complete Form A; or</p> <p>For a Company Trustee Complete Form B or C</p> <p>All Beneficial Owners named on Form D or E must be complete Form A</p> |
| Partnership             | A partnership created under a partnership agreement.  | <p>For the Partnership please complete Form F</p> <p>All Beneficial Owners named on Form F must complete Form A.</p>   |
| Associations            | <p>Incorporated associations are associations registered under State or Territory based incorporated association statutes.</p> <p>Unincorporated associations are those of persons who are not registered under an incorporated associations statute and thus do not have the legal capacity to enter into agreements.</p>                              | <p>For the Association please complete Form G.</p> <p>All Beneficial Owners named on Form G must complete Form A.</p>  |
| Registered Co-operative | An autonomous association of persons united voluntarily to meet common economic, social and cultural needs and aspirations through a jointly-owned and democratically-controlled enterprise registered under a registry system maintained by a State or Territory. This investor type can include agricultural businesses such as a dairy co-operative. | <p>For the Registered co-operative please complete Form H.</p> <p>All Beneficial Owners named on Form H must complete Form A.</p>  |
| Government Body         | The government of a country, an agency or authority of the government of a country, the government of part of a country or an agency or authority of the government of part of a country.   | <p>For a Government body please complete Form I.</p> <p>All Beneficial Owners named on Form I must complete Form A.</p>  |

## 2. INDIVIDUALS AND JOINT ACCOUNT HOLDERS INVESTOR DETAILS

### APPLICANT 1

|                      |                      |                      |
|----------------------|----------------------|----------------------|
| Title                | Given Name           | Surname              |
| <input type="text"/> | <input type="text"/> | <input type="text"/> |

|                      |                            |
|----------------------|----------------------------|
| Occupation           | Australian Tax File Number |
| <input type="text"/> | <input type="text"/>       |

Residential Address

Street address 1

Street Address 2

|                      |                      |                      |                      |
|----------------------|----------------------|----------------------|----------------------|
| Suburb               | State                | Postcode             | Country              |
| <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> |

Postal Address if different to Residential Address

Street address 1

Street Address 2

|                      |                      |                      |                      |
|----------------------|----------------------|----------------------|----------------------|
| Suburb               | State                | Postcode             | Country              |
| <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> |

|                               |                                   |
|-------------------------------|-----------------------------------|
| Phone Number (business hours) | Phone Number (non-business hours) |
| <input type="text"/>          | <input type="text"/>              |

|                      |                      |
|----------------------|----------------------|
| Mobile Number        | Email Address        |
| <input type="text"/> | <input type="text"/> |

Preferred contact method

I consent to receive all investor correspondence from you by email to the email address provided.

I wish to receive all investor correspondence by post to the address provided in on this Application Form.

I nominate my financial advisor as noted in section 6 to receive all investor correspondence.

## APPLICANT 2 (IF APPLICABLE)

Title  Given Name  Surname

Occupation  Australian Tax File Number

### Residential Address

Street address 1

Street Address 2

Suburb  State  Postcode  Country

### Postal Address if different to Residential Address

Street address 1

Street Address 2

Suburb  State  Postcode  Country

Phone Number (business hours)  Phone Number (non-business hours)

Mobile Number  Email Address

### Preferred contact method

I consent to receive all investor correspondence from you by email to the email address provided.

I wish to receive all investor correspondence by post to the address provided in on this Application Form.

I nominate my financial advisor as noted in section 6 to receive all investor correspondence.

### 3. ALL OTHER ACCOUNT HOLDERS INVESTOR DETAILS

Investor Type/Capacity

|                          |             |                          |              |                          |                 |                          |             |
|--------------------------|-------------|--------------------------|--------------|--------------------------|-----------------|--------------------------|-------------|
| <input type="checkbox"/> | Company     | <input type="checkbox"/> | Sole Trader  | <input type="checkbox"/> | Trust           | <input type="checkbox"/> | Partnership |
| <input type="checkbox"/> | Association | <input type="checkbox"/> | Co-operative | <input type="checkbox"/> | Government Body | <input type="checkbox"/> | Other       |

Full Name of Company / Business if Sole Trader / Trust (including Trustee details) / Partnership / Association / Cooperative / Government Body

Tax File Number

ABN (if applicable)

Principle Business Activity

Address

Street address 1

Street Address 2

Suburb

State

Postcode

Country

Phone Number (business hours)

Mobile Number

Fax Number

Email Address

Preferred contact method

I consent to receive all investor correspondence from you by email to the email address provided.

I wish to receive all investor correspondence by post to the address provided in on this Application Form.

## 4. APPOINTMENT OF AUTHORISED REPRESENTATIVE

Complete this section if you wish to appoint a person to act in a legal capacity as your authorised representative and to operate your investment in the Scheme on your behalf. In general, an authorised representative can do everything you can do with your investment, except change bank account details and appoint another authorised representative.

Your Nominated Representative will be permitted to:

- make applications on your behalf;
- provide all instructions relating to your Account and all investments of your Account including (without limitation) selecting and switching Model Portfolios, making additional applications, making withdrawals from your Account, and changing your Account details (except for change in bank details);
- make enquiries regarding your investments and obtaining information about your Account and all assets held;
- provide instructions to the Responsible Entity of the SMA on your behalf including the above and any transactions incidental to any of the above; and
- receive any communication regarding your Account in the SMA on your behalf.

We may act on the sole instructions of the authorised representative until you advise us in writing that the appointment of your authorised representative has terminated. We may also terminate or vary an appointment of an authorised representative by giving you 14 days' prior notice.

If an authorised representative is a partnership or a company, any one of the partners or any Director of the company is individually deemed to have the powers of the authorised representative.

Please attach a certified copy of your Power of Attorney.

For information on how to certify your document please refer to section 10 – Certification Requirements

Given Name

Surname

Signature of Authorised Representative

Date

# 5. INVESTMENT DETAILS

Please select from the below Rivkin Securities Model Portfolio's below;

| Name                  | Amount (\$) |
|-----------------------|-------------|
| Rivkin ASX Growth     |             |
| Rivkin US Growth      |             |
| Rivkin ASX Income     |             |
| Rivkin Low Volatility |             |

Source of funds being invested (choose most relevant)

|                     |  |                       |  |
|---------------------|--|-----------------------|--|
| Retirement Income   |  | Sale of Assets        |  |
| Employment Income   |  | Inheritance/gifts     |  |
| Business Activities |  | Financial Investments |  |
| Other               |  |                       |  |

**Stock Transfer In**

For all stock transfer requests, please complete the attached 'Mainstream SMA Stock Transfer In Form'. This will need to be attached to the completed initial application form.

## 6. PAYMENT METHOD

### **Cheque**

Cheque payable to: MAINSTREAM FUND SERVICES PTY LTD ACF MAINSTREAM SEPARATELY MANAGED ACCOUNT

### **Direct Credit/Electronic Funds Transfer**

Bank: ANZ Bank  
Account Name: Mainstream Separately Managed Account  
BSB: 012-003  
Account Number: 838123426

### **Direct Debit (Please complete below 11. Direct Debit Agreement)**

Request and Authority to debit the account names below to pay

**Mainstream Fund Services Pty Ltd**

### **Your Nominated bank account for all withdrawals**

The following nominated bank account will be used for payment of any withdrawal proceeds and can only be changed on submission of a signed bank account nomination form or a withdrawal form. This account must be held with an Australian financial institutional and cannot be in the name of a third party. This account must be in the same name as your account in the Service.

Account Name

Bank

BSB

Account Number

## 7. FINANCIAL ADVISOR DETAILS

By filling out this section, you nominate and consent and named Financial Adviser access to your information.

Advisor Name (Full Name)

Name of Advisory Firm

Name of Dealer Group

AFSL or AFSL Representative Number

Address

Street address 1

Street Address 2

Suburb

State

Postcode

Country

Phone Number (business hours)

Mobile Number

Fax Number

Email Address

If you have elected your financial adviser to receive all investor correspondence, please confirm the financial advisors preferred contact method.

I consent to receive all investor correspondence from you by email to the email address provided in section 6.

I wish to receive all investor correspondence by post to the address provided in section 6.

## 8. DECLARATION

I/we declare and agree each of the following:

- I/we have read the current PDS to which this application applies and have received and accepted the offer in it.
- My/our application is true and correct.
- I am/we are bound by any terms and conditions contained in the current PDS and the provisions of the constitution of the Scheme as amended from time to time.
- I/we have legal power to invest.
- If this is a joint application, each of us agrees that our investment is as joint tenants. Each of us is able to operate the account and bind the other to any transaction including investments or withdrawals by any available method.
- If investing as trustee on behalf of a super fund or trust, I/we confirm that I am/we are acting in accordance with my/our designated powers and authority under the relevant trust deed. In the case of a super fund, I/we also confirm that it is a complying fund under the Superannuation Industry (Supervision) Act 1993.
- I/we acknowledge that none of The Trust Company (RE Services) Limited ABN 45 003 278 831 or any of their related entities, officers or employees or any related company or any of the appointed service providers including the investment manager and custodian guarantee the repayment of capital or the performance of the Scheme or of any particular rate of return by the Scheme.
- I/we agree to the anti-money laundering and counter-terrorism financing statements contained in the PDS. I/we agree to provide further information or personal details to The Trust Company (RE Services) Limited and the custodian if required to meet their obligations under any anti- money laundering and counter-terrorism law and regulations, and acknowledge that processing of my/our application may be delayed and will be processed at the unit price applicable for the business day on which all required information has been received and verified.
- I/we have read and understood the privacy disclosure as detailed in the PDS. I/we consent to my/our personal information being collected, held, used and disclosed in accordance with the privacy disclosure. I/we consent to The Trust Company (RE Services) Limited disclosing this information to my/our financial adviser (named in this form) for interest in the Scheme. Where the financial adviser no longer acts on my/our behalf, I/we will notify The Trust Company (RE Services) Limited of the change.
- If I/we have appointed an authorised representative, I/we release, discharge and indemnify The Trust Company (RE Services) Limited from any loss, expense, action or other liability which may be suffered by, brought against me/us or The Trust Company (RE Services) Limited for any action or omissions by the authorised representative whether authorised by me/us or not.
- I/we certify that the information provided in the separate ID forms, including information relating to tax-related requirements, is reasonable based on verifiable documentation.

I/we acknowledge and agree that:

- The Trust Company (RE Services) Limited may be required to pass on my/our personal information or information about my/our investment to the relevant regulatory authorities, including for compliance with anti-Money laundering and counter- terrorism law and regulations as well as any tax-related requirements for tax residents of other countries.

## 9. SIGNATURES

Joint applications must both sign, for Individual Trustee Trust/Superannuation Funds each individual trustee must sign.  
For Corporate Trustee Trust/Superannuation Funds, 2 directors, a Director and Secretary or Sole Director must sign.

### APPLICANT 1

Full Name

Signature

Date

Tick Capacity (mandatory for companies)

|                       |  |
|-----------------------|--|
| Sole Director         |  |
| Director              |  |
| Secretary             |  |
| Non-Corporate Trustee |  |
| Partner               |  |

### APPLICANT 2

Full Name

Signature

Date

Tick Capacity (mandatory for companies)

|                       |  |
|-----------------------|--|
| Sole Director         |  |
| Director              |  |
| Secretary             |  |
| Non-Corporate Trustee |  |
| Partner               |  |

Post your original signed Initial Application Form, Identification Forms and certified copies of your identification required to:

Mainstream Fund Services Pty Limited  
GPO Box 4968  
Sydney NSW 2000

Please ensure that you have transferred your Application Monies or enclose a cheque for payment.

## 10. CERTIFICATION REQUIREMENTS

All documents must be provided in a certified copy format – in other words, a copy of the original document that has been certified by an eligible certifier.

A 'certified extract' means an extract that has been certified as a true copy of some of the information contained in a complete original document by one of the persons described below.

### **People who can certify documents or extracts are:**

- A lawyer, being a person who is enrolled on the roll of the Supreme Court of a State or Territory, or the High Court of Australia, as a legal practitioner (however described).
- A magistrate, a chief executive officer of a Commonwealth court or a judge, registrar or deputy registrar of a court.
- A Justice of the Peace.
- A notary public (for the purposes of the Statutory Declaration Regulations 1993).
- An agent of the Australian Postal Corporation (APC) who is in charge of, or a permanent employee of the APC with 2 or more years of continuous service who is employed in an office supplying postal services to the public.
- A police officer or an Australian consular officer or an Australian diplomatic officer (under the Consular Fees Act 1955).
- An officer with 2 or more continuous years of service with one or more financial institutions (under the Statutory Declaration Regulations 1993).
- A finance company officer with 2 or more continuous years of service with one or more financial companies (under the Statutory Declaration Regulations 1993).
- An officer with, or authorised representative of, a holder of an Australian Financial Services License, having 2 or more continuous years of service with one or more licensees.
- A member of the Institute of Chartered Accountants in Australia, CPA Australia or the National Institute Accountants with 2 or more years of continuous membership.

**Please note that we require the copy which was actually signed by the certifier (i.e. the original penned signature of the certifier).**

# 11. DIRECT DEBIT AGREEMENT

## Direct Debit Services Agreement

The following is your Direct Debit Service Agreement with Mainstream Fund Services Pty Ltd ABN 81 118 902 891 (Mainstream) who acts as the administrator for the Mainstream Separately Managed Account. The agreement is designed to explain what your obligations are when undertaking a Direct Debit arrangement with us. It also details what our obligations are to you as your Direct Debit Provider.

We recommend you keep this agreement in a safe place for future reference. It forms part of the terms and conditions of your Direct Debit Request (DDR) and should be read in conjunction with your Direct Debit Request form or additional application form (as applicable).

## Definitions

**Account** means the account held at your financial institution from which we are authorised to arrange for funds to be debited.

**Agreement** means this direct debit request service agreement between you and us.

**Banking day** means a day other than a Saturday or a Sunday or a public holiday listed throughout Australia.

**Debit day** means the day that payment by you to us is due.

**Debit payment** means a particular transaction where a debit is made.

**Direct debit request** means the Direct Debit Request in the application form or additional application form

**Us** or **we** means **Mainstream**, (the Debit User) you have authorised by signing a Direct Debit Request.

**You** means the customer who has signed or authorised by other means the Direct Debit Request.

**Your financial institution** means the financial institution nominated by you on the DDR at which the account is maintained.

## Direct Debit Services Agreement

## Debiting your Account

- a. By signing a *Direct Debit Request* or by providing us with a valid instruction, you have authorised us to arrange for funds to be debited from your account. You should refer to the *Direct Debit Request* and this agreement for the terms of the arrangement between us and you.
- b. We will only arrange for funds to be debited from your account as authorised in the *Direct Debit Request* or we will only arrange for funds to be debited from your account if we have sent to the address nominated by you in the *Direct Debit Request*, a billing advice which specifies the amount payable by you to us and when it is due.
- c. If the debit day falls on a day that is not a banking day, we may direct your financial institution to debit your account on the following banking day. If you are unsure about which day your account has or will be debited you should ask your financial institution.

*The Direct Debit will be made on receipt of your application. It takes three days for the request to be cleared. Upon confirmation that the funds are cleared we will apply the funds on the next Rebalancing Date.*

## Amendments by Us

We may vary any details of this agreement or a *Direct Debit Request* at any time by giving you at least fourteen (14) days written notice

## Amendments by You

- a. You may change, stop or defer a debit payment, or terminate this agreement by providing us with at least fourteen (14 days) notification by writing to:
  - I. Mainstream SMA  
Mainstream Fund Services Pty Ltd  
GPO BOX 4968  
Sydney NSW 2001

or
- II. by telephoning us on 1300 133 451 during business hours;

or

- III. arranging it through your own financial institution.

## Your Obligations

- a. It is *your* responsibility to ensure that there are sufficient clear funds available in *your* account to allow a *debit payment* to be made in accordance with the *Direct Debit Request*.
- b. If there are insufficient clear funds in *your account* to meet a *debit payment*:
  - I. you may be charged a fee and/or interest by *your financial institution*;
  - II. you may also incur fees or charges imposed or incurred by *us*; and
  - III. you must arrange for the *debit payment* to be made by another method or arrange for sufficient clear funds to be in *your account* by an agreed time so that *we* can process the *debit payment*.
- c. You should check *your account* statement to verify that the amounts debited from *your account* are correct
- d. If **Mainstream Fund Services Pty Ltd** is liable to pay goods and services tax ("GST") on a supply made in connection with this *agreement*, then *you* agree to pay **Mainstream Fund Services Pty Ltd** on demand an amount equal to the consideration payable for the supply multiplied by the prevailing GST rate.

## Confidentiality

- a. We will keep any information (including *your account* details) in *your Direct Debit Request* confidential. We will make reasonable efforts to keep any such information that *we* have about *you* secure and to ensure that any of *our* employees or agents who have access to information about *you* do not make any unauthorised use, modification, reproduction or disclosure of that information.
- b. We will only disclose information that *we* have about *you*:
  - IV. to the extent specifically required by law; or
  - V. for the purposes of this *agreement* (including disclosing information in connection with any query or claim).

## Notice

- a. If *you* wish to notify *us* in writing about anything relating to this *agreement*, *you* should write to  
**Mainstream Fund Services Pty Ltd**  
GPO Box 4968  
Sydney NSW 2001
- b. We will notify *you* by sending a notice in the ordinary post to the address *you* have given *us* in the *Direct Debit Request*.
- c. Any notice will be deemed to have been received on the third *banking* day after posting.

**Request and Authority to debit the account named below to pay Mainstream Fund Services Pty Ltd**

Your Surname or Company Name

Your Given Names or ABN/ARBN

Account Name

Financial Institution

Branch

BSB number (must be 6 digits)

Account Number

**Acknowledgement**

By signing this direct debit request, you authorise and are providing Mainstream Fund Services Pty Ltd (user ID: 524538), in respect to your investment amount, to debit the account as described above, any amount which it may debit or charge through the direct debit system in connection with your existing savings plan investment amount and any future amounts you instruct Mainstream Fund Services Pty Ltd to invest in the Mainstream Separately Managed Account. Also by signing, you certify that you have understood and agreed to the terms governing the direct debit arrangements between you and Mainstream Fund Services Pty Ltd.

Signature

Date

Address

Signature

Date

Address



# **Mainstream Separately Managed Account**

## **PRODUCT DISCLOSURE STATEMENT Book 2**

**Mainstream Separately Managed Account**

**ARSN: 631 635 473**

This PDS Book 2 is issued by The Trust Company (RE SERVICES) Limited  
ABN 45 003 278 831 | AUSTRALIAN FINANCIAL SERVICES LICENCE  
(AFSL) NUMBER 235150

Date of Issue: 30 June, 2021

# Product Disclosure Statement

## BOOK 2

*Issue No 3, 2021*

This PDS is comprised of two essential parts. These documents are:

- › Part 1 of the PDS; and
- › This document, which is Part 2 of the PDS, the Investment Menu

### **ISSUER AND RESPONSIBLE ENTITY**

The Trust Company (RE Services) Limited  
(Perpetual, Responsible Entity, RE, we, us or our),  
part of the Perpetual Group  
ABN 45 003 278 831  
AFSL No 235150  
Level 18, 123 Pitt Street  
Sydney NSW 2000  
☎ +61 2 9229 9000  
🌐 [www.perpetual.com.au](http://www.perpetual.com.au)

### **CUSTODIAN AND ADMINISTRATOR**

Mainstream Fund Services Pty Ltd (Mainstream)  
ABN 81 118 902 891  
AFSL No 303253  
GPO Box 4968  
Sydney NSW 2001  
☎ 1300 133 451  
☎ +61 2 9251 3525  
✉ [sma.au@mainstreamgroup.com](mailto:sma.au@mainstreamgroup.com)  
🌐 [www.mainstreamgroup.com](http://www.mainstreamgroup.com)

# CONTENTS

|   |    |
|---|----|
| <b>About this PDS</b>                         | 4  |
| <b>Investment Manager</b>                     | 5  |
| <b>Model Portfolio Profiles</b>               | 6  |
| <b>Investment Menu</b>                        | 8  |
| <b>Rivkin Securities Model Portfolio List</b> | 9  |
| <b>Cost of Product Information</b>            | 13 |

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# About this PDS

## Disclaimer

This is Book 2 of the Product Disclosure Statement (PDS) for the Mainstream Separately Managed Account ARSN 631 635 473 (Scheme), a managed investment scheme registered under the *Corporations Act 2001* (Cth) (Act) with the Australian Securities and Investments Commission (ASIC). Book 1 and Book 2 make up the PDS and should be read together. The PDS contains important information you should read before making a decision to invest in the Scheme. You can access Book 1 of the PDS on the Scheme's website ([www.mainstreamgroup.com/SMA](http://www.mainstreamgroup.com/SMA)) or request a copy free of charge by calling Mainstream on 1300 133 451. The information provided in the PDS is general information only and does not take account of your personal financial situation or needs. You should consider the appropriateness of the information in the PDS and the additional Information contained in this Book 2 of the PDS having regard to your personal objectives, financial situation and needs before acting on the information in this PDS. You may wish to obtain financial advice tailored to your personal circumstances.

Any item marked with an asterix (\*) in this Book is the Responsible Entity's reasonable estimate of the typical ongoing amounts as at the date of this PDS. As the Models in the Mainstream Separately Managed Account is newly established, the management costs, indirect costs, and transactional and operational costs disclosed for each Model Portfolio reflects the Responsible Entity's reasonable estimate at the date of this PDS of those costs that will apply for the current financial year.

Terms used in this Book 2 of the PDS will have the same meaning as set out in Book 1, refer also to the Definitions on page 36 of Book 1.

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# Investment Manager



The Rivkin brand has existed for four decades in Australia, and in the late 1990s it became very well known within the Australian equity investment research space.

In 2009 the firm became engaged in global multi-asset research and quantitative analysis, and since then has provided retail advice to a large number of Rivkin subscribers. In addition, we launched Rivkin Asset Management in 2016 which provides investment management services for high value clients.

With 20 years of experience in providing investment advice, Rivkin is now proud to partner with Perpetual and Mainstream to provide a low touch method for investors to benefit from this investment experience. Rivkin currently has over \$320m in assets under advice as at 30 April 2021.

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# Model Portfolio Profiles

The Model Portfolios profiles on pages 8-12 provide a summary of the investment options offered within the Scheme.

The following information explains certain terms and concepts detailed in the Model Portfolio profiles.

## Model Manager

This shows the professionally selected Model Manager which has been appointed to manage the money in the investment option

## Investment Strategy

The Investment Strategy describes the overall strategy of the Model Portfolio and how the money will be invested.

## Target Asset Allocation

The Target Asset Allocation refers to the proportion of a Model Portfolio that is invested in each asset class such as domestic and international equity, property securities, fixed interest and cash. The asset allocation will vary at different points in time. The range reflects the minimum and maximum amount that may be held in each asset class at any point in time.

## Minimum suggested timeframe

This is a guide only and not a recommendation. Model Managers will have differing views about the minimum investment period for which you should hold various investments, and your own personal circumstances will also affect your decision. Under each investment objective, we have suggested minimum investment timeframes; however, you should regularly review your investment decision because your investment needs or market conditions may change over time.

## Risk level

The risk level represents the Standard Risk Measure (SRM), which is based on industry guidance to allow investors to compare investments that are expected to deliver a similar number of negative annual returns over any 20 year period, as follows.

| <b>RISK BAND</b> | <b>RISK LABEL</b> | <b>ESTIMATED NUMBER OF NEGATIVE ANNUAL RETURNS OVER ANY 20-YEAR PERIOD</b> |
|------------------|-------------------|--|
| <b>1</b>         | Very Low          | Less than 0.5  |
| <b>2</b>         | Low               | 0.5 to less than 1   |
| <b>3</b>         | Low to medium     | 1 to less than 2   |
| <b>4</b>         | Medium            | 2 to less than 3   |
| <b>5</b>         | Medium to High    | 3 to less than 4   |
| <b>6</b>         | High              | 4 to less than 6   |
| <b>7</b>         | Very high         | 6 or greater   |

The standard risk measure is not a complete assessment of all forms of investment risk; for instance, it does not detail the potential size of a negative return nor the possibility that a positive return is less than an investor's investment objectives. Also, it does not take into account the impact of ongoing fees, tax or the likelihood of a negative return or an investor's personal needs and financial situation.

Investors should still ensure that they are comfortable with the risks and potential losses associated with your chosen investment option(s).

The SRMs for the Model Portfolio may change over time for various reasons, including as a result of review of the underlying capital market assumptions that are used in their valuation and future changes to asset allocation by the Model.

# Investment Menu



## RIVKIN SECURITIES MODEL PORTFOLIOS

| Name           | Model Portfolio Type          | Benchmark  |
|----------------|-------------------------------|------------|
| ASX Growth     | Australian shares             | S&P/ASX200 |
| US Growth      | US shares                     | S&P500     |
| ASX Income     | Australian shares and<br>ETFs | S&P/ASX200 |
| Low Volatility | Australian shares and<br>ETFs | RBA+4%     |

# Rivkin Securities Model Portfolio List

## RIVKIN ASX GROWTH

|   |  |
|---|--|
| <b>Model Manager</b>                            | Rivkin Securities Pty Limited  |
| <b>Investment strategy</b>                      | A concentrated long only Australian equity portfolio focused on investing in ASX200 companies. This concentrated stock picking strategy invests in a mix of high momentum and high growth stocks that will target a positive return to the investor over the medium to long term higher than the ASX200. |
| <b>Minimum suggested timeframe</b>              | 4-5 years  |
| <b>Suitable for</b>                             | Investors who want to invest in a concentrated stock portfolio with a mix of stocks that has a history and potential to outperform the market and generate positive returns.   |
| <b>Investment return objective<sup>1</sup></b>  | To seek to invest in companies with a strong technical and fundamental trend and to provide superior risk adjusted returns relative to the benchmark over the medium to long term with the aim of creating capital growth in the value of your investment.   |
| <b>Benchmark</b>                                | S&P/ASX200<br><br>Portfolio of stocks are selected from the ASX200 universe. This concentrated portfolio will be more volatile than the ASX200, however it is also targeting higher returns than the benchmark in the long run.  |
| <b>Authorised investments</b>                   | ASX listed securities and cash   |
| <b>Number of securities</b>                     | 0-30   |
| <b>Target asset allocation<sup>2</sup></b>      | Australian shares 0-99%<br><br>Cash 1-100%   |
| <b>Management Costs<sup>3</sup> comprising:</b> |  |
| › <b>Investment management fee</b>              | 1.55% p.a. of the Model Portfolio value  |
| › <b>Performance Fee</b>                        | 10.5% of outperformance of the Model Portfolio (not relative to benchmark performance, calculated to high watermark)   |
| <b>Performance Fee Period</b>                   | Monthly  |
| <b>Indirect costs*</b>                          | Nil  |
| <b>Transaction and Operational Costs</b>        | Estimated at 0.5% p.a.   |
| <b>Minimum investment amount</b>                | \$40,000   |
| <b>Standard Risk Measure</b>                    | 6 - HIGH   |

<sup>1</sup> The Investment return objective is not a forecast and returns are not guaranteed.

<sup>2</sup> The Target asset allocation for each portfolio should only be used as a guide. The Model Manager aims to maintain each portfolio within Target asset allocation ranges; however, the actual asset allocation may vary from the Target asset allocation.

<sup>3</sup> All fees are disclosed inclusive of GST and net of any RITC at the prescribed rate (depending on the nature of the fee or expense).

## RIVKIN US GROWTH

|   |   |          |
|---|---|----------|
| <b>Model Manager</b>                            | Rivkin Securities Pty Limited   |          |
| <b>Investment strategy</b>                      | A concentrated long only US equity portfolio focused on investing in Nasdaq100 and S&P100 companies. This concentrated stock picking strategy invests in a mix of high momentum and high growth stocks that will target a positive return to the investor over the medium to long term. |          |
| <b>Minimum suggested timeframe</b>              | 4-5 years   |          |
| <b>Suitable for</b>                             | Investors who want to have exposure to the US market and invest in a concentrated stock portfolio with a mix of stocks that has a history and potential to outperform the market and generate positive returns that are higher market indices.  |          |
| <b>Investment return objective<sup>4</sup></b>  | To seek to invest in companies with a strong technical and fundamental trend and to provide superior risk adjusted returns relative to the benchmark over the medium-to long term with the aim of creating capital growth in the value of your investment.                              |          |
| <b>Benchmark</b>                                | S&P500<br><br>Portfolio of stocks are selected from the Nasdaq100 and S&P100 universes. This concentrated portfolio will be more volatile than than S&P500, however it is also targeting higher returns than the benchmark in the long run.   |          |
| <b>Authorised investments</b>                   | US listed securities and cash   |          |
| <b>Number of securities</b>                     | 0-30  |          |
| <b>Target asset allocation<sup>5</sup></b>      | US shares   | 0 - 99%  |
|   | Cash  | 1 - 100% |
| <b>Management Costs<sup>6</sup> comprising:</b> |   |          |
| › <b>Investment management fee</b>              | 1.55% p.a. of the Model Portfolio value   |          |
| › <b>Performance Fee</b>                        | 10.5% of outperformance of the Model Portfolio value (not relative to benchmark performance, calculated to high watermark)  |          |
| <b>Performance Fee Period</b>                   | Monthly   |          |
| <b>Indirect Costs</b>                           | Nil   |          |
| <b>Transaction and Operational Costs</b>        | Estimated at 0.5% p.a.  |          |
| <b>Minimum investment amount</b>                | \$70,000  |          |
| <b>Standard Risk Measure</b>                    | 6 - HIGH  |          |

<sup>4</sup> The Investment return objective is not a forecast and returns are not guaranteed.

<sup>5</sup> The Target asset allocation for a Model Portfolio should only be used as a guide. The Model Manager aims to maintain each Model Portfolio within Target asset allocation range; however, the actual asset allocation may vary from the Target asset allocation.

<sup>6</sup> All fees are disclosed inclusive of GST and net of any RITC at the prescribed rate (depending on the nature of the fee or expense). Please refer to page 13 for the Cost of Product Information example for this Portfolio.

## RIVKIN ASX INCOME

|  |   |
|--|---|
| <b>Model Manager</b>                           | Rivkin Securities Pty Limited   |
| <b>Investment strategy</b>                     | A diversified long only Australian equity portfolio focused on investing in ASX listed securities. 40% -60% of the portfolio is invested in ASX50 stocks with an intention to maximize income and franking credits. The remainder of the portfolio is invested in both ETFs and event style opportunities such as takeover arbitrage. Income generated by this portfolio, will be reinvested. |
| <b>Minimum suggested timeframe</b>             | 3-4 years   |
| <b>Suitable for</b>                            | Investors who want to invest in a stock portfolio with relatively high yield and optimum franking credits.  |
| <b>Investment return objective<sup>7</sup></b> | To seek to invest in listed securities with high income and franking credits. In addition, a portion of the portfolio is invested in event style opportunities, such as takeover arbitrage.   |
| <b>Benchmark</b>                               | S&P/ASX200  |
| <b>Authorised investments</b>                  | ASX listed securities and cash.   |
| <b>Number of securities</b>                    | 0-50  |
| <b>Target asset allocation<sup>8</sup></b>     | Australian shares 0 - 99 %<br>Cash 1 – 100%   |
| <b>Management Costs<sup>9</sup> comprising</b> |   |
| › <b>Investment management fee</b>             | 1.55% p.a. of the Model Portfolio value   |
| › <b>Performance Fee</b>                       | 10.5% of outperformance of the Model Portfolio value (not relative to benchmark performance, calculated to high watermark)  |
| <b>Performance Fee Period</b>                  | Monthly   |
| <b>Indirect Costs*</b>                         | Nil   |
| <b>Transaction and Operational Costs</b>       | Estimated at 0.5% p.a.  |
| <b>Minimum investment amount</b>               | \$40,000  |
| <b>Standard Risk Measure</b>                   | 6 - High  |

<sup>7</sup> The Investment return objective is not a forecast and returns are not guaranteed.

<sup>8</sup> The Target asset allocation for a Model Portfolio should only be used as a guide. The Model Manager aims to maintain the Model Portfolio within the Target asset allocation ranges; however, the actual asset allocation may vary from the Target asset allocation range.

<sup>9</sup> All fees are disclosed inclusive of GST and net of any RITC at the prescribed rate (depending on the nature of the fee or expense). Please refer to page 13 for the Cost of Product Information example for this Portfolio.

## RIVKIN LOW VOLATILITY

|   |  |
|---|--|
| <b>Model Manager</b>                            | Rivkin Securities Pty Limited  |
| <b>Investment strategy</b>                      | <p>Strategy invests in ASX listed securities that represent multiple asset classes: cash, equities, bonds and gold. Targets asset classes that have a low or negative correlation to each other, with the benefit being a history of lower volatility and higher risk-adjusted returns than equities alone.</p> <p>Expected return of this strategy will be lower than the long-term average of equity returns however strategy intends to deliver superior return per unit of volatility.</p> |
| <b>Minimum suggested timeframe</b>              | 1-2 years  |
| <b>Suitable for</b>                             | Investors who are looking for lower volatility investment compared to the ASX200 in an investment that target returns RBA+4%.  |
| <b>Investment return objective<sup>10</sup></b> | Targets asset classes that have a low or negative correlation to each other, with the benefit being a history of lower volatility and higher risk-adjusted returns than equities alone.  |
| <b>Benchmark</b>                                | <p>RBA+ 4%</p> <p>Multi asset portfolio</p>  |
| <b>Authorised investments</b>                   | ASX listed securities and cash   |
| <b>Number of securities</b>                     | 0-20   |
| <b>Target asset allocation<sup>11</sup></b>     | <p>Australian shares    0-99 %</p> <p>Cash                      1 – 100%</p>   |
| <b>Management Costs<sup>12</sup> comprising</b> |  |
| › <b>Investment management fee</b>              | 1.00% p.a. of the Model Portfolio value  |
| › <b>Performance Fee</b>                        | 5% of outperformance of the Model Portfolio value (not relative to benchmark performance, calculated to high watermark)  |
| <b>Performance Fee Period</b>                   | Monthly  |
| <b>Indirect Costs*</b>                          | Nil  |
| <b>Transaction and Operational Costs</b>        | Estimated at 0.30% p.a.  |
| <b>Minimum investment amount</b>                | \$40,000   |
| <b>Standard Risk Measure</b>                    | 5 - Medium to High   |

<sup>10</sup> The Investment return objective is not a forecast and returns are not guaranteed

<sup>11</sup> The Target asset allocation range for a Model Portfolio should only be used as a guide. The Model Manager aims to maintain a Model Portfolio within the Target asset allocation range, however, the actual asset allocation may vary from the Target asset allocation.

<sup>12</sup> All fees are disclosed inclusive of GST and net of any RITC at the prescribed rate (depending on the nature of the fee or expense). Please refer to page 13 for the Cost of Product Information example for this Portfolio.

# Cost of Product Information

*The cost of product gives a summary calculation about how ongoing annual fees and costs can affect your investment over a one-year period for all investment options. It is calculated in the manner shown in the example of annual fees and costs in Book 1 of the PDS.*

*The cost of product assumes a balance of \$50,000 at the beginning of the year with a contribution of \$5,000 during the year. (Additional fees such as an establishment fee or an exit fee may apply: refer to the Fees and costs summary in Book 1 for the relevant option). Please note that we have assumed a 10% return for each portfolio over a year and performance fees to be paid once at the end of the year.*

*You should use this figure to help compare this product with other products offered by managed investment schemes.*

| <b>Rivkin Investment Option</b> | <b>Cost of Product (Management fee + Transaction Costs + Performance fees)<sup>1,2,3</sup></b> |
|---------------------------------|--|
| ASX Growth                      | \$ 1,075   |
| US Growth                       | \$ 1,075   |
| ASX Income                      | \$ 1,075   |
| Low Volatility                  | \$ 700   |

1. All figures disclosed inclusive of GST and net of any RITC at the prescribed rate (depending on the nature of the fee or expense).
2. Please note that performance fees will be calculated and charged on a monthly basis to high watermark. The Performance Fee for a Model Portfolio is updated from time to time and can be found at <https://rivkin.com.au/members/resources/analysis-updates/separately-managed-account-performance-report>. As the Models are new, there is no reasonable basis for estimating a performance fee to include in the above table. Prior performance is not an indicator of future performance.
3. Note for the life of this Book 2, no Cash Holding or Expense Recovery Fee as referred to in Book 1 will apply. Transaction Costs include brokerage for the portfolio Australian shares of a range of 5-9bp depending on the amount transacted (and subject to a minimum of \$9 per security), and for US shares, 5bp.

