



Investment Account

Product Disclosure Statement

30 September 2022

The Carnbrea Investment Account is a product issued from the Powerwrap Investment Account which is a registered Managed Investment Scheme under the Corporations Act 2001 (Cth) (ARSN 137 053 073).

Responsible Entity: Powerwrap Limited (ABN 67 129 756 850).

Important information

This Product Disclosure Statement ('PDS') is issued and promoted by Powerwrap Limited ('Responsible Entity', 'we', 'us' or 'our') (ABN 67 129 756 850) (Australian Financial Services Licence No. 329829) and marketed and distributed by Carnbrea & Co. Limited (ABN 33 004 739 655) (Australian Financial Services Licence No. 233763) (referred to in this PDS as the 'Distributor') pursuant to an agreement between the Distributor and Powerwrap.

The PDS invites you to invest in the Carnbrea Investment Account (referred to in this PDS as '**Carnbrea Investment Account**', or '**Scheme Account**'), which is an investment in the Powerwrap Investment Account which is a registered Managed Investment Scheme under the Corporations Act 2001 (Cth) (ARSN 137 053 073) (referred to in this PDS as the '**Scheme**').

This PDS has been prepared for and is distributed by the Distributor and is available only to clients of financial advisory firms who have entered into agreements with the Distributor.

Administration Service

When you apply for a Scheme Account, you are automatically entitled to access a transaction and reporting service in relation to investments held in your own name ('**Administration Service**'). Investments administered via the Administration Service are known in this PDS as '**Directly Held Investments**'. A Cash Operating Account (held within your Scheme Account) will be established within the Scheme and will be available to you to effect transactions both within your Scheme Account and via the Administration Service.

A reference to '**your Account**' in this PDS is a reference to your Scheme Account plus the Directly Held Investments administered via the Administration Service.

A reference to '**Product**' in this PDS is a reference to the Scheme and the Administration Service.

YOU SHOULD NOTE THAT FEES AND COSTS SET OUT IN THIS PDS ARE GENERALLY CALCULATED ON THE VALUE OF YOUR SCHEME ACCOUNT PLUS THE VALUE OF ANY DIRECTLY HELD INVESTMENTS.

General advice warning

The information contained in this PDS is general information only and does not take into account your individual objectives, financial situation, needs or circumstances. You should assess in conjunction with your Financial Adviser whether investing in the Product is appropriate for you having regard to your objectives, financial situation, needs and circumstances.

You should read the 'Risks' section in this PDS carefully to understand the risks associated with using the Product. Neither we, or anyone else referred to in this PDS (and our and their directors and officers), guarantee the performance of the investments acquired and held or administrated through the Product including the return of your capital.

Financial Adviser

You are required to appoint a Financial Adviser who will provide investment instructions to us on your behalf. By completing the Application Form, you will be authorising us to take investment instructions in relation to your Account from your Financial Adviser on your behalf. You are also giving us the authority to deal with your Financial Adviser and provide information about your Account to your Financial Adviser. Your Financial Adviser will have access to view your Account and will be able to operate your Account online.

For further information and terms and conditions regarding your Financial Adviser refer to page 28.

Updating information

Information in this PDS and other related documents may change from time to time. Where the changes are not materially adverse, the updated information will be available from www.carnbrea.com.au ('our website'). You should regularly check our website to ensure that you have the most up to date information. A paper copy of the updated information can be provided free of charge upon request.

We reserve the right to change the features of the Product, including the investments offered, at any time.

A Target Market Determination ('TMD') for this Product and some of the underlying investment options can be viewed at www.powerwrap.com.au.

Contact details

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Website: www.powerwrap.com.au

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About the Carnbrea Investment Account

A single investment account

The Carnbrea Investment Account is delivered through the Scheme and provides access to a comprehensive range of investments within a single consolidated investment account.

Your Scheme Account will be managed in accordance with instructions received from your Financial Adviser. Any Directly Held Investments administered via the Administration Service will be administered as part of a single asset portfolio in your Account, for reporting and billing purposes.

Key features and benefits

| | | | | | | | | | | | | | | | | | |
|---|--|---------------------|----------|------------------|----------|---------------------|-------|---|---------|---------------------------------|-------|--------------------------------|-----------------|---------------------|-----------------|--------------------------|-----------------|
| Create your own portfolio of investments | With the guidance of your Financial Adviser, you can select from a range of investments to create a unique portfolio that meets your personal requirements. | | | | | | | | | | | | | | | | |
| Choice of investments | Via your Account, you can access a wide range of investments including managed funds, listed international securities, cash, fixed income investments and Model Portfolios ('Investments held in custody') and Australian listed securities, Exchange Traded Products ('ETPs'), term deposits and non-custodially held investments ('Directly Held Investments'). | | | | | | | | | | | | | | | | |
| Beneficial Ownership | You will be the beneficial owner of all investments held within your Account. Investments held in your Scheme Account will be held in the name of the custodian on your behalf. Directly Held Investments forming part of your Account will be held directly in your name. | | | | | | | | | | | | | | | | |
| Minimum amounts¹ | <table border="0"> <tr> <td>Initial Investment:</td> <td>\$20,000</td> </tr> <tr> <td>Minimum balance:</td> <td>\$20,000</td> </tr> <tr> <td>Minimum withdrawal:</td> <td>\$100</td> </tr> <tr> <td>Minimum Cash Operating Account balance:</td> <td>\$2,000</td> </tr> <tr> <td>Additional lump sum investment:</td> <td>\$100</td> </tr> <tr> <td>Additional regular investment:</td> <td>\$100 per month</td> </tr> <tr> <td>Regular withdrawal:</td> <td>\$100 per month</td> </tr> <tr> <td>Regular Investment Plan:</td> <td>\$100 per month</td> </tr> </table> | Initial Investment: | \$20,000 | Minimum balance: | \$20,000 | Minimum withdrawal: | \$100 | Minimum Cash Operating Account balance: | \$2,000 | Additional lump sum investment: | \$100 | Additional regular investment: | \$100 per month | Regular withdrawal: | \$100 per month | Regular Investment Plan: | \$100 per month |
| Initial Investment: | \$20,000 | | | | | | | | | | | | | | | | |
| Minimum balance: | \$20,000 | | | | | | | | | | | | | | | | |
| Minimum withdrawal: | \$100 | | | | | | | | | | | | | | | | |
| Minimum Cash Operating Account balance: | \$2,000 | | | | | | | | | | | | | | | | |
| Additional lump sum investment: | \$100 | | | | | | | | | | | | | | | | |
| Additional regular investment: | \$100 per month | | | | | | | | | | | | | | | | |
| Regular withdrawal: | \$100 per month | | | | | | | | | | | | | | | | |
| Regular Investment Plan: | \$100 per month | | | | | | | | | | | | | | | | |
| Cash Operating Account | A Cash Operating Account will be established in the Scheme and will form part of your Scheme Account. You can use the Cash Operating Account to effect transactions within your Account. When your Scheme Account is open, your initial deposit, additional deposits and any income received is added to your Cash Operating Account. Withdrawals, investment purchases, fees, taxes and other costs are withdrawn from the Cash Operating Account. You must maintain the Minimum Cash Operating Account Balance at all times. | | | | | | | | | | | | | | | | |
| Model Portfolio minimums | See the Carnbrea Investment Account Approved Product List ('Approved Product List') for the minimum amount, if any, stipulated by each Model Portfolio Manager. | | | | | | | | | | | | | | | | |
| Managed fund minimums | Generally, there are no minimum investment amounts for individual managed funds to be held within your Account. Some managers, however, may impose minimum restrictions – please refer to each managed fund's PDS. | | | | | | | | | | | | | | | | |
| Additional investments | You may make additional investments of \$100 or more at any time. | | | | | | | | | | | | | | | | |
| Regular Investment Plan | A fixed, nominated amount can be invested each month and allocated pro rata across managed funds in your Scheme Account. The minimum Regular Investment Plan amount is \$100. | | | | | | | | | | | | | | | | |
| Regular Withdrawal Plan | A fixed nominated amount can be withdrawn from managed funds in your Scheme Account on a monthly basis. The withdrawals will be funded by a pro rata sale of investments held in your Scheme Account and paid to your Cash Operating Account. The minimum regular withdrawal is \$100. | | | | | | | | | | | | | | | | |

¹ Unless otherwise agreed between your Financial Adviser and the Responsible Entity.

Key features and benefits (cont.)

| | |
|--|--|
| Distributions and Dividends | Distributions from your managed fund investments are paid to your Cash Operating Account as they are received. You can elect for income from Model Portfolio investments to be paid into your Cash Operating Account or to be re invested. If your Account includes Australian listed securities (which are Directly Held Investments), you can elect to have dividends reinvested pursuant to a dividend reinvestment plan. You can elect to have dividends and distributions for Directly Held Investments paid into the Cash Operating Account. |
| Online reporting | The Product offers investors and their Financial Advisers a wide range of online reports, including: <ul style="list-style-type: none"> • Portfolio holdings • Portfolio valuations • Cash transactions to and from your Cash Operating Account • Portfolio transactions • Income and Expense Reporting |
| Suitability for SMSFs | The Product may provide advantages to SMSF investors, as it alleviates the record keeping burden associated with holding investments directly and may reduce the cost of preparing your accounts. |
| Transparency | You can view all investments, transactions and fees through secure online access, 24/7 for your entire Portfolio. |
| Lower trading costs for investments in Model Portfolios as compared to other structures | As trades are first netted across individual portfolios in rebalancing Model Portfolio transactions, fewer trades are required to go to market, resulting in lower brokerage costs, a benefit passed on to investors. |

How the Carnbrea Investment Account works

Opening an Account

To open your Account and invest via the Product, you and your Financial Adviser must complete and submit the online Application Form, together with the provided Limited Power of Attorney ('LPOA'), which will then be processed by us. The LPOA you sign enables us to act upon the instructions of your Financial Adviser to trade your investments including opening any other accounts as required to facilitate transactions of both custodially held and Directly Held Investments.

As Responsible Entity we may, at our discretion, reject applications for investment in the Scheme. You cannot access the Administration Service unless you are a member of the Scheme.

When opening your Account, we will facilitate the opening of an account with an approved stockbroker to enable trading in Australian listed securities via the Administration Service.

Accessing your Account online

When your Account has been opened, you will be sent a Login ID and a password that you can use to access your Account online. You are responsible for keeping your user ID and password confidential.

Cash Operating Account

When you open a Scheme Account, you authorise us to establish a Cash Operating Account and give us access as a 'Full Access Authorised Operator' to your Cash Operating Account to:

- acquire investments for your Account (in accordance with investment instructions received);
- deposit funds from the sale of investments;
- pay fees and costs associated with administering and reporting on your custodially and Directly Held Investments;
- pay the fees as disclosed in this PDS to your Financial Adviser as agreed by you and your Financial Adviser;
- receive funds from income generated from the investments in your Account; and
- on request, withdraw funds to pay to a Nominated Bank Account/s that you have authorised to be set up on your Account.

If there is a shortfall in your Cash Operating Account to pay any fees and costs, the Responsible Entity has the authority to access your Scheme Account to redeem investments to cover the shortfall.

The provider of the Cash Operating Account is Australia and New Zealand Banking Group Limited, ABN 11 005 357 522 ('ANZ').

Except as agreed with you under the terms of this PDS, we will not withdraw any amount from your Cash Operating Account except at your direction.

The interest rate you may receive on the cash balance in your Cash Operating Account is net of the Cash Administration Fee paid to us for the administration of your Cash Operating Account. Depending on the interest rate available to us at the time, you may not receive any interest on the cash in your Cash Operating Account after payment of our fees. Information about the rate of interest you earn on funds held in your cash account is published on our website.

For more information regarding the Cash Administration Fee refer to the 'Additional explanation of fees and costs' section.

Maintaining the Minimum Cash Operating Account Balance

You and your Financial Adviser are responsible for maintaining a minimum cash balance of \$2,000 ('Minimum Cash Operating Account Balance') to cover fees and costs.

If the balance of your Cash Operating Account falls below the minimum required, and there are insufficient funds to cover fees and costs, then your investments in your Scheme Account may be sold down to restore the Minimum Cash Operating Account Balance without seeking prior instruction from you or your Financial Adviser. Where investments within your Scheme Account are sold to meet the Minimum Cash Operating Account Balance, your holdings in the Scheme Account will be sold in proportion, where possible. Where your Scheme Account holdings include illiquid managed funds, these funds may be excluded from the sell down process.

Cash contributions

When you open your Scheme Account, you must deposit funds into your Cash Operating Account. You can make deposits via Electronic Funds Transfer ('EFT') or BPay and once cleared, funds are available in your Cash Operating Account to make investments.

Linked administration and reporting

If your Account includes Directly Held Investments, we will administer these investments and integrate reporting with the custodially held investments in your Scheme Account. The LPOA you sign enables us to undertake investment administration and pay the fees and costs associated with your Directly Held Investments as disclosed in this PDS.

In-specie Transfers

You may be able to transfer investments you already own into your Scheme Account. This may involve completion of additional forms, which your Financial Adviser will provide and assist you to complete. Fees and charges may also be payable for such transfers (see Fees and Other Costs on page 15).

It is important to note that no further transactions affecting the investments subject to the in-specie transfer can occur once the in-specie transfer process has commenced and until it is finalised. We are not liable for any delays in the in-specie transfer process.

There may be times and circumstances outside of our control when we will not be able to transfer some custodially held investments out of your Scheme Account via in-specie transfer. Refer to the disclosure document of your chosen investment/s for more information.

Where securities are being transferred into a Model Portfolio, your Scheme Account will be marked as inactive and will be withheld from the rebalance process until the transfer process is complete. You may receive interest on cash balances held in your Model Portfolio(s) over this time, and you may also incur fees. When all securities have been transferred, your Scheme Account will become active. The investments in your Scheme Account will then be included with your selected Model Portfolio(s) at the next rebalancing opportunity.

Investment Authority and Instructions

All investment instructions must be directed through your Financial Adviser. We do not bear any responsibility for your investment instructions not being acted upon in a timely and accurate manner by your Financial Adviser. We are not responsible for the investment strategy devised with your Financial Adviser. Us acting on your or your Financial Adviser's instructions, is not to be construed as an endorsement by us that the strategy is appropriate for you.

Your Financial Adviser will receive communications from us relating to your Account and it is the responsibility of your Financial Adviser to provide these communications to you.

Please note that we will not accept instructions from your Financial Adviser to change your Nominated Bank Account details for payment of any withdrawal proceeds, nor certain other personal/identification information. Refer to 'Investor authorisations, acknowledgements & agreements' for details.

We will continue to act upon any instructions from your Financial Adviser until it receives a written cancellation from you of their appointment. If you cancel the appointment of your Financial Adviser, then unless you appoint another Financial Adviser acceptable to us, we may suspend or terminate your participation in the Product by giving you 30 days' notice. If we terminate your Account, it will be closed in accordance with our Account closing process.

Regular Investment Plans

If you would like to make regular investments into the Product, you can establish a Regular Investment Plan, subject to a minimum, and have this paid out of your Cash Operating Account. Regular investments are normally processed on the 15th day of each month. You can cancel the Regular Investment Plan at any time by providing instructions via your Financial Adviser. The amounts deposited under a Regular Investment Plan will be invested pro-rata across managed funds in your Scheme Account.

To establish a Regular Investment Plan for a new Account, ask your Financial Adviser to assist you to complete the appropriate section of the Application Form. To add a Regular Investment Plan to an existing Account, or vary an existing Regular Investment Plan, please provide instructions via your Financial Adviser.

Investments excluded from Regular Investment Plans

Certain investments that may be available through the Product from time to time may impose minimum purchase amounts in either dollar or unit terms. You will not be able to acquire such investments through the Regular Investment Plan if the amounts you make available for investment do not meet the necessary minimum purchase amounts.

Switching between Investments

If you want to change investments in your Account, your Financial Adviser can provide us with instructions to sell an investment and purchase a different investment on the Approved Product List. Switching between investments may have tax consequences, and you should consider seeking professional taxation advice if you are uncertain about the consequences of switching. Also, fund managers may impose transaction costs (in the form of a buy/sell spread) when units are bought and sold. Some fund managers may have minimum investment redemption amounts, which will be disclosed in the managed fund's disclosure document.

If you want to change your investment in a Model Portfolio, your Financial Adviser will communicate your instructions to us. Tax consequences may occur as a result, and again it is appropriate to consider seeking professional taxation advice if you are uncertain about the consequences. Brokerage will apply to any changes to the composition of your investments in Model Portfolio(s).

Making withdrawals from your Scheme Account

You can request a withdrawal from your Scheme Account at any time.

The minimum withdrawal amount is \$100, subject to you maintaining the Minimum Cash Operating Account Balance. You are also required to maintain a minimum combined balance in your Account of \$20,000. (Unless you advise us specifically which Scheme investments should be affected by a withdrawal, we will decide which managed funds to sell down and in what proportions, as appropriate).

Withdrawals will generally be actioned within two business days of receipt of a complete withdrawal request. Where you are withdrawing by selling down managed funds, the receipt of funds to your Cash Operating Account will be dependent on the timing of each fund manager.

To fund withdrawals from investments held in Model Portfolios, securities are sold proportionally across all your Model Portfolios. The value you will receive will be the value at which the investments are sold net of all fees, charges and expenses (including transaction costs such as brokerage).

Transfers (in specie) or withdrawal payments from your Scheme Account may be delayed from time to time when events impact our ability to transfer investments or sell sufficient investments to satisfy withdrawal requests (for example, where managed funds are illiquid, securities are suspended or due to other market factors). We are not liable for such delays.

Some investments may have minimum holding requirements or withdrawal conditions which may impact your ability to sell or redeem these investments. Please refer to the disclosure document of your chosen investment/s for more information.

If you wish to fully close your Account, you need to provide written notice by completing the Account Closure Form available from your Financial Adviser or us. When closing your Account, you can elect to have investments in your Scheme Account sold and the proceeds paid by electronic transfer to a nominated external bank account, transfer investments to you or to another custodial arrangement (as allowable under law or under the terms of an investment itself) or a combination of sale and transfer.

Closing your Account will also terminate the Administration Services in respect of your Directly Held Investments.

Prior to closing your Account, the Cash Operating Account balance will be applied to pay all outstanding fees and charges. It may be necessary to keep your Account open for a period of time pending the processing of any transfers and the receipt of any outstanding distributions. During this time, you must maintain the Minimum Cash Operating Account Balance.

Regular Withdrawal Plan (Scheme Account)

You can set up a Regular Withdrawal Plan to have a pro-rata amount withdrawn from existing managed funds in your Scheme Account.

Regular withdrawals are usually processed on the 20th day of each month.

The date on which funds are released from the sale of managed funds to your Cash Operating Account will be dependent on each fund manager.

To establish a Regular Withdrawal Plan for a new Scheme Account, complete the appropriate section of the Application Form. To add a Regular Withdrawal Plan to an existing Scheme Account, or vary an existing Regular Withdrawal Plan, please provide instructions via your Financial Adviser.

Suspending withdrawals

In unusual circumstances outside our control, such as the closure or disruption of a relevant security exchange or the suspension of redemptions by fund issuers, we may suspend withdrawals from Accounts for the period that these circumstances prevail, without any liability to you.

Class Actions monitoring service

We offer a Class Action monitoring service via a third-party service provider. You will be automatically subscribed to the monitoring service upon opening your new Account.

You have the choice to opt-out of the Class Action monitoring service, but we must be instructed in writing by your Financial Adviser to do so.

As part of the Class Action monitoring service, we ensure that investors who are eligible can participate in any class actions related to securities held in their Account. This includes registering for the class action, monitoring the progress of the class action and arranging for the payment of any compensation granted (to be paid into the Cash Operating Account unless otherwise directed). Please refer to the 'Fees and other costs' section for more information regarding the fees associated with this service.

Should you opt-out of the Class Action monitoring service, we will no longer monitor your account for upcoming class actions nor will we onforward individual class action notifications to your Financial Adviser specific to your Account.

Should we be notified of an upcoming Class Action, and you have opted-out of the service, we will provide a generic Class Action notification to all Financial Advisers. It will then be the responsibility of your Financial Adviser to pass this information onto you and for you and your Financial Adviser to take any action where required.

Capital Gains Tax (CGT) allocation methods

You can select from the following CGT allocation methods:

- Minimise Gain – tax parcels are selected to minimise the capital gain on disposal of an investment.
- Maximise Gain – tax parcels are selected to maximise the capital gain on disposal of an investment.
- First In First Out ('FIFO') – the earliest tax parcel is selected on disposal of an investment.
- Manual Selection – your Financial Adviser can manually allocate disposals to tax parcels, or parts of tax parcels.

The default CGT allocation method is Minimise Gain. The CGT discount factor applied to your Account is based on your 'tax entity type' e.g., Individual, Partnership, Joint Investors, Company, Superannuation Fund or Trust.

You can change the CGT allocation method used for your Account at any time by instructing your Financial Adviser to notify us in writing. The new method will apply from the date the change is processed, and all transactions from the start of the current financial year. If you wish to change your CGT allocation method retrospectively, this will need to be processed manually as a cost base reconstruction. Additional charges may apply. It is recommended that you consider seeking professional taxation advice before selecting or changing your CGT allocation method.

Changing details

You should notify us directly as soon as possible of any changes to your personal details relating to your Account. We or your Financial Adviser can provide you with the appropriate form. We will not accept instructions from your Financial Adviser in relation to a change of your Nominated Bank Account details for payment of any withdrawal proceeds, nor certain other personal/identification information.

Reporting

All investor reporting is available online. By applying for an Account, you consent to receiving reports and notices electronically. You may withdraw your consent at any time. Once your Account is activated, you will be able to access your Account information and view your Account valuations online.

For terms and conditions relating to your password access, please refer to 'Investor authorisations, acknowledgements & agreements'.

Online reporting

The following reports are available online for any period, showing:

- A summary of the transaction activity on your Account
- Account valuation
- Cash transactions to and from your Cash Operating Account
- Distributions

Reports generally include your Account holdings and transactions up until the previous business day, using the most recent market prices supplied. Reports can be generated for any time period or date, as far back as your initial investment date.

Tax information

Throughout the year, income received from your investments may be recorded as unfranked income. Your Account will be updated with the tax breakdown of the distribution information relevant to the preparation of your tax returns as it becomes available, after the financial year end. This will include details of any interest, assessable income, franked and unfranked income, foreign income, distributed capital gains, all associated tax credits and any other relevant items that may assist a registered tax agent to prepare your tax return. This process will generally be completed by the end of October each year. The Scheme's independent auditor performs an annual audit of the internal controls over investment management, administration services and related technology services to ensure reliability for both custodially and Directly Held Investments.

Annual Reports

The Corporations Act requires us to provide you with an annual report detailing your investments in the Scheme, transactions impacting your Scheme Account and the fees that you have paid.

These reports will be prepared each financial year after all investment income information has been received and will be delivered electronically.

The Scheme is also a disclosing entity as defined under the Corporations Act. As a disclosing entity, the Scheme is subject to additional regular reporting and disclosure obligations. Copies of documents lodged with ASIC to comply with these requirements may be obtained from, or inspected at, an ASIC office and will also be made available on our website. You have a right to request us to provide you free of charge the half yearly condensed financial report and any continuous disclosure notices lodged with ASIC (in addition to the annual report referred to above). Continuous disclosure notices will also be published on our website.

Investment options

| Investment options in the Carnbrea Investment Account | | |
|---|---|-----------------------------------|
| Investments held in custody | The following investments are held in custody by us ² . You are the beneficial owner of these investments. | Further information |
| Managed funds | You can choose from a selection of approved managed funds offered by a number of different fund managers as outlined in the Approved Product List. | Approved Product List and page 11 |
| Listed international securities | You can choose from a selection of listed international securities from approved international exchanges. | Page 11 |
| Cash | You can hold cash in your Account via your Cash Operating Account. | Page 11 |
| Bonds | You can choose from a selection of approved domestic and international bonds. | Page 11 |
| Model Portfolios | You can choose from a selection of Model Portfolios available through the Product. | Page 11 |
| Administration Service for Directly Held Investments | The following investments are not held in custody by us or any appointed custodian. You are the legal and beneficial owner of these investments. | Further information |
| Australian listed securities | You can choose to invest in Australian listed securities. Australian listed securities include ASX listed securities, ETPs, hybrids and Listed investment companies ('LICs') and other Australian listed investments. Australian listed securities are held via your own Holder Identification Number ('HIN') through a broker sponsor arrangement. | Page 11 |
| Term deposits | You can choose from a selection of term deposits, issued by approved ADIs. | Page 12 |
| Unlisted Investments | Unlisted Investments include investments not traded via a recognised secondary exchange and are not held with a custodian. These investments may be approved upon request. | Page 12 |
| Personal Investments | Personal Investments include investments, such as direct property, which may be approved upon request. | Page 12 |

Before you invest

You must obtain and read a copy of the current disclosure document, where applicable, for each investment you choose to invest in. This includes disclosure documentation for any underlying assets within a Model Portfolio which will include the fees and costs information (including the Indirect Cost Ratio ('ICR') if applicable) for those investments. These may describe the investment objective, investment strategy, risk/return profile, and investment timeframe of the investment manager. Your Financial Adviser will provide you with the current documents for the investments you are considering.

You should also obtain and read a copy of the current disclosure document before making additional investments, as these may change over time.

The Approved Product List available on our website has a list of the accessible investments available through the Scheme. We reserve the right to change investments on the Approved Product List from time to time at our discretion.

If your Account is invested in an investment that is subsequently removed from the Approved Product List, you may be allowed to continue to hold this investment in your Account, at our discretion.

Alternatively, if it is considered necessary, we may seek instructions to transfer this investment to another custodial arrangement for you or, where this is impracticable, to sell the investment on your behalf and pay the sale proceeds to your Cash Operating Account.

Investment selection

We provide a diverse selection of investment options through the Product so that you and your Financial Adviser can determine an investment strategy that is tailored to your personal and financial goals.

The investments made available through the Product (and in particular, the Scheme) are those which we determine to be appropriate based on a range of assessment factors, such as the likely demand for the investment, the overall costs involved to make the investment available including operational costs, market tradability, client and adviser feedback and so on. We regularly consider and assess potential new investments to ensure that the investment options available through the Product and in particular, the Scheme, remain diverse and accessible to our members.

² We may appoint one or more custodians for these investments at our discretion. The custodian holds legal title to the investments, and you will have beneficial ownership of these investments.

Making changes to the investments in your Account

You should always consult your Financial Adviser before you select any investment or decide to increase or decrease your holding in any investment. Further, because your circumstances and investments can change, you should regularly consult with your Financial Adviser to ensure that your investments remain appropriate for you over time.

Investment decisions are your decisions

The value of investments may rise or fall from time to time, and neither investment performance nor the repayment of capital is guaranteed. We do not assess the suitability or appropriateness of investments or investment managers for you and do not make efforts to seek, ascertain or disclose to you whether your Financial Adviser and/or its Licensee has an interest in any investment offered. You must form your own view as to the suitability of any investment for you, with the assistance of your Financial Adviser. Any investment decision is your decision. Us acting on your or your Financial Adviser's instructions should not be construed as our endorsement of your investment strategy.

Investments held in custody (via the Scheme)

Managed Funds

You can choose from a selection of managed funds offered by a number of different fund managers as outlined in the Approved Product List.

Because we are able to access wholesale rates for the retail managed funds which we offer, investors benefit from lower fees than those typically available to retail investors that invest directly in those funds.

Treatment of Dividend Reinvestment Programs and Corporate Actions

There is no managed fund distribution reinvestment program at the time of publishing this PDS, and all distributions relating to your managed fund holdings are received in cash to the credit of your Cash Operating Account. You may be able to instruct your Financial Adviser to acquire more units in the managed fund using the distribution amount received. If a distribution reinvestment program is made available, relevant information will be available under the heading 'Product Disclosure Updates' on our website.

Our policy regarding corporate actions affecting investments in managed funds is that we do not accept directions from individual investors since managed fund investments are generally held by a custodian. Generally, we will adopt a neutral position and not vote at member meetings, although we may exercise our discretion and vote depending on the particular circumstances. Investors can request a copy of our Corporate Actions Policy which will be provided free of charge.

Model Portfolios

You can choose from a selection of Model Portfolios provided and managed by professional Model Portfolio Managers. Descriptions of relevant Model Portfolio Managers and their approaches to the Model Portfolio(s) they manage are available in the Approved Product List available on our website.

Customisations

Model Portfolios may be able to be customised in a range of ways in accordance with your needs. Your Financial Adviser will manage any customisation in accordance with your instructions. It is important to remember that if you apply a customisation, your Model Portfolio may not perform in the same way as the Model Portfolio disclosed in the Approved Product List.

Model Portfolios and corporate actions

As these holdings are pooled and held by a custodian, we will act in the best interests of investors in the Scheme as a whole when dealing with corporate actions and we are not obliged to act on any individual investor's directions.

Our policy regarding corporate actions affecting investments held in Model Portfolios is that generally:

- Dividends and distributions will be taken in cash;
- We will generally adopt a neutral position and not vote at meetings, although we may exercise our discretion and vote depending on the particular circumstances; and
- We will deal with corporate actions using our discretion and have regard to advice from the Model Portfolio Manager.

Externally imposed limits or caps may affect your entitlement to participate in corporate actions – if this happens you may have a lesser entitlement than an investor holding the same number of securities directly.

Any income earned from a Model Portfolio will be paid directly into your Cash Operating Account unless you choose to have it reinvested in your Model Portfolio's cash holding (speak to your Financial Adviser).

Cash

You can hold funds in your Cash Operating Account, which is held inside the Scheme (custodially held).

Bonds

A range of Domestic and International bonds may be made available. Acceptance of orders for bonds may be subject to approval.

Listed International securities

Listed international securities are held in the name of the custodian, or its nominee, and you retain beneficial ownership. You will be able to elect how you wish to participate in a range of corporate actions for your securities holdings, such as share purchase plans and rights issues. These securities include:

- Listed international direct shares;
- Listed international Exchange Traded Funds ('ETFs') and other ETPs;
- Listed international property trusts;
- Listed international LICs; and
- Listed international debt securities.

As administrator, we receive all communications relating to corporate actions affecting your listed international securities holdings and will notify your Financial Adviser accordingly.

Directly Held Investments

Australian listed securities

You can choose from a selection of listed securities (subject to availability and as approved by us at our discretion), including:

- Listed Australian direct shares;
- Listed Australian ETFs and other ETPs;
- Listed Australian property trusts;
- Listed Australian LICs;
- Listed Australian debt securities; and
- Australian Exchange-Traded options.

As administrator, we receive all communications relating to corporate actions affecting your listed international securities holdings and will notify your Financial Adviser accordingly.

If you invest in Australian listed securities, a HIN will be created in your name (or in a nominee name) and the securities will be held as a Directly Held Investment. This means you will be able to elect how you wish to participate in a range of corporate actions for your securities holdings, such as share purchase plans and rights issues.

As administrator, we receive all communications relating to corporate actions affecting your securities holdings. This includes annual reports and information about meetings relating to securities and information about dividend reinvestment plans. If any communications on corporate actions are received, we will notify your Financial Adviser.

Term Deposits

You can choose from a selection of term deposits, issued by approved ADIs.

Treatment of Term Deposits upon maturity

You may elect to have interest on maturity re-invested or have interest credited to your Cash Operating Account. Please read the disclosure documents for each term deposit product for further information.

Unlisted Investments

Unlisted Investments are those investments investors may wish to include in their Account that are not traded via a recognised secondary exchange and held as a Directly Held Investment. These may include investments such as unlisted managed funds, private equity, loan notes and unlisted companies and may be approved to be added to your Account upon request.

Personal Investments

Personal Investments are investments, such as directly held property, personal artwork and antiques, that investors may wish to include in their Account for reporting purposes.

Personal Investments are held outside the Scheme, you are able to request that we provide consolidated reporting of these investments on your Account. This is a reporting service only.

Investment options for Wholesale investors

The Product may offer a selection of wholesale investment options only available to 'Wholesale investors'.

More information regarding Wholesale investors and whether you qualify to be a Wholesale investor is outlined in the 'General information' section in this PDS.

Risks

Before you make an investment decision, it is important to identify your investment objectives and the level of risk you are prepared to accept. This may be influenced by factors such as:

- The timeframe over which you are expecting a return on your investment and your need for regular income versus longer-term capital growth.
- Your level of comfort with volatility in returns.
- The general and specific risks associated with particular investments.
- Risks associated with the structures through which your investments are made.

It is important for you to obtain financial product advice about your financial circumstances and needs, as well as the suitability of the Product and investment selection before you apply to establish an Account within the Product or select investments.

Risks associated with the Product

Operator risk

There are risks particular to investing in the Product including that the Product or Scheme could be terminated, fees and charges could change, and investments could be closed or change.

Operational risks

In addition to the normal risks of investing, investors in the Product are subject to certain operational risks that are inherent in the administration of the Product, such as processing errors or delays and systems or technology failure, which may have an impact on your Account. Delays can also be experienced as a result of transaction processing delays with brokers or fund managers, or if your Financial Adviser delays submitting a request to us for the purchase or sale of investments. We have policies in place for managing operational risks and their consequences. Under these policies, we have the discretion whether or not to compensate investors for immaterial or negligible losses arising from processing errors or systems failures.

Investment risks

The investments that you make will generally be subject to one or more of the following risks:

Concentration risk

The fewer the number of investments in your Account, the more concentrated your Account. The more concentrated your Account, the greater the risk that poor performance of a single investment may significantly affect the performance of your whole Account. Concentration risk can also occur at an investment class level, depending on the investment or combination of investments chosen. For example, if your investments are comprised primarily of Australian equities and/or managed funds that primarily hold Australian equities and there is a downturn in Australian equity markets, you will have a greater risk of negative returns than if your Account is diversified across other investment classes.

Liquidity risk

Liquidity risk is where investors are not able to realise their investment at the current market price in a timely fashion. This could occur if withdrawals from a managed fund have been restricted or suspended or, for securities, trading on the stock market is suspended for a considerable period of time or a general lack of volume from other market participants.

Term deposits are generally an illiquid investment as they may not be redeemable before their maturity date, as early redemption usually results in reduced returns or a penalty for breaking the term deposit.

Leverage risk

If you have geared your Account (that is, borrowed in order to invest), you will be subject to a number of additional risks including, but not limited to, margin calls as a result of market volatility, increased losses as a result of increased exposure, and interest rate risk. If you are utilising a margin loan and a margin call is made pursuant to the terms of that loan, it may be necessary to sell investments and use the net proceeds to reduce your loan balance. You should talk to your Financial Adviser before borrowing to invest and refer to your lender's disclosure documentation for full details of the risks involved.

Regulatory risk

Regulatory risk arises if regulatory or taxation changes introduced by a government, or a regulator affect the value of investments. These regulatory or taxation changes may occur in Australia or other countries.

Market risk

Economic, technological, political or legislative conditions and even market sentiment can (and do) change and this can mean that changes in the value of investment markets can affect the value of investments. The markets have been significantly impacted by the effects of COVID19 and the uncertainty around the virus is likely to continue for some time.

If you have exposure to international investments, your Account may be more susceptible to changes in global market conditions.

Investment Manager risk

Investment Manager risk refers to the risk that an investment manager fails to deliver returns that compare favourably with their peers or with the managed fund's or Model Portfolio's performance benchmarks. The key drivers of investment manager risk are the effectiveness of the manager's investment strategy; the implementation of the strategy; and the extent to which an investment manager is impacted by potential loss of key staff.

Underlying managed fund risk

There is a risk that investing in a managed fund may give different results than investing directly in the securities that the fund holds, because of income, capital gains or losses accrued in the managed fund, and the consequences of investments and withdrawals by other unit holders in those managed funds.

Currency risk

Changes in the value of currency exchange rates can impact the value of your investments, where your Account is exposed to international investments.

Volatility risk

Changes in security and unit prices can affect the value of investments in your Account. Changes in investment prices can result from a number of factors including: the changing profitability of industries and companies, economic cycles, the volume of securities traded in a particular market, investor demand, business confidence, and changes to government and central bank policies, international events or natural disasters.

Company specific risk

The value of the investments in a particular company are subject to risks that are specific to the individual company. Risk, due to specific company factors, can mean that a company's return can be significantly lower than that of the market, which can negatively impact the value of your investments.

Interest rate risk

Changes in the general level of interest rates might have a negative impact on the value of your investments.

Fixed income risks

If your Account is exposed to fixed income investments, whether directly or indirectly, this involves credit risk, interest rate risk, and liquidity risk. Credit risk is the risk that a borrower may default on interest or principal repayments. Interest rate risk and liquidity risk have been explained earlier.

Inflation risk

The value of your investments may not keep pace with inflation. Broadly, this means prices may increase by more than the value of your investments. If this risk eventuates, you would not be able to buy as much with the value of your investments as you could today.

Distribution risk

There is risk that the financial product will be issued outside of the terms of the applicable target market determination in which case the financial product may be withdrawn or suspended. Where the financial product is withdrawn, your Account will be closed in accordance with our Account closing policy.

Derivative risk

A range of financial derivatives, for example futures and options, could be used to implement investment decisions and to manage risk in a Model Portfolio or within a managed fund. An investment in derivatives can cause an investment to make gains or incur losses. Derivative transactions may also involve the risk (including credit risk) that the counterparty on a transaction will be unable to honour its financial obligations.

Foreign market risk

Investing internationally carries additional risk. Risks inherent in this type of investment include (but are not limited to):

- Differences between countries relating to accounting, auditing, financial reporting, government regulation, securities exchanges and transactional procedures;
- Foreign markets may have different levels of liquidity, pricing availability and settlement and clearance procedures; and
- actions of foreign governments, exchange controls, political and social instability.

These risk considerations apply, to some extent, to all international investments, but are likely to be of greater significance in certain small or emerging markets.

Fees and other costs

DID YOU KNOW?

Small differences in both investment performance and fees and costs can have a substantial impact on your long-term returns.

For example, total annual fees and costs of 2% of your 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 fund* or your financial adviser.

TO FIND OUT MORE

If you would like to find out more, or see the impact of the fees based on your own circumstances, the **Australian Securities and Investments Commission (ASIC)** Moneysmart website (www.moneysmart.gov.au) has a managed funds fee calculator to help you check out different fee options.

*The fees of the Product and investment managers are not negotiable.

Fees and other costs

This section shows the fees and other costs that you may be charged. These fees and costs may be deducted from your money or from returns on your investment or from the assets of the managed investment scheme as a whole.

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.

Fees and other costs for particular investment options are set out in the relevant PDS or other disclosure document for that investment option.

All fee amounts are in Australian dollars and are inclusive of Goods and Services Tax (GST) and net of any reduced input tax credit.

Fees and costs summary

Carnbrea Investment Account

| Type of fee or cost | Amount | How and when paid |
|---|---|--|
| Ongoing annual fees and costs | | |
| Management fees and costs The fees and costs for managing your investment The fees and costs disclosed in this PDS relate only to gaining access to investments offered by the Product and do not include fees and costs that relate to investing in those investments | Product Administration Fee A percentage fee of up to 0.25% p.a. | The Product Administration Fee is paid by your Financial Adviser and may be on charged to you by your Financial Adviser as part of the Ongoing Adviser Fee. |
| | Class Actions Monitoring Service \$60 p.a. | The Class Action Monitoring fee of \$60 per annum will apply to your Account. This will be deducted monthly in arrears. This fee is paid to the Responsible Entity. |
| | Asset based Administration Fees³ An additional administration fee of up to 0.05% p.a. based on the total value of any listed international securities in your Account. An additional administration fee of up to 0.15% p.a. based on the total value of any bonds in your Scheme Account. | Deducted from your Cash Operating Account monthly in arrears, based on the average daily value of your international securities holdings (in AUD) over that month. This fee is paid to the Responsible Entity. Deducted from your Cash Operating Account monthly in arrears, based on the average daily value of your bond holdings (in AUD) over that month. This fee is paid to the Responsible Entity. |

³ Refer to 'Additional explanation of fees and other costs' for further details.

| Type of fee or cost | Amount | How and when paid |
|---|--|--|
| Ongoing annual fees and costs (cont.) | | |
| | <p>Cash Administration Fee⁴ Estimated to be between 0.00% and 2.5% p.a.</p> <p>Expense Recovery⁴ Up to \$100 p.a.</p> <p>Model Portfolio Fee⁴ The fee for investing in a Model Portfolio. For the Model Portfolio Fee that applies to a particular Model Portfolio, refer to the Approved Product List.</p> <p>Indirect Cost Ratio⁴ For the Indirect Cost Ratio that applies to a particular Model Portfolio, refer to the Approved Product List.</p> <p>Investment costs⁴ The amount you pay for specific managed funds/ETPs. For the investment costs that apply to particular managed funds/ETPs refer to the relevant disclosure document.</p> | <p>The Cash Administration Fee is the amount the Responsible Entity charges to arrange for the establishment of, and effect transactions relating to your cash holdings held with interest earning accounts. This fee is deducted from the interest you earn on your cash holdings and 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 to the management and operation of the Scheme. Payable annually from your account.</p> <p>The Model Portfolio Fee, if applicable, is calculated monthly in arrears based on the daily value of the particular Model Portfolio(s) selected. It is deducted directly from your Cash Operating Account. This fee is paid to the Model Portfolio Manager.</p> <p>Deducted by the underlying managed fund/ETP prior to striking a unit/trading price, this fee is not separately deducted from your Account.</p> <p>Deducted by the underlying managed fund/ETP prior to striking a unit/trading price, this fee is not separately deducted from your Account.</p> |
| <p>Performance fees Amounts deducted from your investment in relation to the performance of the product</p> | Nil ^{4, 5} | Not applicable |
| <p>Transaction costs The costs incurred by the scheme when buying or selling assets</p> | Refer to the 'Additional explanation of fees and costs' section for further information. | Refer to the 'Additional explanation of fees and costs' section for further information. |
| Member activity related fees and costs (fees for services or when your money moves in or out of the product)⁶ | | |
| <p>Establishment Fee The fee to open your investment</p> | Nil | Not applicable. |
| <p>Contribution Fee The fee on each cash amount contributed to your investment</p> | Nil | Not applicable. |
| <p>Buy-sell spread An amount deducted from your investment representing costs incurred in transactions by the scheme</p> | Nil ⁷ | Not applicable. |

⁴ Refer to 'Additional explanation of fees and other costs' for further details.

⁵ For Performance fees that apply to investments refer to the relevant PDS or other disclosure document for that investment.

⁶ Refer to 'Additional explanation of fees and costs' for information regarding Service fees (including advice fees) and other fees and costs.

⁷ For Buy-sell spreads that apply to investments refer to the relevant PDS or other disclosure document for that investment.

Member activity related fees and costs (fees for services or when your money moves in or out of the product)⁶ (cont.)

| | | |
|---|-----|-----------------|
| Withdrawal Fee The fee on each amount you take out of your investment | Nil | Not applicable. |
| Exit Fee The fee to close your investment | Nil | Not applicable. |
| Switching Fee The fee for changing your investments | Nil | Not applicable |

Example of annual fees and costs for a balanced investment option

The table below gives an example of how the ongoing fees and costs in the balanced investment option this product can affect your investment over a 1-year period. You should use this table to compare this product with other products offered by managed investment schemes.

| EXAMPLE – UBS Australian Bond Fund | | BALANCE OF \$50,000 WITH A CONTRIBUTION OF \$5,000 DURING YEAR⁸ |
|--|---|--|
| Contribution Fees | Nil | For every additional \$5,000 you put in, you will be charged \$0 |
| PLUS Management fees and costs | Product Administration Fee 0.25% Class Actions Monitoring Service \$60 p.a. (\$5 per month) Cash Administration Fee⁹ Up to 2.5% p.a. on cash holdings Expense Recovery Fee Up to \$100 p.a. PLUS Investment cost¹⁰ 0.45% p.a. | And , for the \$50,000 you have in the Product, you will be charged \$125 each year. And , a Class Actions Monitoring Service fee of \$60 And , a Cash Administration Fee of \$50 And , an Expense Recovery Fee of \$100 And , an investment cost of \$216 |
| PLUS Performance fees | 0.00% p.a. | And , you will be charged or have deducted from your investment \$0 in performance fees each year |
| PLUS Transaction costs | 0.04% p.a. ¹⁰ | And , you will be charged or have deducted from your investment \$19.20 in transaction costs |
| EQUALS Cost of Vanguard Growth Index Fund | | If you had an investment of \$50,000 at the beginning of the year and you put in an additional \$5,000 during that year you would be charged fees and costs in the range of: <p style="text-align: center;">\$570.20</p> What it costs you will depend on the investment option you choose and the fees you negotiate.¹¹ |

The fees and costs disclosed in this PDS relate only to gaining access to investments offered by the Product and do not include fees and costs that relate to investing in those investments. Additional fees and costs will be charged by the issuers of the investments that you decide to invest in.

⁸ This example is based on an investment of \$50,000 and assumes that there is a constant Account balance throughout the year.

⁹ Charged on the Minimum Cash Operating Account Balance of \$2,000.

¹⁰ \$48,000 is available to be invested as \$2,000 is required to be maintained as the Minimum Cash Operating Account Balance.

¹¹ Product fees are not negotiable.

Cost of product for 1 year

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.

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 for the relevant option.)

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

| Name of product* | Cost of product* |
|---|--|
| The list of the investments available is set out in the Approved Product List available on our website. | For cost of product information that applies to a particular investment, refer to the relevant PDS or other disclosure document for that investment. |

*Given the large number of investments available, we have determined that including the full list in this PDS would be unhelpful to investors. The list of investments available is set out in the Approved Product List available on our website. For cost of product information that applies to a particular investment, refer to the relevant PDS or other disclosure document for that investment.

Additional explanation of fees and other costs

Management fees and costs

Management fees and costs include fees and costs incurred by the Responsible Entity in managing your investments and fees and costs charged by Model Portfolio Managers. Management Costs represent both direct and indirect costs.

For the purposes of this PDS, the Management fees and costs are set out in the 'Fees and costs summary' table.

Product Administration Fee

The Product Administration Fee is paid to the Responsible Entity to cover the costs of administering the Product. The fee is based on the average daily value of your Account, including any cash, and is calculated monthly in arrears. The fee is paid by your Financial Adviser and may be on charged to you by your Financial Adviser as part of the Ongoing Adviser Fee.

Class Actions Monitoring Service

As part of the Class Action Monitoring Service, we will monitor each client account and if eligible apply on the investor's behalf to participate in any class actions being raised by parties in relation to securities held by you. This service includes registering for the class action, monitoring the progress of the class action and arranging for the payment of any compensation granted (to be paid into the Cash Operating Account unless otherwise directed).

An annual fee of \$60 p.a. will apply to your Cash Operating Account for this service unless you advise us in writing not to use this feature. This will be deducted in monthly installments of \$5.

Asset Based Administration Fees

An additional flat rate of up to 0.05% p.a. based on the average daily value of any listed international securities in your Account over that month will apply. This fee is for the administration of your listed international Securities and is deducted monthly (in arrears) from your Cash Operating Account.

An additional administration fee of up to 0.15% p.a. based on the total value of any bonds in your Scheme Account will apply. This fee is deducted from your Cash Operating Account monthly in arrears, based on the average daily value of your bond holdings (in AUD) over that month. This fee is paid to the Responsible Entity.

Cash Administration Fee

We have entered into an arrangement to deposit a portion of your cash in an omnibus account with an Australian bank, which attracts an interest rate on your cash holdings. The Cash Administration Fee is the fee we charge for the additional tasks associated with managing your cash holdings in this way, including establishing and allocating the cash accounts and giving instructions (including deposits and withdrawals). The Cash Administration Fee is deducted from interest earned on your cash holdings prior to being credited to your Account and will not be deducted from your Account.

Expense Recovery Fee

The Responsible Entity is entitled to be reimbursed for certain expenses, such as audit, legal, tax consulting fees, government levies, the costs of complying with legislative requirements and other expenses and liabilities incurred by or on behalf of the Scheme in accordance with any relevant law. Currently, the cost per investor will not exceed \$100 per annum.

The Expense Recovery Fee is charged to your Account once per financial year. If you close your Scheme Account, there will be a pro-rata deduction made as part of your final fees and charges.

Investment Management Fees

Model Portfolio Fee

The Model Portfolio Fee represents the base fee component of the Model Portfolio Manager's Fee. This fee is charged on the value of your Account applied to the particular Model Portfolio and is not linked to performance of the Model Portfolio.

Indirect Cost Ratio

Indirect costs include costs which we ought reasonably to be aware of or may reasonably estimate as reducing the return on your investment other than fees charged directly on your investment in interposed vehicles. Indirect costs generally attract most non-fee costs, but do not include the buy-sell spread or other costs associated with the acquisition or disposal of over-the-counter derivatives, used primarily for hedging. Indirect costs exclude amounts directly charged to members as fees.

Some Model Portfolios invest in Exchange Traded Products (ETPs) and managed funds which have their own management costs (which are set out in their relevant disclosure documents). The indirect costs for managed funds and ETPs are taken into account in the unit price of the investment. The indirect cost varies and depends on the investments you select.

For the Indirect Cost Ratio that applies to a particular Model Portfolio, please refer to the Approved Product List. For the Indirect Cost Ratio that applies to a particular managed fund or ETP, please refer to the relevant disclosure document for the managed fund or ETP.

Investment costs

Fees and costs for the managed funds and ETPs available in the Product are included in the relevant disclosure document of the managed fund/ETP issued by the investment manager. Fees and costs for managed funds and ETPs may include management costs and indirect costs charged and incurred by the investment manager and are reflected in the unit price of the managed fund/ETP.

Performance Fees

Some managed fund managers will charge performance-based fees when the investment return generated exceeds a certain benchmark or certain specified criteria, if applicable. These are described in the relevant disclosure document of the managed fund.

Transaction costs

The table below sets out the transaction fees and costs that you might incur for transactions in various investment classes (where applicable).

| Transaction costs | |
|--|--|
| Australian listed securities | <p>If you were to invest in an Australian listed security (for example BHP) you will be charged brokerage at a rate agreed between you and your Financial Adviser within the limits described below. These costs will be added to the purchase or deducted from the sale amounts of each transaction (if the trade cannot settle, failed trade or dishonours fee may be deducted from your Cash Operating Account together with any costs associated with that failed trade. These fees may be deducted at the time the trade fails to settle).</p> <ul style="list-style-type: none"> - Brokerage 1% or \$110, whichever is greater |
| Listed international securities | <p>If you were to invest in an internationally listed security (for example Google) you will be charged Foreign Exchange conversion and brokerage at a rate agreed between you and your Financial Adviser within the limits described below. These costs will be added to the purchase or deducted from the sale amounts of each transaction (if the trade cannot settle, failed trade or dishonour fees may be deducted from your Cash Operating Account together with any costs associated with that failed trade. These fees may be deducted at the time the trade fails to settle).</p> <ul style="list-style-type: none"> - Brokerage 1% or \$110, whichever is greater - Brokerage Transaction fee a minimum of \$35 AUD |
| Model Portfolios | <p>Changes in Model Portfolios (whether initiated by you or by the relevant Model Portfolio Manager) will lead to various trades of securities, and therefore brokerage. As previously noted, such brokerage should be lower than if you held the securities directly, as trades are first netted between investors transacting in such securities, and only post-netted trades are sent to market. Brokerage is shared across all investors whose Accounts participated in each particular trade and deducted from your Model Portfolio cash holding.</p> <p><u>Domestic listed securities Model Portfolio transactions</u> These may be up to 0.077% per ASX listed security and up to \$27.50 for managed funds</p> <p><u>Listed international securities Model Portfolio transactions</u></p> <ul style="list-style-type: none"> - Foreign Exchange a minimum of 0.2% - Foreign Currency/ Forex Transfer Fee – transferring out of Australian dollars a minimum of \$35 AUD - Foreign Currency/ Forex Transfer Fee – transferring out of foreign currency a minimum of \$35 AUD Brokerage a minimum of 0.05% - Allocation Fee a minimum of \$20 AUD. |

Transaction costs (cont.)

| | |
|--|--|
| Foreign currency | A Foreign exchange rate – a minimum of 0.2% Foreign Currency/ Forex Transfer Fee – transferring out of Australian dollars, a minimum of \$50 AUD Foreign Currency/ Forex Transfer Fee – transferring out of foreign currency, a minimum of \$70 AUD. |
| Fixed income investments (domestic & international) | If you transact in bonds you will be charged \$150 per transaction. |
| Managed funds | A transaction fee of up to \$27.50 for each sale or purchase order for a managed fund that is not pursuant to a Regular Contribution Plan or Regular Withdrawal Plan. When you purchase or sell units in a managed fund, the fund manager may be entitled to charge an amount for the cost of buying and selling investments within the managed fund. This is usually represented as a buy/sell spread, which is the difference between the purchase price and the sale price of units. Refer to the relevant disclosure document for each managed fund for details. |
| Term deposits | A transaction fee of \$20 for each time you apply for or redeem a Term Deposit. This fee is deducted from your Cash Operating Account at the time of the transaction. |
| Unlisted Investments | A transaction fee of \$100 per submitted application or redemption for Unlisted Investments, deducted from your Cash Operating Account monthly. |
| Real Time Gross Settlement ('RTGS') payments | Where your Financial Adviser requests an RTGS payment be made from your Cash Operating Account, a bank fee of \$15 per payment will apply. |
| In-Specie transfer fees | <ul style="list-style-type: none"> - A fee per in-specie transfer of managed funds (i.e., in or out of your Scheme Account) currently up to \$38.50. - A fee per in-specie transfer of fixed income securities and international securities (i.e., in or out of your Scheme Account) currently up to \$100. |
| Other fees¹² | <p>You may also incur other 3rd party fees and charges in relation to trading listed equities such as:</p> <ul style="list-style-type: none"> - Failed Settlement Fees - \$55 - Dishonour fees - \$55 <p>Other fees and charges associated with SRN requests, mailed confirmations, Manual bookings or booking corrections will be passed onto to you if applicable.</p> |

Service Fees

Adviser Remuneration

Your Financial Adviser (through its Licensee) may receive payment in connection with the provision of financial advice to you, including in relation to recommending the Product to you. The level and the type of such fees can be negotiated with your Financial Adviser. You should contact your Financial Adviser. The fee is reflected in your Application Form.

We are authorised by you to deduct monies from your Cash Operating Account to pay to your Financial Adviser (legally, and in terms of process, monies are actually paid to the Licensee of your Financial Adviser) for financial advisory services provided to you, including in relation to facilitating your investment in the Product.

The level and the type of fees deducted are determined as a result of the agreement between you and your Financial Adviser, and as reflected in your Application Form. We can only deduct and pay fees to your Financial Adviser with your consent, and we will rely on your Application Form as evidence of your consent. The types of adviser remuneration you can agree with your Financial Adviser are set out below. Your reports will show the deduction of the agreed amounts.

Initial Advice Fee

You can authorise us to pay your Financial Adviser an Initial Advice Fee from your Cash Operating Account as either a dollar amount or a percentage of the total initial investment (Including in-specie transfers). This fee must be agreed by you and your Financial Adviser. Whether the fee is a dollar amount or a percentage-based fee, the fee cannot exceed 5.5% per annum of the total initial investment (including in-specie transfers).

Ongoing Adviser Fee

You can authorise us to pay your Financial Adviser an Ongoing Adviser Fee from your Cash Operating Account. You and your Financial Adviser can negotiate an Ongoing Adviser Fee that can be either an annual dollar amount or a percentage of investments charge. Where you agree a percentage-based fee with your Financial Adviser, that fee is calculated daily against the end-of-day value of investments held within your Account and deducted from your Cash Operating Account on a monthly basis. Where you agree on an annual dollar amount fee with your Financial Adviser, the fee will be calculated monthly, at a rate equivalent to 1/12th of the agreed annual fee. Whether the fee is a dollar amount or a percentage-based fee, the fee cannot exceed 2.2% per annum.

¹² These fees are subject to change at any time.

The Ongoing Adviser Fee can also be set as a fixed term fee which allows you to select a start and end date. Fixed term fees are flexible in that they allow you to set the fee as a percentage amount (per annum) or flat dollar amount (per term) and terms can be fixed for up to twelve months.

Adviser Review Fee

You can authorise us to pay your Financial Adviser an Adviser Review Fee from your Cash Operating Account. You and your Financial Adviser can negotiate an Adviser Review Fee that can be either an annual dollar amount or percentage of investments charge. Where you agree on a percentage-based fee with your Financial Adviser, that fee is calculated daily on the value of investments held within your Account and charged to your Cash Operating Account on a monthly basis. Where you agree on a dollar based annual fee with your Financial Adviser, the fee will be calculated monthly, at a rate equivalent to 1/12th of the agreed annual fee. Whether the fee is a dollar amount or a percentage-based fee, the fee cannot exceed 2.2% per annum.

Other fees and costs

Any government and other fees and costs, such as stamp duty and GST, will be deducted from your Cash Operating Account, as applicable.

Changes to fees and costs

The fees and costs set out in this PDS may change from time to time. We may vary the fees and costs and this PDS will be updated if the fees are changed. We will give you at least 30 days' notice of any proposed increase. The Scheme Constitution imposes maximum limits in relation to Product fees charged by the Responsible Entity to investors. These maximums are:

- Product Administration Fee – up to 1.1% on the average daily balance of your Account
- Special Request Fees – up to \$100 per request
- Withdrawal Fee - up to 5.5% of the withdrawal amount
- Additional Service Fees – up to \$10,000 (as agreed with the investor).

Negotiation of fees

Subject to the Corporations Act, we may at our discretion, offer differential fee arrangements including rebates to certain investors including Wholesale investors.

Payments to us

Where permitted by law, we may receive fees for the associated administrative activities of products on the Approved Product List. These fees are our reasonable costs relating to the services that we provide to managed fund providers and other providers of investments for the review, ongoing monitoring, management, maintenance, administration and compliance of the investments available through the Scheme. These fees are paid to us directly by the providers of the investments and are not an additional cost to you.

Managed funds: we may receive ongoing fees of up to \$5,500 p.a. per managed fund and up to \$5,500 p.a. per Directly Held Investment. This fee is not payable by you.

Model Portfolios: we may receive up to the greater of \$11,000 per Model Portfolio or 0.22% p.a. of the total funds invested that are linked to the Model Portfolio. This fee is not payable by you.

Tax information

Investing, and dealing with investments, often has tax implications which can be complex, and which are invariably particular to your circumstances such that taxation consequences may differ between investors. Accordingly, we strongly recommend that you seek your own professional taxation advice.

Providing your Tax File Number

The online Application Form includes provision to quote your Tax File Number (TFN), Australian Business Number (ABN) or exemption. As outlined there, you may choose not to do so; however, if you do not quote your TFN, ABN or provide an exemption we may be required to withhold tax at the highest marginal rate plus the Medicare Levy on your behalf.

Non-resident Withholding Tax

If you are not an Australian resident for taxation purposes, tax will generally be withheld from your distributions. The tax rate will depend on the nature of the distributions

Goods and Services Tax (GST)

The Scheme is registered for GST. This means, for investors, that while GST is payable on fees relating to the administration of your Carnbrea Investment Account, the Scheme will generally be able to claim input tax credits and/or reduced input tax credits of the GST paid. Unless otherwise stated, you will be charged the net amount of GST.

Capital Gains Tax (CGT)

You may incur a CGT liability when investments within your Carnbrea Investment Account are disposed of. You may also receive a managed fund distribution that includes a distributed capital gain.

Capital gains will be calculated based on the nominal gain on disposal of investments. Where the investment disposed of was held for 12 months or more, eligible investors may be able to claim concessional tax treatment.

Where capital losses arise, these may be used to offset realised capital gains. Capital losses not utilised in a financial year may be carried forward and utilised to offset your capital gains in future years. Please seek further advice as required.

If you are uncertain about how CGT rules apply to your circumstances or the most appropriate methodology for you, you should consider seeking tax advice.

Tax on investment income

Investments in your Carnbrea Investment Account can derive income, such as distributions from managed funds and dividend income. Income received will be taxable in your hands.

Tax on foreign investments

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

Deductibility of Fees

Some fees you pay in respect of your Carnbrea Investment Account(s) may be deductible in the financial year in which they are incurred. You should obtain your own tax advice in this regard.

General information

Comparing investing via a Managed Investment Scheme to investing directly

It is important that you understand the differences between investing in the Scheme and holding investments directly. The key differences are set out in the table below.

Access to information

You have the right to ask your Financial Adviser for copies of communications that are given to investors who invest directly into managed funds. This includes communications which you may elect to receive if you were a direct investor, such as annual reports. We may charge a fee to provide you with copies of these communications.

| Key differences | Investing in a managed fund via the Scheme | Investing directly in a managed fund | Investing directly in shares |
|------------------------------------|--|---|---|
| Cooling-off rights | You may not have the same cooling-off rights as if you invested directly. | You have 14 days cooling off rights under the Corporations Act, which when activated will allow you to receive a refund of your investment amount, less reasonable fees and charges. | You generally do not have cooling off rights offered to you under the Corporations Act. |
| Reports and statements | All the investments you hold in the Product (Scheme and Directly Held Investments) will be consolidated in the reports we issue. | Fund managers generally provide an investor statement annually. You will need to consolidate your investments yourself. Audit is generally conducted at the fund level, not at an individual account level. | Most companies issue annual reports including a director's report. You will need to consolidate your investments yourself. Companies are generally subject to strict audit requirements at the company level. |
| How investments are held | Investments are held in the name of our custodian/s (as legal owner) but you retain full beneficial ownership rights (subject to rights of the Scheme to deal with investments). Directly Held Investments are held in your name. | You hold your investments in the fund directly, but underlying investments are held by the trustee of the fund. Directly Held Investments are held in your name. | Investments are held directly in your name. Directly Held Investments are held in your name. |
| Communications | Your Financial Adviser will receive communications from us relating to your Account and it is the responsibility of your Financial Adviser to provide these communications to you. | You receive investor communications directly from each fund manager rather than a consolidated report. | You will receive communications directly from the issuer of the security. |
| Distributions and Dividends | All distributions (including for Directly Held Investments) are deposited in your Cash Operating Account to be used for further investment or withdrawal when requested. | Distributions are generally credited directly to your bank account. | Dividends are generally credited directly to your bank account. |
| Voting Rights | You cannot participate in investor meetings and have no voting rights in respect of managed funds that you invest in. Where we receive notices of meetings or resolutions that relate to an investment, we will not generally pass this information on to you or your Financial Adviser. A copy of our Voting Policy is available from us free of charge on request. | Typically, investors in unlisted funds are entitled to participate in certain resolutions. | Typically, investors are entitled to participate in certain resolutions of a company. Australian-listed entities must hold an Annual General Meeting at which investors have the opportunity to vote on remuneration resolutions. |

| Key differences | Investing in a managed fund via the Scheme | Investing directly in a managed fund | Investing directly in shares |
|--------------------------|--|--|---|
| Withdrawal rights | <p>You can close your Account at any time by seeking a cash withdrawal and/or an in-specie transfer.</p> <p>Usual rights to withdraw from an investment in the event of a defective disclosure document may not apply. This means the issuer of the product may not be required to return your investment or provide you with the potential options to withdraw. Where practical, we will notify you of any options to withdraw and if applicable will generally act on your instructions.</p> | <p>Direct investors have the right to redeem their investment subject to the terms of the relevant disclosure document. Where a disclosure document is defective, typically investors will be notified directly by the product issuer of the right to withdraw or any options.</p> | <p>Where a disclosure document is defective, typically investors will be notified directly by the product issuer of the right to withdraw. Shares are not otherwise subject to a redemption facility.</p> |

Issuer

The Product is issued by Powerwrap Limited (**Responsible Entity**, 'we', 'us' or 'our') (ABN 67 129 756 850, AFSL No. 329829). We act in our own capacity in providing the Administration Service.

We do not guarantee the performance of investments held within the Product or the repayment of capital or any particular rate of capital or income return.

Administration Service

We act in our own capacity in providing the Administration Service. The fees payable to access the Administration Service are set out in this PDS.

Cooling off

A 14-day cooling off period applies if you change your mind about your initial investment in the Product. The 14-day period starts from the earlier of 5 business days after your Carnbrea Investment Account has been established and the date you receive your Welcome Letter confirming that your Carnbrea Investment Account has been established. You may exercise your cooling off right by giving written notice to us

You will need to provide us with the details of an external bank account into which we can return your initial funds, less any reasonable transaction costs and any movement in the price of investments.

PDS and the Scheme Constitution

Your relationship with the Responsible Entity is governed by this PDS, the Scheme Constitution, the Corporations Act and other laws. When you want to know your rights as a Scheme investor, the first place to look is the Constitution. You can inspect a copy of the Constitution at the head office of the Responsible Entity or you can request a copy. This PDS sets out some of the material provisions of the Constitution.

Each investor should ensure that participating in the Product is suitable for them and does not contravene any obligations binding on them.

Compliance Plan and Committee

The Scheme has a compliance plan which describes the procedures applied in operating the Scheme to ensure compliance with the Corporations Act, the Constitution and other laws. The compliance plan is lodged with ASIC and audited annually.

A Compliance Committee (of which the majority of members are independent of the Responsible Entity) monitors the Responsible Entity's compliance with the compliance plan.

Responsible Entity

As Responsible Entity of the Scheme, Powerwrap Limited is responsible for the administration and management of Scheme. Details regarding our AFSL can be found on ASIC's website www.asic.gov.au. Under the Constitution and the Corporations Act, the Responsible Entity must:

- Act honestly and in the best interests of all Scheme investors;
- Have adequate arrangements for the management of conflicts of interest that may arise in providing financial services;
- Exercise a reasonable degree of care and diligence in managing the Scheme investments;
- Ensure that the Scheme's property is clearly identified, held separately from other property, and that it is valued at regular intervals;
- Ensure that any payments made from the Scheme are made in accordance with the Constitution and the Corporations Act;
- Ensure that the Constitution and compliance plan of the Scheme meet the requirements of the Corporations Act; and
- Report to ASIC any breaches of the Corporations Act that represent a significant breach of financial services law.

The Responsible Entity may retire or be removed in accordance with the Corporations Act.

Rights and obligations

In relation to the Responsible Entity's powers, duties and liabilities in respect of the Scheme, the Constitution:

- Allows the Responsible Entity to refuse applications for investment, in whole or in part, at the Responsible Entity's discretion and without giving reasons;
- Allows the Responsible Entity not to act on instructions in certain cases and provides that the Responsible Entity is not liable for delays due to failure to act on unclear instructions or for other reasons beyond its control;
- Allows the Responsible Entity to terminate Accounts, including if an investor does not hold the required minimum balance or breaches the rules governing the Scheme as set out in this PDS;
- Allows the Responsible Entity to set a minimum investment to be made in the Scheme;
- Allows the Responsible Entity to extend the period for withdrawal in certain circumstances;
- Provides that, unless the Corporations Act imposes liability, the Responsible Entity is not liable to you except for fraud, negligence or breach of trust;
- Provides that the Responsible Entity is entitled to be indemnified from the investments of the Scheme for any liability incurred in properly performing or exercising any of its powers or duties in relation to the Scheme, except to the extent the liability is caused by its negligence, breach of trust or fraud;
- Allows the Responsible Entity to change the Constitution, but only with investors' approval if the change would adversely affect the rights of investors;
- Allows the Responsible Entity to charge fees and recover all expenses incurred in the proper performance of its duties in respect of the Scheme; and
- Gives the Responsible Entity the right to terminate the Scheme by notice to investors, and then to transfer cash to investors.

Please note that this is not an exhaustive list of the Responsible Entity's rights under the Scheme Constitution.

In relation to your rights and obligations as a Scheme investor, generally the Constitution:

- Sets out your rights to absolute and beneficial entitlement to the investments (including any income) in your Carnbrea Investment Account;
- Defines your rights to withdraw from the Scheme, and what you are entitled to receive when you withdraw from the Scheme;
- Defines when the Scheme may be wound up and what you are entitled to receive on winding up;
- States that your liability is generally limited to your Carnbrea Investment Account value;
- States the quorum required for meetings of members of the Scheme; and
- Contains procedures for how the Responsible Entity deals with complaints.

Custody

The Responsible Entity has appointed Citibank Pty Limited as custodian for all domestic and foreign investments of the Scheme (excluding Directly Held Investments), other than term deposits and managed funds. Clearstream Australia Limited has been appointed custodian to hold the managed fund investments. Cash held in the Cash Operating Account is held by us as custodian. Term deposits are held by Australian Banking Institutions which are Authorised Deposit-taking Institutions.

The custodians do not perform any supervisory role and are required to act in accordance with proper instructions received from us and meet prescribed regulatory and financial requirements.

None of the custodians have been involved in the preparation of this PDS or caused or otherwise authorised the issue of this PDS. The custodians have not independently verified the information contained in this document and, accordingly, accept no responsibility for the accuracy or completeness of the information. The custodians do not guarantee the success or the performance of the Scheme nor the repayment of capital or any particular rate of capital or income return.

The Responsible Entity generally holds investments (other than Directly Held Investments) on trust for investors. It may appoint custodians to hold these investments except where any of the investments are located outside of Australia (and where either the law in that jurisdiction does not recognise, trust or it is not reasonable for the investments to be held on trust pursuant to the laws in that jurisdiction). Where a custodian is appointed, the operator holds its beneficial interest in these investments on trust for you.

The custodians may only act in accordance with the terms of the custody agreement between them and the Responsible Entity. Under the Constitution, the Responsible Entity has the discretion to change a custodian at any time, subject to the terms of any custody agreement.

Wholesale investors

You are classified as a Wholesale investor if you meet the definition of a Wholesale Client as per the Corporations Act.

You must meet the relevant requirements for you to qualify as a Wholesale investor for the purposes of your investment in the Scheme or where you wish to access Directly Held Investments. If you do not maintain your Wholesale Client status i.e., valid qualified Accountant Certificate, your ability to access or make further investments into wholesale only investments, may be revoked or suspended.

It is important that you understand the differences between operating as a wholesale investor rather than as a retail investor because the advice process, compliance process, cooling off rights, trading restrictions and notifications may differ.

Enquiries and complaints

If you have a complaint about the operation of the Scheme, you can either call us on 03 8681 4600 or write to our Complaints Officer at:

The Complaints Officer
Powerwrap Limited
PO Box 16071
COLLINS ST WEST VIC 8007

Please provide us with all information relevant to the complaint that is in your possession or control. We will acknowledge receipt of the complaint and aim to resolve as soon as practicable.

During this time, we may ask you for further information and keep you informed on the progress of your complaint. If we cannot resolve the matter within 30 days of receiving your complaint, we will provide a written response to explain our assessment.

If your complaint is not dealt with to your satisfaction or has not been dealt with within 30 days, you may refer your complaint to the Australian Financial Complaints Authority ('AFCA'), of which we are a member and which is an independent entity, at no cost.

For complaints relating to investments acquired via the Scheme, it may be more effective to contact the product issuer directly.

If you have a complaint about advice that you have received from a Financial Adviser, you need to contact the adviser or their AFS Licensee.

The AFCA contact details are:

Mail: GPO Box 3, Melbourne, VIC, 3001
 Telephone: 1800 931 678
 Website: www.afca.org.au
 Email: info@afca.org.au

Privacy

We are required to handle your personal information in accordance with the requirements of the Privacy Act 1988 (Cth) and the Australian Privacy Principles. Please view our Privacy Policy online at www.powerwrap.com.au which sets out our full obligations regarding the handling of your personal information.

The information requested on the online Application Form is used by us for the primary purpose of establishing and administering your Account. We may be unable to process your application and provide you with the requested investment without this information.

You agree to allow us to provide access to your personal information to external service providers, including overseas service providers which may include providers in the United States, the European Union, India and New Zealand, that provide services in connection with your Portfolio, including, technology providers, investment managers and approved stockbrokers. When you nominate a Financial Adviser in the Application Form, you are authorising us to supply that Financial Adviser and its Licensee with information about your investments. Any other use or disclosure to a third party, body or agency is subject to the terms of our Privacy Policy.

Your personal information may also be disclosed:

- if, acting in good faith, the Responsible Entity believes that the law requires or permits it to do so;
- if you consent; or
- to any person proposing to acquire an interest in our business.

Our Privacy Policy detailing our handling of personal information is available upon request. You may request access to the information held by us about you and your investment, and we ask that you advise us of any changes to such information you may have provided. You can contact the Responsible Entity to make such a request, or for any other reason relating to the privacy of your personal information by telephoning 03 8681 4600 or writing to:

The Privacy Officer
 Powerwrap Limited
 PO Box 16071
 COLLINS STREET WEST VIC 8007

Our Privacy Policy also contains information about how you can complain about a breach of the Australian Privacy Principles and how we deal with such complaints. Please note that, in accordance with the requirements of the Anti-Money Laundering and Counter Terrorism Financing Act, we may be requested to disclose your personal information to the Australian Transaction Reports and Analysis Centre (AUSTRAC).

Foreign Account Tax Compliance Act (FATCA) and Common Reporting Standards (CRS)

FATCA was enacted in 2010 by the United States Congress to target non-compliance by US taxpayers using foreign accounts. CRS is a broader OECD-led framework for the collection, reporting and exchange of financial account information between revenue authorities across jurisdictions.

FATCA and CRS have important implications for financial institutions globally, including an obligation to identify foreign accounts and report information relating to foreign accounts to the foreign tax authorities or, under FATCA, to withhold 30% tax on US-connected payments to non-participating foreign financial institutions.

To comply with the FATCA and CRS requirements, we will collect additional information from you and will disclose such information to the ATO. This information may ultimately be shared with revenue authorities in other jurisdictions under the various exchange of information agreements that Australia has entered into with other jurisdictions.

Anti-Money Laundering and Counter-Terrorism Financing Act

We are required to comply with the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth) ('the AML/CTF legislation'). The AML/CTF legislation requires us to (amongst other requirements) verify the identity of investors making applications into the Product.

We cannot accept an application to invest in the Product until satisfied that the identity of the investor has been verified in accordance with the AML/CTF legislation. The processing of applications may be delayed until the requested information is received in a satisfactory form and the identity of the investor is verified.

By completing the online Application Form or any AML/CTF forms requested by us during the application process, you agree that:

- You do not make an application for investment in the Product or Scheme under an assumed name;
- any money used by you to invest in the Product or Scheme is not derived from or related to any criminal activities;
- any proceeds of your investment will not be used in relation to any criminal activities;
- upon request, you will provide us with additional information we reasonably require for the purpose of the AML/CTF Legislation; and
- we may obtain information about you or any beneficial owner of an investment from third parties if we believe this is necessary to comply with AML/CTF Legislation.

To comply with the AML/CTF Legislation, we may be required to take action, including:

- delaying or refusing the processing of any application or redemption; or

- disclosing information that we hold about you or any beneficial owner of investments to our related bodies corporate or relevant regulators of AML/CTF Legislation; or
- request additional identification/verification documentation or other information from an investor or their Financial Adviser to verify the investor's identity or comply with the AML/CTF legislation. Where documentation provided is not in English, an English translation must be provided by an accredited translator (who is accredited by the National Accreditation Authority for Translators and Interpreters Ltd at the level of Professional Translator or above).

Investor identification requirements

We intend to rely on financial advisers* to verify the identity of their investors in accordance with the AML/CTF legislation. The online Application Form requires a financial adviser to confirm that they have verified the identity of the investor and agree that we may access any document that has been used by the financial adviser to verify their identity.

Unless requested, we do not require original documents or certified copies used by the financial adviser to verify the identity of the investor. Where document(s) verifying the investor's identity are provided to us by a financial adviser, we will still (as permitted under the AML/CTF legislation) be relying on the financial adviser to verify the identity of the investor.

* Financial advisers include an Australian Financial Services (AFS) Licensee or a representative of an AFS Licensee.

The role of your Financial Adviser

You can only invest in the Product through a Financial Adviser who is able to provide investment instructions to us on your behalf. Your Financial Adviser is integral to the operation and maintenance of your Account. Your Financial Adviser will help you understand your financial position, identify your goals and financial issues, make more informed decisions about your investments, and choose an investment strategy that best suits you.

When you invest in the Product, you agree to appoint your Financial Adviser as your agent for the purposes of operating your Account and providing us with instructions in relation to your Account.

Your Financial Adviser is not the agent of and has not been approved or endorsed by us. Accordingly, we are not responsible for any advice your Financial Adviser provides, including any investments they might recommend. The Financial Adviser is your Financial Adviser, and you are responsible for managing this relationship.

We are required to verify the identity of your Financial Adviser and any agent appointed to act on behalf of an investor. We cannot proceed to act on the instructions of a Financial Adviser or agent until such time as we verify the identity of that person/s.

Appointed agents include, but are not limited to, an attorney (appointed under power of attorney) and executors of estates.

Investor authorisations, acknowledgements & agreement

Your Financial Adviser

Authorisations to your Financial Adviser

To invest in the Product, you are required to appoint a Financial Adviser, who is able to provide instructions on your behalf to us.

By appointing your Financial Adviser, you are also giving us the authority to provide your Financial Adviser with information about your Account on your behalf. You acknowledge that your Financial Adviser will be responsible for providing this information to you.

We will not accept instructions from your Financial Adviser to change your Nominated Bank Account details for payment of any withdrawal proceeds, nor certain other personal/identification information. These instructions must be provided via the relevant forms available on our website.

Appointment of a Financial Adviser

This appointment is subject to the following terms and conditions. Your Financial Adviser will be permitted to:

- view your Account online;
- administer your Account online;
- make applications on your behalf;
- provide all instructions relating to the investments in your Account including selecting and switching investments, making additional deposits and making withdrawals from your Account;
- make enquiries regarding your investments and obtain information about your Account and all investments held;
- provide instructions to us on your behalf including the above and any transactions incidental to any of the above; and
- receive any communication regarding your Account on your behalf.

Directions or an enquiry from a person who we reasonably believe is your Financial Adviser shall be deemed to be your personal acts.

We will continue to act upon instructions from your Financial Adviser until we receive a written cancellation of the appointment. If you cancel the appointment and fail to appoint another Financial Adviser acceptable to us, we may terminate your participation in the Product by giving you 30 days' notice. Where we close your Account, you can elect to have your investments sold and converted to cash or transferred to you by way of an in-specie transfer. If no election is made, we will have your investments sold and converted to cash.

Your Financial Adviser may negotiate with us the administration fees you pay (as described on page 18) and/or the investment options that may be available to you. If you change your Financial Adviser, you may lose access to these negotiated fees and/or the investment options.

You release, discharge, and indemnify us both personally and in our capacity as the Responsible Entity of the Scheme and all of our successors and assigns from and against all losses, actions, liabilities, claims, demands, and proceedings arising from your appointment of a Financial Adviser, and all acts, omissions, matters and things done, not done or purported to be done by a Financial Adviser even if not actually authorised by you, and neither you nor any person claiming through you will have any claim or right against us or any of our successors and assigns in relation to any act, omission, matter and thing done, not done or purported to be done by your Financial Adviser or any person purporting to be your Financial Adviser provided that we do not have reasonable grounds to believe that they are not your Financial Adviser.

Providing instructions to us through your Financial Adviser

By completing the Application Form to invest in the Product, you authorise your Financial Adviser to transact on your Account. This means that we (or our agents) can accept and act on such instructions given by your Financial Adviser without requiring your signature, additional proof, instructions or further confirmation from you.

In order to provide the Administration Service, you must provide us with the LPOA.

The transactions for which this authority applies are:

- Purchasing and selling investments held within your Account
- Withdrawing amounts from your Cash Operating Account for initial and additional investments to your Account
- Full or partial withdrawals from your Account to your Cash Operating Account
- Starting, changing or stopping a Regular Investment Plan
- Starting, changing or stopping a Regular Withdrawal Plan
- Changing the tax accounting method to be used when reporting on your Account

We are entitled to rely on the instructions of your Financial Adviser as if they were your instructions, unless we have reason to believe that the person providing the instructions is not your Financial Adviser. However, please note that we require direct instructions from you to change your contact details.

We will continue to act upon any instructions from your Financial Adviser until we receive a written cancellation of the appointment. If you cancel the appointment of your Financial Adviser, then unless you appoint another Financial Adviser acceptable to us, your participation in the Product will be terminated by giving you 30 days' notice. Your Cash Operating Account may also be terminated.

Online, email and written instructions by your Financial Adviser

Instructions may be given to us by your Financial Adviser online, via email or in writing. Please be aware that fraudulent or other unauthorised instructions can be made by persons with access to your Account details. Accordingly, you agree to release and indemnify us against all claims and demands arising as a result of our acting on what appeared to us to be instructions given by your Financial Adviser on your behalf.

If we receive instructions online or in writing from your Financial Adviser, we will act in accordance with the written instructions to the extent of any inconsistency.

Investment authority

By investing in the Product, you are providing us with:

- a standing instruction to make investments on your behalf in accordance with what you/your Financial Adviser have nominated on your online Application Form;
- authorisation to accept instructions to change investments on your Account from your Financial Adviser on your behalf;
- authorisation for us to move funds within your Account as instructed by your Financial Adviser and as described in this PDS to facilitate the payment of fees and settlement of trades.

This authority will continue until your Account is closed.

Online terms and conditions

Your Financial Adviser will be provided with online access when your Account is established. Your Financial Adviser is responsible for providing you with read-only access to your Account. Access to your personal Account details will be password protected.

Your password must be used in conjunction with your User ID. If your password is used by someone without your authority, we will not generally be liable for any loss incurred by you. Do not store your password with your Account records.

When using your password, you release, discharge and agree to indemnify us from and against all actions, proceedings, claims and liabilities arising out of the use of your password, except to the extent that such liability is attributable to our own neglect.

General declarations

I/We:

- agree to be bound by the provisions of this PDS which governs the operation of the Product;
- request that we apply for and open a Cash Operating Account, and, where we elect to use the Administration Service, a third-party broker account.
- acknowledge and agree that the fees set out in the 'Fees and other costs' section of this PDS will be deducted directly from my/our Account;
- acknowledge and agree that neither the performance of any specific investment offered through the Product nor any particular rate of return from, nor any repayment of capital invested in any investment is guaranteed by us or any of our associates or subsidiaries;

- acknowledge that my/our Account will be managed in accordance with the relevant investments I/we (via my/our Financial Adviser) have selected and notified to us;
- acknowledge that an investment may cease to be offered at any time at our discretion and further contributions discontinued or the investment terminated, and all investments held as part of the investment may be realised;
- represent that I/we have access to the internet on a substantial and continuous basis;
- agree to receive any information/Guide by email or by a hypertext link sent by email, via my/our Nominated Representative and to access and read this information/Guide, except that all confirmations of any transactions in connection with my/our Account, including the establishment of my/our Scheme Account will be provided to me/us by my/our logging onto my/our Account and using my/our password;
- agree that we will not be responsible for any failure of my/our Financial Adviser to provide any such email or other communications to me/us;
- agree to notify us in writing of any change in my/our email address before or as soon as possible after the change;
- agree to the disclosure and use of information as contemplated in the 'Privacy' section in this PDS;
- authorise us to provide my/our Financial Adviser with information regarding my/our investments; and
- agree to provide a valid Wholesale Investor Certificate and maintain the status of the Certificate to qualify as a Wholesale investor (if applicable). I/we further agree to provide an updated Certificate when requested and when I/we are no longer a Wholesale investor, we will promptly notify Powerwrap Limited. Where I/we do not provide evidence of my/our Wholesale investor status, I/we acknowledge that I/we may not be able to make further investments into wholesale only investments.

Direct debit request service agreement

This section outlines the terms and conditions of the direct debit request arrangement between yourself and us.

Our responsibilities

We will only make direct debits from your nominated bank account. If you elect to use the direct debit facility, your initial contribution amount may be processed on the day we accept your online Application Form.

We will not disclose your bank account details to any other party, unless:

- such disclosure is for the purpose of this agreement (including disclosing information in connection with any query or claim);
- you have agreed in writing that it can; or
- the law requires us to do this.

If a payment date is a weekend or public holiday, your account will be debited on either the Business Day preceding or the Business Day following the weekend or public holiday. If you are unsure about which day your account has been debited, you should ask your financial institution.

We reserve the right to cancel the direct debit arrangement without notice if any debits are returned unpaid by your nominated financial institution.

We will give at least 30 days' notice to your Financial Advisor if we propose to change these terms and conditions.

Your responsibilities

Before making a direct debit request you should:

- check with your financial institution that the account you want to nominate can support direct debits. Additional charges may also be applied by your financial institution for this service. We recommend that you contact them for further details.
- confirm that the account details that you have provided are correct.
- ensure that you have sufficient cleared funds in your account to cover payment when due. Your financial institution may charge a fee if payment cannot be met; and
- ensure that the direct debit request is signed in the same way as the account signing instruction held by the financial institution for the nominated accounts.

You must tell us in writing if you close or change the account that you have previously nominated.

You may cancel your direct debit request, stop, or defer an individual debit or request a change to the debit amount online through your Financial Advisor in writing or by fax.

It is your responsibility to arrange with us a suitable alternative payment method if the direct debit arrangements are cancelled, either by you or the nominated financial institution.

You should check your account statement from your financial institution to verify that the amounts debited from your account are correct. If you believe that a debit has not been correctly processed, you should immediately contact us on 03 8681 4600.

Glossary

| Term | Definition |
|--|--|
| Account | Your Account pursuant to this PDS and specifically includes Investments held in custody, Directly Held Investments and cash (terms deposits and Cash Operating Account). |
| Administration Service | A reporting and administration service in relation to Directly Held Investments administered by us via your Account. |
| AFSL | Australian Financial Services Licence |
| Application Form | The online Application Form you fill in to apply to join the Product. |
| ASIC | Australian Securities and Investments Commission |
| ASX | Australian Stock Exchange |
| Cash Operating Account | A Cash Operating Account provided by a financial institution that will be accessed by the Praemium for the purpose of processing transactions in your Account. |
| Constitution | The legal document that establishes and governs the Powerwrap Managed Investment Scheme. |
| Directly Held Investments | Australian listed securities, term deposits and other Investments held directly in the name of the client. |
| Expense Recovery | Expenses incurred could include but not limited to audit, legal, tax consulting fees, expenses and liabilities relating to the management and operation of the scheme account. |
| FIFO | First In First Out |
| Financial Adviser | The business or person that provides you with financial advice in relation to your Portfolio, and who holds an AFSL, or is licensed by a Licensee to do so. |
| Fixed income | Fixed income refers to the type of investment under which the borrower or issuer is obliged to make payments of a fixed amount on a fixed schedule. |
| Full Access Authorised Operator | The authority given by you to the Responsible Entity to perform transactions on your Cash Operating Account that relate to the operation of your Account. |
| In-specie | In-specie refers to transferring an investment from one entity to another without the need to convert to cash. In specie fees (for the purposes of this Guide) may be applied when those investments are transferred in or out of the scheme (or custodian), when those investments are transferred between different tax treatments (for example, if a W-8BEN form were to expire) or when those investments are transferred between distribution methods (for example, a move from cash to Dividend Reinvestment Program distributions). |
| Licensee | The holder of an AFSL who has authorised your Nominated Representative to provide financial services to you. |
| Limited Power or Attorney (or LPOA) | Means the limited power of attorney executed by you in favour of us that allows us (and our related parties) to act on your or your Financial Adviser's instructions in relation to transactions through the Administration Service. |
| Model Portfolios | You can choose from a selection of Model Portfolios provided by professional Model Portfolio Managers, available through the Scheme. The disclosure documents for the Models, are available on our website. |
| Model Portfolio Manager | An investment manager who has entered into an agreement with the Responsible Entity to include its Model Portfolio(s) as available investments in the Scheme. |
| Nominated Bank Accounts | The external bank account/s you have nominated on your Application Form. |
| PDS | Product Disclosure Statement. |
| Regular Investment Plan | The facility for making regular investments. |
| Regular Withdrawal Plan | The facility for making regular withdrawals. |
| Responsible Entity | Powerwrap Limited. |
| RITC | Reduced Input Tax Credit |
| Scheme | The Powerwrap Managed Investment Scheme (ARSN 137 053 073). |
| SMSF | Self-Managed Superannuation Fund |

How to complete the Application Form

You should complete the Application Form with the assistance of your Financial Adviser. Before you do this, you should read this PDS thoroughly, along with the disclosure documents of all investments, as applicable, in which you choose to invest.

Step 1 – Establish the appropriate applicant type

The following types of investors can open an Account:

- Individual
- Joint applicant
- Sole trader
- Company
- Partnership
- Incorporated Association or Body
- Unincorporated Association or Body
- Trust (non-corporate or corporate)
- Superannuation fund

Please refer to the table on the next page for details for each type of applicant.

Step 2 – Complete the Application Form with the assistance of your Financial Adviser

Your Financial Adviser will enter your details online in the Application Form, enabling applications for the Scheme, your Cash Operating Account, your broker account and any other accounts as required. The Application Form also contains an authority for the Responsible Entity to administer your Personal Investments.

Once your Financial Adviser has entered your details and printed out the Application Form, you should check that all sections have been completed correctly and that your Financial Adviser has signed the adviser declaration. You should then read and sign the Application Form.

Step 3 – Return signed Application Forms and relevant supporting documentation

Once the application forms are signed and completed, original copies must be returned to your Financial Adviser for forwarding to the Responsible Entity.

Account names and designations for different types of investors

While your Financial Adviser will complete your application details online, you should check that investor details are completed as outlined in the table below.

| Investor type | Registered Name | Account Designation | Who Signs |
|--|--|---|---|
| Individual | Use given names. Do not use initials. | Mr. John Citizen | Individual investor. If you are signing under Power of Attorney, please also attach a certified copy of the Power of Attorney ¹³ . |
| Joint Applicant | Use given names. Do not use initials. | Mr John Citizen & Mrs Norma Citizen | Both investors. If you are signing under Power of Attorney, please also attach a certified copy of the Power of Attorney ¹³ . |
| Sole trader | Use name of business owner. | Mr. John Citizen | Individual business owner. If you are signing under Power of Attorney, please also attach a certified copy of the Power of Attorney ¹³ . |
| Company, Incorporated Association or Body | Use name of Company, Incorporated Association or Body registered with ASIC | Citizen Pty Ltd | Two Officers; OR As required by the Constitution or rules of the company; OR One Director for a Sole Director Company |
| Superannuation Fund | Use the name of the Trustee(s) then the name of the Fund | Mr John Citizen & Mrs Norma Citizen [Super Fund A/C] | All Trustees |
| Trusts - Individual Trustee(s) | Use the Trustee(s)' personal names, then the name of the trust/beneficiary | Mrs Norma Citizen [Baby Citizen A/C] | All Trustees |
| Trusts - Corporate Trustee | Use the Trustee(s)' company name, then the name of the trust/beneficiary | Citizen Pty Ltd (ABC A/C) | Two officers of the Company or as required by the Constitution or rules of the company or One Director for a Sole Director Company |
| Estate | Use executor(s)' personal name(s), then the name of the deceased estate | Mr John Citizen [Est. Helen Jones A/C] | The Executor |
| Partnership | Use partner(s)' personal name(s) then the name of the partnership | Mr John Citizen & Mrs Norma Citizen [Partnership A/C] | Both Partners |
| Unincorporated Association or Body | Use personal name(s)' then the name of the club | Mr John Citizen [Association/Body A/C] | Appointed Officers |

¹³ Attorney may sign the Limited Power of Attorney (LPOA) if permitted under the Power of Attorney and applicable laws.