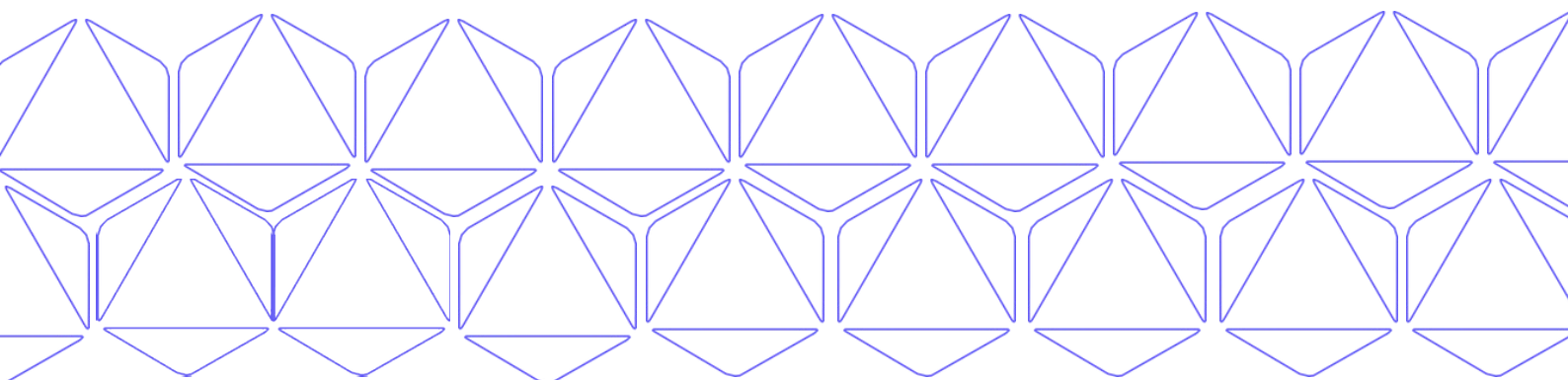


Spectrum

IDPS Guide

1 October 2024



Operator:

Praemium Australia Limited

ABN 92 117 611 784

Australian Financial Services Licence No 297956

This IDPS Guide ('IDPS Guide') has been prepared and issued by Praemium Australia Limited (ABN 92 117 611 784, AFSL 297956) ('Praemium', 'Operator', 'we', 'us' or 'our'). Praemium is the operator of Praemium Spectrum ('Spectrum') which is an Investor Directed Portfolio Service ('IDPS').

The purpose of this IDPS Guide is to disclose key information and assist you to decide whether to invest using Spectrum. You should obtain and read a copy of this IDPS Guide together with the Spectrum Investments Product Disclosure Statement ('PDS'), the Spectrum Managed Accounts PDS and the Spectrum Investment Menu before you make a decision to invest through Spectrum.

Powerwrap Limited (ABN 67 129 756 850, AFSL 329829) is the Responsible Entity for the Powerwrap Scheme (ARSN 137 053 073) (referred to in this IDPS Guide as 'Spectrum Investments'). Powerwrap Limited is also the issuer of the Spectrum Investments PDS. Praemium, acting in a separate capacity to that of Spectrum Operator, is Responsible Entity for the Separately Managed Accounts (ARSN 114 818 530) (referred to in this IDPS Guide as 'Spectrum Managed Accounts'). Praemium is the issuer of the Spectrum Managed Accounts PDS. The Powerwrap Scheme and Separately Managed Accounts are registered managed investment schemes accessible through Spectrum.

Powerwrap Limited and Praemium Australia Limited are wholly owned subsidiaries of Praemium Limited (ABN 74 098 405 826). None of Powerwrap Limited, Praemium Australia Limited, Praemium Limited, or any of its associates and subsidiaries guarantees the success of Spectrum, or the repayment of capital or a particular rate of return, income or capital.

Important documents

The following important documents need to be considered when deciding to invest using Spectrum:

- This IDPS Guide;
- IDPS Contract (accompanying this IDPS Guide);
- Spectrum Investments PDS;
- Spectrum Managed Accounts PDS;
- Spectrum Investment Menu;
- Spectrum Target Market Determination ('TMD');
- Powerwrap Scheme TMD;
- Praemium Separately Managed Accounts TMD, and
- The online Application Form.

It is important to read and understand this IDPS Guide, along with the important documents listed above and the Financial Services Guide. All documents are available free of charge at www.praemium.com ('our website').

Administration Service

When you apply for an IDPS 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 IDPS Guide as 'Directly Held Investments'. A Cash Operating Account (held as part of your IDPS Account via Spectrum Investments) will be available to you to effect transactions both within your IDPS Account and via the Administration Service.

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

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

General advice warning

The information contained in this IDPS Guide 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 professional adviser whether investing in Spectrum is appropriate for you having regard to your objectives, financial situation, needs and circumstances.

Nominated Representative

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

For further information and terms and conditions regarding your Nominated Representative refer to page 27.

Eligibility

The offer to invest in Spectrum is only available to persons receiving this IDPS Guide as a hard copy or electronically within Australia and does not constitute an offer or invitation in any place where, or to any person to whom, it would not be lawful to make such an offer or invitation.

Updating information

Information in this IDPS Guide and other related documents may change from time to time. Where the changes are not materially adverse, the updated information will be available on 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 Spectrum, including the investments offered, at any time.

Target Market Determinations

The TMDs listed above and the TMDs for some of the underlying investment options which are required to issue a TMD can be viewed at www.praemium.com.au/resources.

Contact details

Praemium Australia Limited
Level 19, 367 Collins Street
Melbourne, VIC 3000

Postal address:
PO Box 322
Collins Street West
MELBOURNE VIC 8007

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Email: support@praemium.com.au
Website: www.praemium.com

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About Spectrum

Spectrum is an Investor Directed Portfolio Service ('IDPS') offering transactional, reporting, custodial and administration services through one integrated online platform. Spectrum allows investors to, via their Nominated Representative, manage investments on either a custodial or non-custodial basis (depending on the investments), while Praemium manages the administration.

Praemium Australia Limited is the operator of Spectrum and holds an Australian Financial Services Licence. Powerwrap Limited is the Responsible Entity of the Powerwrap Scheme and Praemium Australia Limited is the Responsible Entity of the Separately Managed Accounts ('SMA'), both registered managed investment schemes, which investors access via Spectrum. The investments you make through Spectrum (other than Directly Held Investments) will be made through the Powerwrap Scheme or the SMA, and certain fees and costs may be deducted at the level of those schemes, but you will receive consolidated reporting at the level of your Account in Spectrum.

Spectrum provides you with access to a wide range of investment options. These include managed funds, internationally listed securities, cash, fixed income investments and term deposits through the Powerwrap Scheme via the Spectrum Investments product ('Investments held in custody') and Australian listed securities, Exchange Traded Products and other non-custodially held assets via the Administration Service ('Directly Held Investments').

Model Portfolios are available through the SMA via the Spectrum Managed Accounts product.

Investment instructions and preferences must be communicated to us by your Nominated Representative (this is generally your financial adviser – refer to the 'Your Nominated Representative' section for more information).

You can view all investments in your Account as a single online account through our online portal ('Investor Portal'). We will provide access to the Investor Portal once your Account has been fully established.

Your Spectrum Account



Investments held in custody

- Managed funds
- Internationally listed securities
- Cash Operating Account
- Fixed income investments
- Term deposits
- Model Portfolios



Directly Held Investments

- Australian listed securities
- Exchange Traded Products
- Unlisted investments



Extensive online reporting

- Performance reports
- Asset allocation reports
- Taxation reports
- Transactional reports

Key features and benefits

Some of the key features and benefits of investing in Spectrum include:

Key features and benefits											
Create your own portfolio of investments	With the guidance of your Nominated Representative, you can select from a range of investments to create a unique portfolio that meets your personal requirements.										
Choice of Investments	A wide range of investments are available including managed funds, internationally listed securities, cash, fixed income investments and term deposits ('Investments held in custody') via Spectrum Investments and Australian listed securities, Exchange Traded Products ('ETPs') and non-custodially held assets ('Directly Held Investments') via the Administration Service. Model Portfolios are also available through Spectrum Managed Accounts.										
Beneficial Ownership	You will be the beneficial owner of all investments held within your Account. Investments, other than Directly Held Investments, will be held in the name of the custodian on your behalf. You will be the legal and beneficial owner of any Directly Held Investments forming part of your Account.										
Minimum amounts	<table> <tr> <td>Initial deposit</td><td>\$20,000</td></tr> <tr> <td>Additional deposits</td><td>\$100</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> </table>	Initial deposit	\$20,000	Additional deposits	\$100	Minimum balance	\$20,000	Minimum withdrawal	\$100	Minimum Cash Operating Account Balance	\$2,000
Initial deposit	\$20,000										
Additional deposits	\$100										
Minimum balance	\$20,000										
Minimum withdrawal	\$100										
Minimum Cash Operating Account Balance	\$2,000										
Cash Operating Account	You will have a Cash Operating Account to enable transactions to occur within your Account. When your 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.										
Additional deposits	You may make additional deposits into your Account of \$100 or more at any time.										
Distributions and Dividends	<ul style="list-style-type: none"> • Distributions from investments held in custody via Spectrum Investments are paid to your Cash Operating Account as they are received. • You can also elect to have dividends and distributions for Directly Held Investments paid into the Cash Operating Account. • 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. <p>For information and options regarding the treatment of distributions for Model Portfolios, refer to the Spectrum Managed Accounts PDS available on our website.</p>										
Online reporting	<p>Spectrum offers investors and their Nominated Representatives an extensive range of online reports from the following categories:</p> <ul style="list-style-type: none"> • Performance reports; • Asset allocation reports; • Taxation reports; and • Transactional reports. 										
Transparency	You can view all investments, transactions and fees securely online through the Investor Portal.										

How Spectrum works

Opening an Account

To open your Account and invest via Spectrum, you and your Nominated Representative must complete and submit the online Application Form, together with the included Limited Power of Attorney ('LPOA') and any other required forms, which will then be processed by us.

When you open an account in Spectrum, you give Praemium authority to open accounts on your behalf in both Spectrum Investments and in the Spectrum Managed Accounts as necessary to make investments in the assets available through those products and to deduct certain fees and costs associated with your investments in Spectrum.

When opening your Account, we will facilitate the opening of an account with an approved stockbroker to enable trading in Australian listed securities. The Application Form (with included LPOA) you sign enables us to act upon the instructions of your Nominated Representative (via the Nominated Representative Transaction Authority) to trade your investments including opening any other accounts as required to facilitate transactions of both custodially and Directly Held Investments.

As Operator of Spectrum, we may, at our discretion, reject applications for investment in Spectrum. You cannot access the Administration Service unless you are an investor in the IDPS.

Accessing your Investor Portal

Once your Account has been set up, your Investor Portal User ID details are provided to you, along with a link to the Investor Portal in a welcome email. The first time you log in, you will be required to change the password to access the Investor Portal.

The Investor Portal allows you to view all investments in your Account as well as the balance in your Cash Operating Account. Your Nominated Representative will also have access to view your Investor Portal and will be able to operate your Account on your behalf via the Adviser Portal.

Cash Operating Account

When you open an Account in Spectrum, you authorise us to establish a Cash Operating Account in Spectrum Investments on your behalf 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 the administration and reporting on your custodially and Directly Held Investments;
- pay the fees as disclosed in this IDPS Guide to your Nominated Representative as agreed by you and your Nominated Representative;
- 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 linked to your Account.

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

Except as agreed with you under the terms of this IDPS Guide and the Spectrum Investments 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 deduction of our fees and any other fees and costs which you authorise Praemium to deduct from your Cash Operating Account. Information about the rate of interest you may 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 Nominated Representative 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/or there are insufficient funds to cover fees and costs, then your investments made through Spectrum may be sold down to restore the Minimum Cash Operating Account Balance without seeking prior authorisation from you or your Nominated Representative. Where investments are sold to meet the Minimum Cash Operating Account Balance, your investment holdings will be sold in proportion, where possible. Where your investment holdings include investments that are deemed illiquid, these investments may be excluded from the sell down process.

Cash deposits

When you open your 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 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 IDPS Guide.

In-specie Transfers

You may be able to transfer investments you already own into your Account. This may involve completion of additional forms, which your Nominated Representative will provide and assist you to complete. Fees and charges may also be payable for such transfers (see Fees and Other Costs on page 14). To facilitate the in-specie transfer of investments, a standalone Limited Power of Attorney will need to be granted to the operator to perform appropriate transactions and execute appropriate documentation in relation to your investments. The standalone Limited Power of Attorney form is available on our website.

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 Account via in-specie transfer. Refer to the disclosure document of your chosen investment/s for more information.

Investment Authority and Instructions

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

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

Please note that we will not accept instructions solely from your Nominated Representative 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.

Switching between Investments

If you want to change investments in your Account, your Nominated Representative can provide us with instructions to sell an investment and purchase a different investment on the Investment Menu.

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 or sold. Some fund managers may have minimum investment redemption amounts, which will be disclosed in the managed fund's disclosure document.

Making withdrawals

You can request a withdrawal from your Account at any time. The minimum withdrawal amount is \$100, subject to you maintaining the Minimum Cash Operating Account Balance.

Withdrawals will generally be actioned within two business days from the receipt of a completed withdrawal request. Where you are withdrawing by selling down investments, we will only be able to make payment once the requested transactions have settled to your Cash Operating Account.

Transfers (in specie) or withdrawal payments from your Account may be delayed or may not be possible from time to time when external events have an impact on our ability to transfer investments or sell sufficient investments to satisfy withdrawal or transfer 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 IDPS Account Closure Form available from your Nominated Representative or us. When closing your Account, you can elect to have investments 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 Service in respect of your Directly Held Investments.

Prior to closing your Account, the 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.

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

Praemium offers 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.

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).

Should we be notified of an upcoming Class Action, we will provide a generic Class Action notification to all IDPS Nominated Representatives. It will then be the responsibility of your Nominated Representative to pass this information on to you and for you and your Nominated Representative to take any action where required.

Margin Lending

Margin lending is the lending of money to buy investments, using your existing investments and/or cash as security. Financial institutions may lend you money to buy investments in your Account, including managed funds, ASX listed securities and other available investments.

Margin lending loans are as agreed by the investor and the margin lender. There are terms and conditions and obligations relating to a margin lending loan. It is important that you are familiar with the terms and conditions and other obligations relating to a margin lending loan.

If you have a margin loan, the terms agreed with the lender usually allow you to operate your account online, but the terms may impose certain restrictions such as requiring approval from the lender to make a withdrawal from your cash account or to change certain details about your account. If your margin lender prevents us from redeeming or selling investments to top up your cash account to maintain your 'minimum cash requirement', you are required to deposit further amounts to prevent your cash account from having a below minimum balance. See 'Fees and other costs' and 'Additional explanation of Fees and Costs' sections for details regarding additional fees in relation to accounts that are subject to margin loans.

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 Nominated Representative can provide you with the appropriate form. We will not accept instructions solely from your Nominated Representative 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 from the Investor Portal. 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

An extensive range of reports for the below categories are available online from the Investor Portal:

- Performance reports;
- Asset allocation reports (including whether assets are held in custody or directly held);
- Taxation reports; and
- Transactional reports.

The information available in reports includes:

- your Account details including a list of your selected investments;
- daily valuations of your Account;
- Cash Operating Account transactions;
- investment purchases and sales;
- distribution and dividend details;
- brokerage and other transaction fees paid;
- fees and other charges deducted.

Quarterly reports

A quarterly report summarising your investments in Spectrum, transactions on your Account and any fees paid and income received on your Account will be available online from the Investor Portal or by contacting your Nominated Representative.

Annual statements

We will provide you with:

- an annual statement detailing your investments in Spectrum, transactions on your Account and any fees paid and income received on your Account;
- an independent audit report; and
- an annual tax statement detailing any income you received, realised capital gains and/or losses and taxes, fees and charges debited from your Cash Operating Account for the financial year. The annual tax statement will help you complete your tax return.

These statements will be prepared each financial year after all investment income information has been received and will be delivered electronically via Investor Portal.

Investment options

Investments held via Spectrum Investments

Investments held in custody	The following investments are held in custody ¹ . 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 Investment Menu.	Investment Menu
Internationally listed securities	You can choose from a selection of internationally listed securities from approved international exchanges.	Page 10
Cash	You can hold cash in your Account via your Cash Operating Account.	Page 6
Fixed income investments	You can choose from a selection of approved fixed income investments, such as bonds, debt securities and structured products.	Page 10
Term deposits	You can choose from a selection of term deposits, issued by approved Authorised deposit-taking institutions ('ADIs').	Page 10

Investments held via Spectrum Managed Accounts

Investments held in custody	The following investments are held in custody ² . You are the beneficial owner of these investments.	Further information
Model Portfolios	You can choose from a selection of Model Portfolios available through Spectrum Managed Accounts.	Page 11 Our website

Administration Service

Administration Service for Directly Held Investments	The following investments are not held in custody 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
Unlisted investments	Unlisted investments include investments that are not traded via a recognised secondary exchange and are not held with a custodian. These investments may be approved upon request.	Page 11

¹ Powerwrap Limited as responsible entity of the Powerwrap Scheme may appoint one or more custodians for these investments at its discretion. For more information refer to the Spectrum Investments PDS which is available with this IDPS Guide and on our website.

² Praemium Australia Limited as responsible entity of the SMA may appoint one or more custodians for these investments at its discretion. For more information refer to the Spectrum Managed Accounts PDS which is available with this IDPS Guide and on our website.

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. These may describe the investment objective, investment strategy, risk/return profile, and investment timeframe of the investment manager. Your Nominated Representative will provide you with the current disclosure documents for the investments you are considering.

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

Praemium reserves the right to change investments on the Investment Menu from time to time at its discretion. If your Account is invested in an investment that is subsequently removed from the Investment Menu, 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.

Making changes to the investments in your Account

You should always consult your Nominated Representative before selecting any investment or decide to increase or decrease your holding in any investment. Further, as your circumstances and investments can change, you should regularly consult with your Nominated Representative 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. Praemium does not assess the suitability or appropriateness of investments or investment managers for you and does not seek to ascertain or disclose to you whether your Nominated Representative 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 Nominated Representative. Any investment decision is your decision. Praemium acting on your or your Nominated Representative's instructions should not be construed as our endorsement of your investment strategy.

Investments held via Spectrum Investments

You can choose from a selection of investments, available in Spectrum via Spectrum Investments. The PDS for Spectrum Investments is available with this IDPS Guide and on our website.

You are required to obtain and read the Spectrum Investments PDS, and we recommend that you obtain advice from your Nominated Representative, before investing.

Managed Funds

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

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 IDPS Guide, and all distributions relating to your managed fund holdings are received in cash and credited to your Cash Operating Account. You may be able to instruct your Nominated Representative to acquire further interests 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.

Praemium's policy regarding corporate actions affecting investments in managed funds is that it does not accept directions from individual investors since managed fund investments are 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 may request a copy of Praemium's Corporate Actions Policy which will be provided free of charge.

Internationally listed securities

Internationally listed 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:

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

As Operator, Praemium receives all communications relating to corporate actions affecting your internationally listed securities holdings and will notify your Nominated Representative accordingly.

Cash

You can hold funds in your Cash Operating Account, which is held in Spectrum via Spectrum Investments.

Fixed income investments

A range of Domestic and International fixed income investments, such as bonds, debt securities and structured products, may be made available. Acceptance of orders for fixed income investments may be subject to approval.

Term Deposits

You can choose from a selection of term deposits, issued by approved ADIs and held in custody with Clearstream Australia Limited. Refer to the disclosure document for the relevant term deposit for more information regarding fees and costs and other terms and conditions that may apply.

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.

Investments held via Spectrum Managed Accounts

Model Portfolios

You can choose from a selection of Model Portfolios provided and managed by professional Model Portfolio Managers, referred to as Spectrum Managed Accounts, which are only available through Spectrum. The disclosure documents for Spectrum Managed Accounts, including descriptions of the Model Portfolio(s), are available on our website.

You are required to obtain and read the Spectrum Managed Accounts disclosure documents, and we recommend that you obtain advice from your Nominated Representative, before investing in Model Portfolio(s).

Administration Service

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.

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 Operator, Praemium receives 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. You may choose to participate in dividend reinvestment plans. If any communications on corporate actions are received, we will notify your Nominated Representative.

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, convertible notes, property trusts and unlisted companies and may be approved to be added to your Account upon request.

Investment options for Wholesale investors

Spectrum may offer a selection of investment options only available to 'Wholesale investors'. When available, a selection of investments offered only to Wholesale investors will be listed in the Investment Menu.

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

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 of particular investments.
- risks associated with the structure 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 Spectrum and investment selection before you apply to establish an Account within Spectrum or select investments.

Risks associated with Spectrum

Operator risk

There are risks particular to investing in Spectrum including that Spectrum 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 Spectrum are subject to certain operational risks that are inherent in the administration of Spectrum, 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 third parties such as brokers or fund managers, or if your Nominated Representative delays submitting a request to Praemium for the purchase or sale of investments. Praemium has policies in place for managing operational risks and their consequences.

Advice risk

There is a risk that your Nominated Representative may recommend an investment or investment strategy that does not take into account your individual objectives, financial situation, needs or circumstances. Your Nominated Representative may provide delayed or inaccurate instructions to us.

You may decide to remove your Nominated Representative, or your Nominated Representative may cease to represent you. If you cancel the appointment and fail to appoint another Nominated Representative acceptable to us, we may terminate your participation in Spectrum by giving you 30 days' notice.

Technology risk

There is a risk that financial loss, data loss, business disruption and/or reputational damage to the Operator may occur.

An attack, interruption, fault or failure to any part of our systems, including a breach of online security, could impact our capacity to provide the services described in this IDPS Guide.

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.

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 Nominated Representative 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.

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 investment option's 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 Spectrum will be issued outside of the terms of the applicable target market determination in which case Spectrum may be withdrawn or suspended. Where Spectrum 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 within an investment option. 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.
- 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 investment 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.

This section shows fees and other costs that you may be charged. These fees and costs may be deducted from your money, from the returns on your investment or from the assets in your Account.

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.

The total fees and other costs you pay will include the fees and costs of Spectrum (shown in the Fees and costs summary below) as well as the underlying fees and costs of any investment option(s) you choose.

All fee amounts are in Australian dollars and are inclusive of Goods and Services Tax (GST) (where applicable).

Fees and costs summary

Spectrum																
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 (payable to Praemium). The fees and costs relate only to administration and accessing investments using Spectrum and do not include the fees and costs of the investment options.	Management fees and costs comprise the following items: Administration Fee A tiered percentage based on your Account balance ³ . <table><tr><th>Account balance</th><th>Fee p.a.</th></tr><tr><td>\$0 to \$250,000</td><td>0.37%</td></tr><tr><td>\$250,001 to \$500,000</td><td>0.30%</td></tr><tr><td>\$500,001 to \$1,000,000</td><td>0.20%</td></tr><tr><td>\$1,000,001 to \$2,500,000</td><td>0.05%</td></tr><tr><td>\$2,500,001 to \$5,000,000</td><td>0.02%</td></tr><tr><td>\$5,000,001+</td><td>0.00%</td></tr></table> Account Keeping Fee \$8 per month (\$96 p.a.) Margin Lending Fee⁵ \$300 p.a. (\$25 per month)	Account balance	Fee p.a.	\$0 to \$250,000	0.37%	\$250,001 to \$500,000	0.30%	\$500,001 to \$1,000,000	0.20%	\$1,000,001 to \$2,500,000	0.05%	\$2,500,001 to \$5,000,000	0.02%	\$5,000,001+	0.00%	The Administration Fee is calculated monthly in arrears based on the average daily value of your Account ⁴ for that month and is deducted from your Cash Operating Account. <
Account balance	Fee p.a.															
\$0 to \$250,000	0.37%															
\$250,001 to \$500,000	0.30%															
\$500,001 to \$1,000,000	0.20%															
\$1,000,001 to \$2,500,000	0.05%															
\$2,500,001 to \$5,000,000	0.02%															
\$5,000,001+	0.00%															

³ The minimum administration fee is \$15 per month.

⁴ Your Account includes investments held in custody, the cash balance of your Cash Operating Account and Directly Held Investments.

⁵ 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.)		
	Asset based administration fees⁶	
	<u>International Securities Administration Fee</u> 0.15% p.a.	The International Securities Administration Fee is calculated monthly in arrears based on the average daily value of your internationally listed securities holdings (in AUD) for that month and is deducted from your Cash Operating Account.
	<u>Fixed Income Administration Fee</u> 0.05% p.a.	The Fixed Income Administration Fee is calculated monthly in arrears based on the average daily value of your fixed income holdings (in AUD) for that month and is deducted from your Cash Operating Account.
	<u>Unlisted Investment Administration Fee</u> \$18.15 per Unlisted Investment holding per month (\$217.80 p.a.).	The Unlisted Investment Administration Fee is calculated monthly and charged (in AUD) if you hold Unlisted Investments at any time in that month and is deducted from your Cash Operating Account.
	Cash Administration Fee⁶ Up to 1.5% on funds held in cash	The Cash Administration Fee is the amount we charge to arrange for the establishment of, and effect transactions relating to your Cash Operating Account cash holdings. The fee is deducted from the interest rate earned and is not directly deducted from your Account/s.
	Expense Recovery Fee^{6, 7} Up to \$150 p.a.	Deducted from your Cash Operating Account annually.
	Investment costs⁶ 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.	Deducted by the underlying managed fund/ETP prior to striking a unit/trading price, this fee is not separately deducted from your Account.
Performance fees Amounts deducted from your investment in relation to the performance of the product	Nil ^{6, 8}	Not applicable.
Transaction costs The costs incurred by the scheme when buying or selling assets	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.

⁶ Refer to 'Additional explanation of fees and other costs' for further details.

⁷ If you close your Account, there will be a pro-rata deduction made as part of your final fees and charges.

⁸ For Performance fees 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) ⁹		
Establishment Fee The fee to open your investment	Nil	Not applicable.
Contribution Fee The fee on each cash amount contributed to your investment	Nil	Not applicable.
Buy-sell spread An amount deducted from your investment representing costs incurred in transactions by the scheme	Nil ¹⁰	Not applicable.
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.

⁹ Refer to 'Additional explanation of fees and costs' for information regarding Service fees (including advice fees) and other fees and costs.

¹⁰ For Buy-sell spreads that apply to investments refer to the relevant PDS or other disclosure document for that investment.

Example of annual fees and costs for a balanced investment option

This table gives an example of how the ongoing fees and costs in the balanced investment option for this product can affect your investment over a one-year period. You should use this table to compare this product with other products offered by investor directed portfolio services.

EXAMPLE – Vanguard Growth Index Fund		Balance of \$50,000 with a contribution of \$5,000 during year ¹¹
Contribution fees	Nil	For every additional \$5,000 you put in, you will be charged \$0.
PLUS Management fees and costs	Administration fee 0.37% p.a.	And , for every \$50,000 you have in the Vanguard Growth Index Fund you will be charged \$185 each year.
	Account Keeping Fee \$96 p.a.	And , an Account Keeping Fee of \$96
	Cash Administration Fee¹² Up to 1.5% p.a.	And , a Cash Administration Fee of \$30
	Expense Recovery Fee Up to \$150 p.a.	And , an Expense Recovery Fee of \$150
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	0.00% p.a.	And , you will be charged or have deducted from your investment \$0 in transaction costs
EQUALS Cost of Vanguard Growth Index Fund		<p>If you had an investment of \$50,000 at the beginning of the year and you put in an additional \$5,000 during that year you would be charged fees and costs in the range of:</p> <p style="text-align: center;">\$461*</p> <p>What it costs you will depend on the investment option you choose and the fees you negotiate.</p>

Please note that this is an example. In practice, the actual investment balance of an investor will vary and the actual fees and expenses we charge are based on the value of your Account, which also fluctuates. Although no Exit Fee applies, the In-Specie Transfer Fee may apply.

***The Management fees and costs shown in the above example relate only to gaining access to the accessible investments, and do not include the fees and costs that relate to investing in the accessible investments. Additional fees and costs will be charged by the issuers of the accessible investments that you decide to invest in. Your Nominated Representative can provide you with the current disclosure documents for the investments you are considering.**

¹¹ This example is based on an investment of \$50,000 and assumes that there is a constant Account balance throughout the year.

¹² Charged on the Minimum Cash Operating Account Balance of \$2,000.

Example of annual fees and costs for Spectrum and underlying investment options

This table gives an example of how the ongoing fees and costs in Spectrum and selected underlying investment options for this product can affect your investment over a one-year period. You should use this table to compare this product with other products offered by investor directed portfolio services.

EXAMPLE – A range of investments using Spectrum		Balance of \$50,000 with a contribution of \$5,000 during year ¹³
Contribution fees	Nil	For every additional \$5,000 you put in, you will be charged \$0.
PLUS Management fees and costs	Administration fee 0.37% p.a.	And , for every \$50,000 you have in Spectrum, you will be charged \$185 each year.
	Account Keeping Fee \$96 p.a.	And , an Account Keeping Fee of \$96
	Cash Administration Fee¹⁴ Up to 1.5% p.a.	And , a Cash Administration Fee of \$30
	Expense Recovery Fee Up to \$150 p.a.	And , an Expense Recovery Fee of \$150
	PLUS Investment cost¹⁵ 0.29%	And , an investment cost of \$139.20
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	0.00% p.a.	And , you will be charged or have deducted from your investment \$0 in transaction costs
EQUALS Total cost of investing in a range of investments using Spectrum		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: \$600.20 What it costs you will depend on the investment option you choose and the fees you negotiate.

Please note that this is an example. In practice, the actual investment balance of an investor will vary and the actual fees and expenses we charge are based on the value of your Account, which also fluctuates. Although no Exit Fee applies, the In-Specie Transfer Fee may apply.

The total fees and costs that you pay include the fees and costs of Spectrum, the fees and costs for Directly Held Investments, the costs of your Cash Operating Account, the costs of the investments you choose, and the fees agreed between you and your Nominated Representative. It is important to understand the fees of any investments you acquire and that those fees will be in addition to the fees charged for Spectrum, together with transaction and account costs incurred.

¹³ This example is based on an investment of \$50,000 and assumes that there is a constant Account balance throughout the year.

¹⁴ Charged on the Minimum Cash Operating Account Balance of \$2,000.

¹⁵ \$48,000 is invested in the Vanguard Growth Index Fund.

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 investor directed portfolio service products.

Name of product	Cost of product
Spectrum	\$461 ¹⁶
Spectrum – Internationally listed securities	\$533 ¹⁷
Spectrum – Fixed income investments	\$485 ¹⁸
Spectrum – Unlisted investments	\$678.80 ¹⁹
Spectrum – Managed funds	\$600.20 ²⁰

Additional explanation of fees and other costs

Management fees and costs

Management fees and costs include fees and costs incurred by Praemium in managing your investments and costs associated with operating Spectrum, including custody, technology and administration costs.

Administration Fee

The Administration Fee is calculated monthly in arrears based on the average daily value of investments held in your Account (including Directly Held Investments) and deducted from your Cash Operating Account. This fee is paid to Praemium.

Account Keeping Fee

The Account Keeping Fee is paid to the Operator, Praemium, to cover the costs of administering your Account within Spectrum. The fee is a fixed amount of \$8 per month or \$96 p.a., per Account. The fee is paid monthly in arrears from your Cash Operating Account.

Margin Lending Fee

If you borrow money via a margin lending loan and invest in Spectrum, an annual fee of \$300 will apply to your Account. This fee is paid to Praemium.

For more information regarding other liabilities, fees and costs and other terms and conditions that may apply to a margin lending loan, refer to the relevant disclosure document available from the lender or your Nominated Representative.

Asset based administration fees

International Administration Fee – An additional flat rate of 0.15% p.a. based on the average daily value of any internationally listed securities in your Account will apply. This fee is for the administration of your internationally listed securities and is deducted monthly (in arrears) from your Cash Operating Account. This fee is paid to Praemium.

Fixed Income Administration Fee – An additional flat rate of 0.05% p.a. based on the average daily value of any fixed income investments in your Account will apply. This fee is for the administration of your fixed income holdings (in AUD) and is deducted monthly (in arrears) from your Cash Operating Account. This fee is paid to Praemium.

Unlisted Investment Administration Fee – An additional flat rate of \$18.15 per Unlisted Investment holding per month (\$217.80 p.a.) held at any time in that month will apply. This fee is for the administration of your Unlisted Investments and is deducted from your Cash Operating Account. This fee is paid to Praemium.

Cash Administration Fee

Praemium has entered into an arrangement to deposit your cash in an omnibus account with ANZ, which attracts an interest rate on your Cash Operating Account holdings. The Cash Administration Fee is the fee Praemium charges for the tasks associated with managing your Cash Operating Account holdings, including establishing the Cash Operating Account and giving instructions (including deposits and withdrawals). The Cash Administration Fee is deducted from interest earned on your Cash Operating Account holdings and will not be deducted from your Account.

¹⁶ This cost of product information relates only to gaining access to the investments made available via Spectrum and does not include the fees and costs that relate to investing in those investments.

¹⁷ This cost of product information relates to gaining access to the investments made available via Spectrum and includes the 0.15% p.a. International Securities Administration Fee that relates to investing in an internationally listed security.

¹⁸ This cost of product information relates to gaining access to the investments made available via Spectrum and includes the 0.05% p.a. Fixed Income Administration Fee that relates to investing in a fixed income investment.

¹⁹ This cost of product information relates to gaining access to the investments made available via Spectrum and includes the \$217.80 p.a. per holding Unlisted Investment Administration Fee that relates to investing in an unlisted investment.

²⁰ This cost of product information relates to gaining access to the investments made available via Spectrum and includes the Investment cost of the Vanguard Growth Index Fund (0.29% p.a.).

Expense Recovery Fee

Praemium is entitled to be reimbursed for certain expenses which we properly incur or become liable for in connection with operating Spectrum, including audit, legal and tax consulting fees, government levies, the costs of complying with legislative requirements and other expenses and liabilities incurred by or on behalf of Spectrum in accordance with any relevant law. We expect to recover up to \$150 per annum per account depending on actual expenses incurred in the financial year. The Expense Recovery Fee is charged to your Account once per financial year. If you close your Account, there will be a pro-rata deduction made as part of your final fees and charges.

Investment costs

Fees and costs for the managed funds and ETPs available in Spectrum 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 fees and costs

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

Transaction fees and costs ²¹	
Australian listed securities	<p>When you invest in an Australian listed security (for example BHP) you will be charged brokerage at the rates described below. These fees 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"> Australian listed securities brokerage on contract note & execution (per trade): \$19.80 plus 0.11%. <p>Adviser brokerage fees – You can add an additional percentage rate for each transaction that is agreed between you and your Nominated Representative.</p>
Internationally listed securities	<p>When you invest in an internationally listed security (for example Google) you may be charged Foreign Exchange conversion and brokerage at the rates described below. These fees 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"> Internationally listed securities brokerage of 0.30% of trade value plus \$30.* <p>Foreign exchange conversion fees will apply if applicable.</p> <p>Adviser brokerage fees – You can add an additional percentage rate for each transaction that is agreed between you and your Nominated Representative.</p> <p>* GST does not apply.</p>
Foreign currency	<p>A Foreign exchange rate of 0.33% applies.</p> <p>A Foreign currency transfer fee of \$70 applies.</p>
Fixed income investments (domestic & international)	<p>If you transact in fixed income investments, you will be charged an execution fee of 0.03% and a settlement fee of \$100 per transaction.</p>
Exchange Traded Options (ETOs)	<p>A transaction fee of \$0.165 with a minimum \$55 per lot submitted for ETOs, deducted from your Cash Operating Account.</p>
Managed funds	<p>A \$20.50 transaction fee for each sale or purchase order for a managed fund. 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.</p>

²¹ All fees are in Australian dollars and are inclusive of GST unless otherwise indicated.

Transaction fees and costs ²¹	
Term deposits	<p>For term deposits held in custody the following transaction fees apply (if applicable) and are deducted by us from your Cash Operating Account:</p> <p>Term deposit break (early withdrawals) - \$50[#]</p> <p>There is no fee for applications, rollovers or maturities for term deposits held in custody.</p> <p>[#] Additional fees or interest penalties may be charged by the approved ADI for breaking a term deposit. Refer to the disclosure document for the relevant term deposit for more information.</p>
Unlisted Investments	<p>A transaction fee of \$110 per submitted application or redemption for Unlisted Investments, deducted from your Cash Operating Account monthly.</p>
Real Time Gross Settlement ('RTGS') payments	<p>Where your Nominated Representative requests a RTGS payment be made from your Cash Operating Account, a bank fee of \$15 per payment will apply.</p>
In-Specie Transfer Fee	<p>No fee is payable when investments are in-specie transferred into your Account. A fee is deducted from your Cash Operating Account each time you in-specie transfer investments out of your Account. These fees are:</p> <ul style="list-style-type: none"> • A fee of up to \$29.00 per in-specie transfer out of Australian listed securities from your Account; • A fee of up to \$38.50 per in-specie transfer out of managed funds from your Account; • A fee of up to \$44.00 per in-specie transfer out of internationally listed securities from your Account. • A fee of up to \$100 per in-specie transfer out of fixed income investments from your Account. <p>The above fees may also apply to off-market transfers where transfers between accounts occur.</p>
Other fees²²	<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>

²² These fees are subject to change at any time.

Service fees

Adviser Remuneration

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

Praemium is authorised by you to deduct monies from your Cash Operating Account to pay to your Nominated Representative (legally, and in terms of process, monies are actually paid to the AFS Licensee of your Nominated Representative) for financial advisory services provided to you, including in relation to facilitating your investment in Spectrum.

The level and the type of fees deducted are determined as a result of the agreement between you and your Nominated Representative, and as reflected in your Application Form. We can only deduct and pay fees to your Nominated Representative 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 Nominated Representative are set out below.

Adviser Service Fee

An Adviser Service Fee may be payable to your Nominated Representative for their services. The Adviser Service Fee, if applicable, is calculated monthly in arrears (based on the daily value of your Account for percentage-based fees) and is deducted monthly in arrears directly from your Cash Operating Account.

The Adviser Service Fee is currently negotiable up to a maximum of 2.20% p.a. and/or can be a fixed dollar amount p.a. Please note, fixed dollar fees are pro-rated for the first and last month of the investment.

The Adviser Service 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.

One-off Advice Fee

A One-off Advice Fee may be payable to your Nominated Representative each time you make a request for specific advice and for other services in relation to your Account. The One-off Advice Fee is deducted from your Cash Operating Account at the time the request is processed and paid to your Nominated Representative.

Adviser brokerage fees

Where allowed under the law, an additional brokerage percentage rate for each transaction, agreed between you and your Nominated Representative, can be added to the minimum brokerage rates (as stated on page 20) when you invest directly in Australian and Internationally listed securities.

The amount payable is agreed between you and your Nominated Representative.

Adviser brokerage is deducted from your Cash Operating Account at the time of settlement as part of the total cost (for buy trades) or net proceeds (for sell trades) and paid to your Nominated Representative or your Nominated Representative's licensee at the end of the month.

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.

Where we hold money in a foreign currency account on your behalf and we receive interest on that account, any interest received is retained by us.

Changes to fees and costs

The fees and costs set out in this IDPS Guide may change from time to time. We may vary the fees and costs and this IDPS Guide will be updated if the fees of Spectrum are changed. We will give you at least 30 days' notice of any proposed increase.

Payments to us

Where permitted by law, we may receive additional fees for providing administrative services to certain issuers of products on the Investment Menu. These fees are our reasonable costs relating to the services that we as the operator 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 Spectrum. 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.

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 and the country in which you reside.

Goods and Services Tax

GST will be charged on or incorporated in various expenses paid by Spectrum including the fees charged for managing the investments and administering Spectrum.

All fees are in Australian dollars and are inclusive of GST (where applicable).

Tax Reporting

Various reports are available to assist you with determining the tax status of your Account. These reports are generally available for you to view and print from the Investor Portal at any time.

Downloads are available for many accounting packages to assist you in the preparation of your tax return.

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 Nominated Representative 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 Nominated Representative 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.

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, Praemium 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.

General information

Comparing investing via Spectrum to investing directly

It is important that you understand the differences between investing in Spectrum and investing in managed funds and securities directly. The key differences are set out in the table below.

Access to information

You have the right to ask your Nominated Representative 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 through the IDPS	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	You will not receive reports or statements for individual managed funds in which you are invested. As Operator, we are obliged to provide annual and quarterly reporting to you in respect of your aggregated holdings in Spectrum and have your Account independently audited.	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 directors 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 operator to deal with investments). Directly Held Investments are held in your name.	You hold your interest in the fund directly in your name.	Investments are held directly in your name.
Communications	Your Nominated Representative will receive communications from us relating to your Account and it is the responsibility of your Nominated Representative to provide these communications to you. Communications are also contained in the Investor Portal.	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 Nominated Representative. Voting will be in accordance with Praemium's Corporate Actions Policy.	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 through the IDPS	Investing directly in a managed fund	Investing directly in shares
Withdrawal rights	You can close your Account at any time by seeking a cash withdrawal and/or an in-specie transfer. Usual rights to withdrawal 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.	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 any options.	Where a disclosure document is defective, typically investors will be notified directly by the product issuer of the right to withdraw any options.

Issuer

This IDPS Guide is issued by Praemium Australia Limited (ABN 92 117 611 784, AFSL 297956) ('Praemium', 'Operator', 'we', 'us' or 'our'). We act in our own capacity in providing the Administration Service.

We do not guarantee the performance of investments held within Spectrum 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 us to access the Administration Service are set out in this IDPS Guide.

IDPS Contract

Spectrum is offered under the terms of the IDPS Contract which you enter into when you sign the online Application Form to open your Account and we accept your application. The IDPS Contract accompanies this IDPS Guide.

Cooling-off rights

No cooling-off rights apply to your investments acquired through Spectrum, even if you are a retail investor. If you change your mind about an investment after it has been made, you may incur fees if you seek to withdraw or redeem your interest in the investment and may have infrequent or limited redemption options.

Voting

Information about our voting policy is in Praemium's Corporate Actions Policy, available free of charge on request by contacting us.

Custody

Praemium, as Operator, 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.

Praemium has appointed Citibank Pty Limited as custodian for all domestic and foreign investments within Spectrum (excluding Directly Held Investments), other than term deposits and managed funds. Clearstream Australia Limited has been appointed custodian to hold term deposits and managed fund investments. Cash held in the Cash Operating Account is held by Powerwrap Limited as custodian.

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 IDPS Guide or caused or otherwise authorised the issue of this IDPS Guide. 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 Spectrum nor the repayment of capital or any particular rate of capital or income return.

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 where you wish to access investment options through Spectrum that are only available to Wholesale investors. If you do not maintain your Wholesale Client status i.e., valid qualified Accountant Certificate, your ability to access or make further investments into such 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.

Your Nominated Representative is responsible for ensuring that all advice provided to you as a wholesale client is appropriate and they maintain sufficient documented evidence that they have considered your status as a Wholesale investor prior to providing a product recommendation.

Enquiries and complaints

If you have a complaint, you can either call Praemium on 1800 571 881 or write to our Complaints Handling Officer at:

Praemium
PO Box 322
Collins Street West, Melbourne VIC 8007;

or send it by email to complaints@praemium.com.au.

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 IDPS, it may be more effective to contact the product issuer directly.

The AFCA contact details are:

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

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.

Privacy

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.

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.

We may disclose information to related overseas entities for the purpose of providing internal support for our service and product offering. These entities are currently located in Armenia, the United States, the European Union, India and New Zealand and comply with Australian privacy requirements. We may also disclose your information to external parties on your behalf, such as your Nominated Representative. Unless otherwise provided by law, we will not retain personal information received via unsolicited third parties which is not relevant to, or directly related to, the operation of our business. Such information will be destroyed or deidentified as soon as reasonably practicable.

We may use your information on occasion, to advise you about other services or products offered by us or by Praemium Limited and its related bodies corporate, but you may elect to stop receiving such information by giving us notice to that effect at any time by contacting support@praemium.com.au.

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).

You may contact our Privacy Officer on 1800 571 881 if you wish to update or request access to your information or if you have any queries regarding our Privacy Policy.

Anti-Money Laundering and Counter-Terrorism Financing

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 Spectrum.

We cannot accept an application to invest in Spectrum 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 Praemium during the application process, you agree that:

- You do not make an application for investment in Spectrum under an assumed name;
- any money used by you to invest in Spectrum 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, Praemium 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 Nominated Representative 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 Praemium may access any document that has been used by the financial adviser to verify their identity.

As per the online Application form, we require a certified copy of the investor's identification. Where document(s) verifying the investor's identity are provided to us by a financial adviser, Praemium 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 Nominated Representative

You can only invest in Spectrum through a Nominated Representative (generally your financial adviser) who is able to provide investment instructions to us on your behalf. Your Nominated Representative is integral to the operation and maintenance of your Account. Your Nominated Representative 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 Spectrum you agree to appoint your Nominated Representative as your agent for the purposes of operating your Account and providing us with instructions in relation to your Account.

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

Praemium is required to verify the identity of your Nominated Representative and any agent appointed to act on behalf of an investor. We cannot proceed to act on the instructions of a Nominated Representative 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 & agreements

Your Nominated Representative

Authorisations to your Nominated Representative

To invest in Spectrum, you are required to appoint a Nominated Representative (generally your financial adviser), who is able to provide instructions on your behalf to us, via the Nominated Representative Transaction Authority you agree to in the online Application Form.

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

We will not accept instructions from your Nominated Representative 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 Nominated Representative

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

- view your Account via the Investor Portal;
- administer your Account via the Adviser Portal;
- 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 in Spectrum on your behalf.

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

We will continue to act upon instructions from your Nominated Representative until we receive a written cancellation of the appointment. If you cancel the appointment and fail to appoint another Nominated Representative acceptable to us, we may terminate your participation in Spectrum 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 Nominated Representative may negotiate with us the administration fees you pay (as described on page 14) and/or the investment options that may be available to you. If you change your Nominated Representative, you may lose access to these negotiated fees and/or the investment options.

You release, discharge, and indemnify us and all of our successors and assigns from and against all losses, actions, liabilities, claims, demands, and proceedings arising from your appointment of a Nominated Representative and all acts, omissions, matters and things done, not done or purported to be done by your Nominated Representative even if not 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 Nominated Representative or any person purporting to be your Nominated Representative provided that we do not have reasonable grounds to believe that they are not your Nominated Representative.

Online, email and written instructions by your Nominated Representative

Instructions may be given to us by your Nominated Representative 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 Nominated Representative on your behalf.

If Praemium receives instructions online or in writing from your Nominated Representative, Praemium will act in accordance with the written instructions to the extent of any inconsistency.

Investment authority

By investing in Spectrum you are providing us with:

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

This authority will continue until your Account is closed.

Online terms and conditions

Your Nominated Representative will be provided with online access to Spectrum when your Account is established. Your Nominated Representative 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 the IDPS Contract (as may be amended from time to time) which governs the operation of Spectrum and the terms set out in this IDPS Guide;
- request that Praemium apply for and open a Cash Operating Account, a Spectrum Managed Accounts 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 IDPS Guide will be deducted directly from my/our Account;
- acknowledge and agree that neither the performance of any specific investment offered through Spectrum nor any particular rate of return from, nor any repayment of capital invested in any investment is guaranteed by Praemium, Praemium Limited or any of its associates or subsidiaries;
- acknowledge that my/our Account will be managed in accordance with the relevant investments I/we (via my/our Nominated Representative) 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 IDPS Guide and other information by email or by a hypertext link sent by email, via my/our Nominated Representative and to access and read this information/IDPS Guide, except that all confirmations of any transactions in connection with my/our Account, including the establishment of my/our Account in Spectrum, will be provided to me/us by my/our logging onto my/our Account and using my/our password;
- acknowledge the warnings regarding the difference between accessing investments through Spectrum and accessing those same investments directly;
- agree that Praemium will not be responsible for any failure of my/our Nominated Representative 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 IDPS Guide;
- authorise us to provide my/our Nominated Representative with information regarding my/our investments; and
- if I wish to receive the Service as a Wholesale Investor, agree to provide a valid Wholesale Investor Certificate and maintain the status of the Certificate to qualify as a Wholesale investor. 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 Praemium. 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 Praemium Australia Limited ('Praemium' or 'us').

Praemium's responsibilities

Praemium 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 Praemium accepts your online Application Form.

Praemium 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 Praemium 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.

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

Praemium will give at least 30 days' notice to your Nominated Representative if it proposes 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.
- 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 Nominated Representative, in writing or by fax.

It is your responsibility to arrange with Praemium 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 our Client Services Team at support@praemium.com.au or on 1800 571 881.

Glossary

Term	Definition
Account	The Account in which investments held through the Service are attributed to you and specifically includes Investments held in custody, Directly Held Investments and cash (terms deposits and Cash Operating Account).
AFSL	Australian Financial Services Licence
Application Form	The online Application Form you fill in to apply to join Spectrum.
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.
Directly Held Investments	Australian listed securities and other Investments held directly in the name of the client.
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 Praemium to perform transactions on your Cash Operating Account that relate to the operation of your Account.
IDPS	Investor Directed Portfolio Service
IDPS Contract	The legal document that establishes and governs Spectrum that you enter into with Praemium and represents the IDPS contract between Praemium and you.
IDPS Guide	This disclosure document for Spectrum.
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 IDPS 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).
Investment Menu	The list of investment options that are available in Spectrum, which is a separate document (but which is incorporated into this IDPS Guide) available via our website free of charge.
Licensee	The holder of an AFSL who has authorised your Nominated Representative to provide financial services to you.
Limited Power of Attorney (or LPOA)	Means the limited power of attorney executed by you in favour of Praemium that allows Praemium (and its related parties) to act on your or your Nominated Representative's instructions in relation to transactions through Spectrum.
Model Portfolios	A selection of accessible investments that are described as Model Portfolios which are provided by professional Model Portfolio Managers, in which you can invest through Spectrum Managed Accounts. The disclosure documents for Spectrum Managed Accounts, including descriptions of the Model Portfolios, are available on our website.
Model Portfolio Manager	A professional investment manager who provides Model Portfolio(s) through Spectrum Managed Accounts.
Nominated Bank Accounts	The external bank account/s you have nominated on your Application Form.
Nominated Representative	The business or person you have nominated that provides you with financial advice in relation to your Account, and who holds an AFSL, or is licensed by a Licensee to do so.
Nominated Representative Transaction Authority	The authorisation you give your Nominated Representative to transact on your Account via the Application Form.
SMSF	Self-Managed Superannuation Fund
Spectrum	The investor directed portfolio service offered by Praemium Australia Limited (ABN 92 117 611 784, AFSL 297956) pursuant to this IDPS Guide.
Spectrum Managed Accounts	Means the Separately Managed Accounts, a registered managed investment scheme that is an investment option accessible through Spectrum.
Spectrum Investments	Means the Powerwrap Scheme, a registered managed investment scheme that offers investment options accessible through Spectrum.

How to complete the online Application Form

With the assistance of your Nominated Representative, you should complete the online Application Form. Before you do this, you should read this IDPS Guide 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
- Incorporated Association or Body
- Self-Managed Superannuation Fund
- Trust (non-corporate or corporate)
- Estate
- Partnership
- Unincorporated Association or Body

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

Step 2 – Complete the online Application Form with the assistance of your Nominated Representative

Your Nominated Representative will enter your details in the online Application Form, enabling applications for Spectrum and enabling setup of your Cash Operating Account, your broker account and any other accounts as required.

Once your Nominated Representative has entered your details and sent you the online Application Form via email or printed out the online Application Form and sent it to you, you should read the form and check that all sections have been completed correctly. You should then accept the application via the digital acceptance link provided or sign the Application Form, as well as the LPOA and any supplementary forms that may be applicable (such as W-8Ben form if applicable).

Step 3 – Return signed Application Form, LPOA and relevant supporting documentation

Once the Application Form is completed, accept it via the digital acceptance link provided, or sign it, and then return all signed forms to your Nominated Representative for forwarding to Praemium, including your signed original LPOA.

Account names and designations for different types of investors

While your Nominated Representative 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 ²³ .
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 ²³ .
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 ²³ .
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
Self-Managed 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

²³ Attorney may sign the Limited Power of Attorney (LPOA) if permitted under the Power of Attorney and applicable laws where the Power of Attorney Document explicitly allows for the Sub-Delegation of Powers.



Contact details

Praemium Australia Limited
Level 19, 367 Collins Street
Melbourne, VIC 3000

Postal address:
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IDPS Contract

This agreement is made between Praemium Australia Limited (ABN 92 117 611 784, AFSL 297956) ('PAL', 'Operator', 'we', 'us' or 'our') and each Investor named in the Application Form.

1 Definitions and Interpretation

1.1 In this Deed, unless otherwise indicated by the context:

- a) **Accessible Investments** means assets that are permitted to be held in an IDPS which shall include any 'accessible securities' and 'accessible financial products' (as defined under the ASIC Instrument (IDPS)) and includes Australian and international securities, term deposits and other assets which PAL permits to be accessed via the Service;
- b) **Account** means an account with the Service and includes the relevant Investor's Cash Operating Account, Custody Assets and Directly Held Assets;
- c) **Administration Services** means those services set out in the IDPS Guide from time to time;
- d) **Application Form** means the application form attached to or provided to Investors with the IDPS Guide (including electronic applications) in relation to the Service;
- e) **ASIC Instrument (IDPS)** means *ASIC Corporations (Investor Directed Portfolio Services) Instrument 2023/669* issued by the Australian Securities and Investments Commission ('ASIC') (as updated and replaced from time to time);
- f) **Broking Agreement** means an agreement between the Investor and PAL's appointed broker, pursuant to which the broker provides the Investor with execution, clearing and settlement services with respect to the Investor's transactions;
- g) **Business Day** means a day that is not a Saturday, Sunday, public holiday or bank holiday in Melbourne;
- h) **Cash Operating Account** means an account with an Australian authorised deposit-taking institution (held on an omnibus basis) which forms part of the Investor's Account which is held through the Service;
- i) **Consent Form** means the written consent form executed by the Investor that is a retail client to authorise the deduction of an ongoing adviser fee arrangement from the Investor's Account;
- j) **Contract** means this IDPS contract as amended from time to time, entered into when the Investor submits an Application Form to join the Service and that Application Form is accepted by PAL;
- k) **Corporations Act** means the *Corporations Act 2001* (Cth) as amended;
- l) **Custodian** means the custodian appointed by PAL to hold the Custody Assets;
- m) **Custody Assets** means Accessible Investments held on trust by the Custodian on behalf of an Investor;
- n) **Directly Held Investments** means Accessible Investments accessed via the Service and which are held directly in the name of the Investor;
- o) **IDPS Guide** means the IDPS Guide prepared by PAL and provided to prospective Investors in respect of the Service (as amended from time to time);
- p) **IDPS Law** means the Corporations Act, *Corporations Regulations 2001* (Cth), ASIC legislative instruments that are relevant to the IDPS, including, the ASIC Instrument (IDPS) as amended, updated or repealed from time to time (as the case may be) which are relevant to the Service;
- q) **IDPS** means investor directed portfolio service;
- r) **Instruction** means a properly provided clear and unambiguous instruction given by or on behalf of an Investor to (including by a Nominated Representative) PAL in relation to the Investor's Account including instructions to deal in an Accessible Investment (including switching investments), conduct an in-specie transfer of an Accessible Investment (by way of transfer in or out), or deposit or make a withdrawal from the Cash Operating Account and which specifically includes an Investment Direction;
- s) **Investment Direction** means a direction issued to PAL by an attorney under an enduring power of attorney or other appointment document which specifically allows the attorney to give investment decisions to third parties on behalf of the appointor;
- t) **Investment Menu** means a list of Accessible Investments which PAL determines in its sole discretion may be acquired and/or held through the Service;
- u) **Investor** means a person who, has acceded to the Contract by signing the Application Form;
- v) **Investor Portal** means the electronic dashboard created for Investors as part of the application process;
- w) **LPOA** means the limited power of attorney granted in favour of PAL to be completed as part of the application process to access the Service, and used by PAL to undertake and complete Instructions for and on behalf of the Investor;
- x) **Minimum Cash Operating Account Balance** means the minimum amount which must be maintained in the Cash Operating Account as determined by PAL from time to time;
- y) **Nominated Representative** means an appropriately licensed financial adviser who is appointed by the Investor to give Instructions to PAL and otherwise act on the Investors behalf in relation to the Service;
- z) **Prohibited Assets** are defined at clause 13.5;
- aa) **Reports** means reports to be prepared in accordance with IDPS Law as well as consolidated reporting in respect to the totality of the Investors Accounts via Investor Portal; and
- bb) **Service** means the IDPS provided by PAL pursuant to the Contract.

1.2 In this Contract, unless otherwise indicated by the context:

- a) words importing the singular include the plural and vice versa;
- b) headings are for convenience only and do not affect interpretation of this Contract;
- c) the meaning of general words is not limited by specific examples introduced by 'includes', 'including', 'for example' or 'such as' or similar expressions;
- d) a reference to a document or instrument, including this Contract, includes all of its clauses, paragraphs, recitals, parts, schedules and annexures and includes the document or instrument as amended, varied, novated, supplemented or replaced from time to time;
- e) a reference to a clause, paragraph or schedule is a reference to a clause, paragraph or schedule of this Contract;
- f) where any word or phrase is given a definite meaning in this Contract, any part of speech or other grammatical form of that word or phrase has a corresponding meaning;
- g) an expression importing a natural person includes an individual, corporation or other body corporate, partnership, joint venture, association (whether incorporated or not), a firm, a trustee, a trust or other legal entity;
- h) a reference to a statute, statutory provision or regulation includes all amendments, consolidations or replacements thereof;
- i) a reference to a party to a document includes that party's legal personal representatives, successors and permitted assigns and, where the person is an individual, includes executors;
- j) no provision of this Contract will be construed to the disadvantage of a party merely because that party was responsible for the preparation of the Contract or the inclusion of the provision in the Contract;
- k) all monetary amounts are in Australian dollars, unless otherwise stated and a reference to payment means payment in Australian dollars;
- l) a covenant or undertaking on the part of or for the benefit of two or more persons binds or benefits them jointly and severally; and
- m) a reference to a body, whether statutory or not;
 - i. which ceases to exist; or
 - ii. whose powers or functions are transferred to another body;

is a reference to the body which replaces it, or which substantially succeeds to its powers or functions.

2 Contract formation and acknowledgements

- 2.1 Each Investor and the Investor's successors and assignees are bound by the terms of the Contract (and agree to open an Account) when it submits an Application Form, and the Application Form is accepted by PAL. The Application Form when submitted to PAL is an offer to join the Service. PAL may refuse any Application Form in whole or part without giving any reason for the refusal. PAL is not bound by the Contract until it has accepted the prospective Investor to the Service.
- 2.2 Each Investor acknowledges that:
 - a) it has received and reviewed the contents of the IDPS Guide and have access to the Investment Menu which, in conjunction with the Contract, constitute the whole understanding of the terms on which the Service is provided to each Investor by PAL (subject to law);
 - b) it has access to the disclosure documents for the relevant Accessible Investments in which they wish to invest;
 - c) it must appoint a Nominated Representative to use the Service and PAL may, at its option, suspend or terminate the Service where an Investor ceases to have a Nominated Representative;
 - d) the Nominated Representative will have viewing rights to the Investor Portal (created as part of the Account opening process) and be able to action Instructions via the electronic dashboard created for Nominated Representatives and/or other approved third-party online interfaces;
 - e) there are risks associated with the Service, some of which are set out in the IDPS Guide;
 - f) that any agreement separately entered into with a Nominated Representative or any other third party is separate from the Investor's agreement under this Contract; and
 - g) to the extent of any inconsistency between the following documents, the order of precedence will be as follows:
 - i. IDPS Law;
 - ii. this Contract;
 - iii. the terms of the application form; and
 - iv. the IDPS Guide.
- 2.3 If the Investor is entering into this Contract in their capacity as a trustee of a trust, the Investor warrants that:
 - a) it has the power to enter into and perform its obligations under the Contract under the terms of the trust;
 - b) its execution and performance of its obligations under the Contract is in accordance with, and does not cause any conflicts under, the terms of the trust;
 - c) its execution and performance of its obligations under the Contract, complies with all of its duties as trustee of the trust and there has been no assertion or allegation made by any person that it has breached its duties as trustee of the trust; and
 - d) it is both liable in its own capacity and in its capacity as trustee of the trust.

2.4 Investor warning - By acquiring a financial product through the IDPS, rather than directly, Each Investor does not have access to the same rights and entitlements that would otherwise be available to it as a retail client (as that term is defined in the Corporations Act) had it invested directly in the financial products offered through the IDPS. This includes the following rights:

- a. cooling-off rights;
- b. withdrawal rights under sections 724 and 1016E of the Corporations Act; and
- c. voting rights.

Each Investor should also note that PAL may also choose to terminate this IDPS Contract and cease providing the relevant services to it should it cease to engage a financial adviser to provide financial product advice in relation to the financial products available through the IDPS.

For further information on the differences in the abovementioned rights, and other differences between investing in an IDPS and investing directly, see the 'General Information' section of the IDPS Guide.

3 PAL's Obligations

PAL agrees that it will, to the extent required by the IDPS Law:

- a) act honestly and with such due care and diligence having regard to the nature of the activities carried out in operating the Service;
- b) comply with the conditions of the IDPS Law;
- c) maintain records concerning each Investor's Account;
- d) comply with all properly provided Instructions in accordance with clause 6 and where applicable, comply with the authorities contained in the LPOA in relation to Directly Held Investments;
- e) ensure that all money received by it from Investors and any payments received on account of Accessible Investments is paid into the Cash Operating Account (or otherwise advised by that Investor) in accordance with clause 5;
- f) ensure the Cash Operating Account is held with an Australian authorised deposit-taking institution;
- g) prepare and issue the Reports; and
- h) undertake the Administration Services in respect of the Directly Held Investments as set out in the IDPS Guide from time to time.

4 PAL's Powers

4.1 Subject to the IDPS Law, PAL has the sole right to, without limitation:

- a) determine the Investment Menu and vary that Investment Menu at any time;
- b) determine which Accessible Investments will be Custody Assets;
- c) determine whether an Investor will receive Quarterly Reports via Electronic Access (as defined under clause 20.2) in relation to their Account or as otherwise permitted under the ASIC Instrument (IDPS);

- d) determine and vary any features of the Service which may include adding to or removing key features at any time and without notice;
- e) appoint any agent or delegate (who may be an associate of PAL) to ensure that the Service is provided in accordance with our obligations as specified in the Contract;
- f) specify and vary procedures in relation to the Service, including in relation to acquiring, investing, redeeming, selling, transferring, disposing of or otherwise dealing with investments in relation to an Investor's Account;
- g) suspend any Instruction including any requests to withdraw;
- h) suspend an Investor's access to the Service at any time where there is a failure by the Investor to comply with the Contract or where PAL believes it will be unlawful for PAL to continue to offer the Service to the Investor; and
- i) terminate an Investor's access to the Service.

4.2 Notwithstanding the above, PAL must ensure that it does not acquire Prohibited Assets.

4.3 Subject to the terms of this Contract, PAL may, at its discretion, do all things reasonably necessary for PAL to provide the Service.

5 Custody

5.1 Each Investor acknowledges that:

- a) PAL may appoint, remove and replace Custodians to hold the Accessible Investments (excluding Directly Held Investments);
- b) PAL is not responsible and does not provide any custody service for the Directly Held Investments;
- c) the selection of Custodians will be at PAL's sole discretion (subject to the Custodians holding the necessary authorisations and subject to IDPS Law);
- d) the Custodian will hold legal title to those Accessible Investments (other than the Directly Held Investments) and the Investor will retain absolute beneficial interest to those Accessible Investments, subject to any rights of set-off, including the rights retained by PAL to convert Accessible Investments to meet liabilities of the Investor or where necessary to meet the Minimum Cash Operating Account Balance requirements; and
- e) PAL and any Custodian may co-mingle the Accessible Investments (other than Directly Held Assets) and cash in the Cash Operating Account with other assets it holds, subject to compliance with IDPS Law. Where such co-mingling occurs, PAL will maintain adequate records to identify assets held for particular Investors.

5.2 In appointing a Custodian, PAL agrees that any such appointments will be in accordance with IDPS Law.

5.3 PAL will acknowledge, upon request from an Investor or their Nominated Representative, the manner in which the Accessible Investments (excluding Directly Held Investments) are held through the Service.

6 Instructions

- 6.1 PAL will use reasonable endeavours to ensure that Instructions are followed as soon as practicable but is not bound to do so by a particular time. However, Investors acknowledge there may be circumstances which prevent Instructions being acted upon outside of PAL's reasonable control including but not limited to:
- a) in relation to managed fund investments, there may be restrictions on applications and/or redemptions imposed by the relevant fund manager;
 - b) there may be trading restrictions imposed by exchanges;
 - c) there may not be counterparties to any dealings;
 - d) there may be delays in the hands of the issuer of the Accessible Investment; and
 - e) certain investments may not be transferable to the Investor in its personal capacity (for example where the Investor does not qualify to hold those Accessible Investment).
- 6.2 Each Investor acknowledges that PAL will have no liability to the Investor whatsoever for delays or any inability to effect Instructions which are outside of PAL's control including a delay in Instructions from a Nominated Representative.
- 6.3 PAL is entitled to assume Instructions are genuine and proper. Instructions continue in force until cancelled or superseded at PAL's agreement or it has lapsed or otherwise expired.
- 6.4 Each Investor expressly acknowledges that the Instructions (even if disclosed to PAL) will not be binding on PAL where such Instructions:
- a) would result in a contravention of the IDPS Law or the laws of Australia, generally, by PAL;
 - b) would result in PAL knowingly assisting the Investor in conduct which would result in the contravention of the IDPS Law or the laws of Australia in general;
 - c) cannot be carried out due to circumstances beyond PAL's control including, but not limited to, Instructions relating to an Investor's Accessible Investments which would be contrary to the terms of the relevant Accessible Investments; and
 - d) are contrary to the terms on which the Service is provided to the Investor by PAL including, but not limited to, the terms set out in this Contract and the IDPS Guide.
- 6.5 Each Investor expressly acknowledges that Instructions are devised solely by the Investor and their Nominated Representative and the acting on any Instruction by PAL is not to be considered an endorsement of the Investors Instructions provided.

7 Authorising to Act

- 7.1 Each Investor agrees that PAL may deal with the Investor's Account in any way it deems appropriate (including, without limitation, acquire, purchase, sell, dispose transfer, withdraw, exit, redeem, swap or dispose of Accessible Investments) without a specific Investment Instruction from that Investor including (without limitation):
- a) the acceptance, processes and paying of all receipts and payments (subject to any Investor's instructions to the contrary) into the Cash Operating Account;
 - b) deducting funds from the Cash Operating Account to satisfy Instructions and otherwise pay any fees and charges payable by the Investor;
 - c) selling the Investor's Accessible Investments to meet fees and costs;
 - d) selling (or suspending Instructions in relation to) the Investor's Accessible Investments to ensure the maintenance of the Minimum Cash Operating Account Balance;
 - e) suspending any transaction, the subject of an Instruction where necessary to ensure the Investor is able to comply with its obligations under this Contract;
 - f) attend any meeting convened and exercise any rights attached to any assets, including voting, accepting or rejecting any takeover bid for Custody Assets, otherwise act in accordance with any voting or corporate actions policy;
 - g) sign and execute any transfers, forms, deeds or any other instruments required to operate, administer and maintain an Investor's Account;
 - h) participate, refrain from participating or cease to participate in any dividend or distribution reinvestment plan relating to any assets in the Investor's Account;
 - i) exercise or not exercise any convertible security including executing all forms, deeds, transfers and other instruments necessary to operate, maintain and administer the Investor's Account; and
 - j) where otherwise permitted under IDPS Law.
- 7.2 PAL agrees that where PAL is relying on the LPOA, that PAL will act in accordance with the LPOA.
- 7.3 PAL may assume that the Investor has devised an investment strategy with its Nominated Representative, and that any Instruction given to PAL by the Investor, or its Nominated Representative is in accordance with the Investor's investment strategy.
- 7.4 In the event the Investor becomes incapacitated or dies, PAL may suspend all transactions and Instructions in relation to the Investor's Account.
- 7.5 PAL may rely on any Consent Forms (if applicable) provided to PAL by the Investor's Nominated Representative unless PAL is notified that the Consent Form has been withdrawn, varied or has expired.

8 Minimum Cash Operating Account Balance

- 8.1 Each Investor acknowledges that it must maintain a Minimum Cash Operating Account Balance in the Cash Operating Account.
- 8.2 Each Investor further acknowledges and agrees that where the amount of cash in the Cash Operating Account is less than the Minimum Cash Operating Account Balance or is insufficient to meet an Instruction, PAL may at its discretion:
- cancel or ignore the Instructions; and/or
 - sell an Accessible Investment on such terms as PAL determines in its sole discretion, without further notice to the Investor.

9 Investor Obligations

- 9.1 Each Investor must:
- comply with the rules and regulations of the Service determined by PAL from time to time including this Contract (as amended from time to time);
 - ensure all information (including personal information) provided to PAL is true, correct and not misleading and further ensure that it promptly notifies PAL of any changes to its personal information;
 - pay the fees and costs associated with maintaining the Account;
 - maintain the Minimum Cash Operating Account Balance in the Cash Operating Account;
 - appoint a Nominated Representative to act on the Investor's behalf and ensure a Nominated Representative is appointed at all times;
 - where applicable, sign and return the LPOA and provide an updated LPOA at the request of PAL;
 - prior to giving an Instruction to deal in an Accessible Investment, ensure that there is sufficient monies in the Cash Operating Account to meet the obligation of the investment Instructions;
 - comply with PAL's request for information including where necessary for PAL to comply with its anti-money laundering obligations; and
 - notify PAL if it believes it has committed a breach of this Contract.
- 9.2 Each Investor is solely responsible for the security of its customer name and password for access to the Service. All access to the Service using the Investor's details (including any access by their Nominated Representative or any third party) will be deemed to have been authorised by the Investor.
- 9.3 Where the Investor's liabilities to PAL exceeds the value of the Investor's assets held through the Service (including overpayments made in error), the Investor must pay the amount required to satisfy such liabilities without delay. For the avoidance of doubt, the Investor's liabilities are not limited to the value of their Account.

- 9.4 It is the Investor's responsibility to promptly notify PAL if the Investor suspects that there has been unauthorised access or unauthorised transactions in relation to its Account.

10 Requests for information

- 10.1 Each Investor acknowledges that where it or its Nominated Representative does not provide PAL with information or documentation upon PAL's request, PAL may be unable to make certain Accessible Investments available to the Investor including, but not limited to, investments that require PAL to be satisfied that the Investor is a wholesale client (as defined in the Corporations Act).

11 Cooling-Off Rights

- 11.1 Each Investor acknowledge that there will not be any cooling-off rights which may be available to the Investor if it had invested directly in the Accessible Investment.

12 In specie transfers

- 12.1 Where an Investor notifies PAL in writing that the Investor wishes to transfer an Accessible Investments into their name, PAL will only transfer those Accessible Investments in accordance with the process as described in the IDPS Guide. Each Investor acknowledges that PAL may be unable to act on a request due to matters outside of its control including where the Accessible Investment is unable to be transferred to the Investor due to issue restrictions.
- 12.2 Where an Investor wishes to transfer Accessible Investments into their own name, PAL may, but is not obliged to, accept any transfer.
- 12.3 Where an Investor wishes to close its Account, the Investor may instruct PAL to undertake an in-specie transfer of the Accessible Investments into the Investor's own name. Each Investor is advised to consult with their advisor before instructing PAL to undertake the in-specie transfer.

13 Limitation on powers of investment**13.1 Acquisition of an Accessible Investment**

PAL and its agents must not acquire an Accessible Investment for an Investor until PAL or its agents (as the case may be) are reasonably satisfied that all:

- disclosure requirements; and
- other prerequisites to the acquisition of an investment, specified in the IDPS Law have been met.

13.2 Disclosure Documents requirements

PAL will not, and will ensure that any Custodian does not, acquire any Accessible Investments for an Investor unless PAL is reasonably satisfied that:

- In relation to Accessible Securities (as that term is defined in the ASIC Instrument (IDPS)), either:
 - the Investor has been given a copy of a disclosure document (whether a PDS, prospectus, or IDPS Guide) and the disclosure document would have been required to be given to the Investor by law at the time of acquisition; and
 - PAL has no reason to believe that the disclosure document is defective; or

- iii. the Accessible Securities could have been lawfully offered and issued or sold to the Investor directly without a disclosure document (other than because of a small scale offering as defined under subsection 708(1) of the Corporations Act); and
- b) In relation to Accessible Financial Products (as that term is defined in the ASIC Instrument (IDPS)), either:
 - i. the Investor has been given a copy of a disclosure document and PAL has no reason to believe that the disclosure document is defective; or
 - ii. the Accessible Financial Product could have been lawfully offered and issued or sold to the Investor directly without a disclosure document (other than because of a small scale offering as defined under subsection 1012E of the Corporations Act); and
 - iii. PAL has no reason to believe that a disclosure document would have been required to be given to the Investor pursuant to IDPS Law.

13.3 Underlying issuers

- a) Where an Investor must be provided with a disclosure document pursuant to clause 13.2, PAL will not, and must ensure that any Custodian will not, acquire the Accessible Investments which are 'Accessible Securities' unless PAL is reasonably satisfied that the relevant issuer of the Accessible Investments has:
 - i. provided prior written consent authorising the distribution of the disclosure documents to Investors and prospective Investors of the Service; or
 - ii. has prepared a disclosure document which authorises the use of the disclosure documents to Investors or prospective Investors of the Service or of a class of IDPSs which includes the Service.
- b) This clause 13.3 does not apply to any rights issues.

13.4 Complying disclosure documents

PAL must not, and must ensure that any Custodian does not, acquire Accessible Investments if:

- a) in the case of Accessible Investments that are 'Accessible Securities', PAL or the Custodian is aware that the disclosure documents for those Accessible Investments:
 - i. do not comply with relevant requirements of the Corporations Act regarding contents of the disclosure documents; or
 - ii. contain a material statement which is untrue or misleading.
- b) in the case of Accessible Investments that are 'other financial products', PAL or the Custodian has reason to believe that the disclosure document is defective at the time of the acquisition.

13.5 Prohibited Assets

PAL will not, and must ensure that any Custodian does not, acquire Accessible Investments that are interests in an unregistered scheme ('Prohibited Assets') unless:

- a) PAL or the Custodian is reasonably satisfied that the scheme would not have required registration under Chapter 5D of the Corporations Act if the Investor had invested directly; and
- b) so far as PAL or the Custodian is aware or has reason to suspect, the scheme would not have required registration

under Chapter 5D of the Corporations Act if all interests in the scheme held under a custodian arrangement (whether through an IDPS custodian, or by any custodian of an IDPS-like scheme or nominee and custody service), had been held in the scheme directly.

13.6 Distribution reinvestment plan

Notwithstanding clause 13.2, PAL or the Custodian may acquire an additional holding of an Accessible Investment for the Investor under a distribution reinvestment plan if:

- a) the Investor already has an existing holding of that Accessible Investments through the Service; and
- b) PAL or its Custodian is reasonably satisfied that the Investor has been given a copy of a disclosure document that is current and complies with IDPS Law at the time the additional holding is acquired.

13.7 Accessible Investments of the same kind

Notwithstanding clause 13.2, PAL or the Custodian may acquire the Accessible Investment if:

- a) the Investor has already been given a disclosure document for the same Accessible Investment held through the Service; and
- b) PAL reasonably believes that the Investor has access to the most current disclosure document in use or a disclosure document that does not differ from the most updated disclosure document in a way that is materially averse to the Investor; and
- c) PAL has no reason to believe the disclosure document is defective at the time of acquisition.

13.8 Regular savings acquisition

Notwithstanding clause 13.2 PAL or the Custodian may make a regular savings acquisition (as defined under IDPS law) if it is reasonably satisfied that the Investor has been given a disclosure document that is current and complies with IDPS Law at the time of the regular savings acquisition where:

- a) the Investor already has an existing holding of that Accessible Investment through the Service; and
- b) PAL has complied with its agreement with the Investor in relation to the regular savings plan to give a disclosure document under IDPS Law.

13.9 Dispute Resolution System

Notwithstanding clause 13.2, PAL or the Custodian may acquire the Accessible Investments that are 'Accessible Financial Products' if PAL reasonably believes that, amongst other things:

- a) the issuer or seller of the product has in place a dispute resolution system that is compliant with either subsections 912A(2) or 1017G(2) of the Corporations Act; and
- b) the dispute resolution system covers complaints against the issuer or seller to the same extent as if the Investor had acquired the product directly from the issuer or seller as a retail client.

14 Voting and Corporate Action

Each Investor acknowledges that PAL may determine any voting and corporate action policies provided such policies comply with IDPS Law including the disclosure of such provisions in the IDPS Guide.

15 Settlement of transactions

Each Investor acknowledges that:

- a) in relation to Directly Held Investments, PAL will enter into a Broking Agreement on behalf of the Investor with a third-party provider ('Broker');
- b) each Broker is responsible for the service they provide to the Investor in accordance with the terms of the Broking Agreement;
- c) PAL's role is limited to facilitating the delivery of cash or Accessible Investment for settlement of transactions placed by the Broker on the Investor's behalf;
- d) the Investor authorises the Broker to place orders to make trades on the Investor's behalf; and
- e) the Investor authorises the Broker to instruct PAL in relation to the settlement of any transactions executed by the Broker on the Investor's behalf.

16 Fees and Charges

- 16.1 Each Investor agrees to pay all fees and charges set out in the IDPS Guide or approved fee and charges variation (as amended from time to time).
- 16.2 Each Investor agrees that the Investor's Custody Assets may be used (or converted) to meet any outstanding obligations owed to us, a third-party supplier and the Custodian.
- 16.3 Each Investor acknowledges and agrees that PAL may offer differential fee arrangements to different investors depending on certain conditional factors to the extent that such fees are compliant with applicable laws.
- 16.4 Each Investor remains liable for the full payment of all fees, transaction costs and government and other charges and amounts payable under the Contract despite there being insufficient funds in the Investor's Account to pay them.
- 16.5 Each Investor allows PAL to keep any savings in transaction costs incurred as a result of a "netting off" whereby PAL offsets Instructions from Investors to buy certain Accessible Investments against selling certain Accessible Investments.

17 Nominated Representative

- 17.1 Each Investor acknowledges that it must appoint a Nominated Representative who holds the necessary authorisation to act on the Investor's behalf and give Instructions. Each Investor's Instructions must be communicated via its Nominated Representative unless we state otherwise.
- 17.2 PAL is entitled to rely on any Instructions provided by the Nominated Representative without confirming such Instructions with the Investors.
- 17.3 Each Investor's Nominated Representative:
 - a) is not acting for PAL, or on PAL's behalf;
 - b) may act on the Investor's behalf pursuant to this Contract and the Investor's agreement with the Nominated Representative's licensee, including to give Instructions to PAL;
 - c) may receive reports and other communications on the Investor's behalf; and

- d) may access the Service on the Investor's behalf.

17.4 Where there is a change to an Investor's Nominated Representative, the Investor must immediately notify PAL in writing as soon as practicable of any changes to the Investor's personal circumstances that may have an impact on the suitability of the Investor's investment strategy. An Investor must appoint a new Nominated Representative within 30 days, failing which, the Investor acknowledges that PAL may terminate the Investor's participation in the Service.

17.5 Investors acknowledge that PAL does not approve or endorse any investment decisions of the Investor and/or its Nominated Representative.

18 Electronic services and information

- 18.1 Each Investor acknowledges that all notices, information and communications relevant to their Account shall be distributed electronically through any form of communication elected by PAL in accordance with clause 20 of this Contract and as notified to the Investor.
- 18.2 Where there are any changes to an Investor's contact details, it is the Investor's responsibility to inform PAL as soon as possible.
- 18.3 Subject always to the terms of the LPOA or an Investor's Direction, PAL may accept an Instruction through email correspondences. Each Investor agrees to release PAL for any losses and liabilities arising from any payment or action PAL (acting reasonably) undertakes on reliance of an Instruction received by it.
- 18.4 Each Investor acknowledges that PAL may record any telephone conversations held in relation to the Account and consents to the recording of its telephone conversations with PAL.

19 Intellectual Property Rights

- 19.1 PAL has appropriate authority to use any intellectual property rights or proprietary systems associated with or available through the Service, and each Investor agrees that such is protected by copyright, trademarks, patents, proprietary rights and other applicable laws.
- 19.2 Each Investor warrants that it shall not infringe on any third-party rights associated through the use of the Service and accepts full responsibility and agrees to reimburse PAL for any expense, loss or liability reasonably incurred as a result of any infringement on any third-party rights.

20 Reports and Communications

20.1 Consolidated Reporting

All Reports pertaining to an Investor's Account (including the Custody Assets and Directly Held Investments) shall be reported on a consolidated basis to the extent that such Reports are compliant with the reporting obligations prescribed under IDPS Law.

20.2 Reporting Obligations

- a) PAL may elect to either:
 - i. provide the Investor with a report on a quarterly basis subject to the content requirements set out in clause 20.3 ('Quarterly Reports'); or

- ii. provide the Investor with the ability to access the information electronically on a substantially continuous basis, subject to the conditions set out in clauses 20.4 and 20.5 ('Electronic Access').
- b) Where PAL elects to provide the Quarterly Reports, it will provide such reports to the Investor within one month after the end of each quarter, which for the avoidance of doubt, shall be the period ending on 31 March, 30 June, 30 September and 31 December in each year unless the end of the quarter is also the end of a financial year.
- c) PAL must also provide Investors with an annual report within three months after the end of each financial year subject to the content requirements set out in clause 20.6 ('Annual Reports').

20.3 Quarterly Reports content requirements

The following information must be included in the Quarterly Reports:

- a) all transactions carried out by or on behalf of the Investor through the Service during each quarter;
- b) the quantity and value of assets held through the Service by the Investor and corresponding liabilities at the end of the quarter, the value being determined in accordance with clause 20.7 as current as reasonably practicable; and
- c) the revenue and expenses of the Investor in relation to the Service and assets held through the Service by the Investor during the quarter.

20.4 Electronic Access content requirements

The following information must be made available to an Investor electronically where Electronic Access has been granted to the Investor:

- a) all transactions which the Investor has conducted through the Service for a period of at least one year (or such shorter period as the Investor's Account has been in existence) up to a time no more than 48 hours (excluding hours on a day that is not a business day) before the time of access;
- b) the quantity and value of assets held through the Service by the Investor and corresponding liabilities at a time no more than 48 hours (excluding hours on a day that is not a business day) before the time of access, the value being determined in accordance with clause 20.7 as current as reasonably practicable;
- c) the revenue and expenses of the Investor in relation to the Service and assets held through the Service by the Investor during a period of at least one year (or such shorter period as the Investor's Account has been in existence) up to a time no more than 48 hours (excluding hours on a day that is not a business day) before the time of access; and
- d) the time at which the information is current.

20.5 Accessibility of information

- a) For the purposes of this clause 20.5, the Investor Portal shall refer to the preferred electronic facility utilised by PAL to display the information set out in clause 20.4 and this clause 20.5(c).
- b) Where PAL elects to grant an Investor Electronic Access to the Investor Portal, it must ascertain that:

- i. the Investor has agreed to receive their information via Electronic Access in lieu of the Quarterly Reports; and
- ii. PAL has no reason to doubt the Investor can access the Investor Portal on a substantially continuous basis.
- c) If Electronic Access is provided to an Investor in-lieu of the Quarterly Reports, PAL will ensure that:
 - i. the information provided under clause 20.4 for that quarter will remain readily accessible to the Investor through the Investor Portal for that particular quarter until the end of the IDPS financial year after the IDPS financial year in which the quarter day falls; and
 - ii. in relation to the information provided under clause 20.4, the Investor Portal will display a statement to the effect that only information displayed at the quarter's end will be considered by the auditor in preparing its annual report.

20.6 Annual reporting content requirements

The following information must be included in the Annual Reports:

- a) an annual statement containing:
 - i. a summary of transactions carried out by or on behalf of the Investor through the Service during the financial year, that includes:
 - a. particulars that the Investor may reasonably require in relation to those transactions; and
 - b. a statement that the Investor may request a copy of any quarterly report relating to their Account during the financial year.
- b) a copy of the annual audit report that contains the information required by IDPS Law and is prepared by a registered company auditor.

20.7 Valuation Method

The value of assets for the purposes of clauses 20.3 and 20.4 is to be determined as follows:

- a) for financial assets (as that term is defined under the relevant accounting standards at the time) - net market value (being the amount which could be expected to be received from the disposal of the asset in an orderly market after deducting costs expected to be incurred in realising the proceeds of such a disposal); and
- b) for all other assets - the value which would be shown in the books of the Service.

20.8 Communications

At an Investor's request, PAL will provide copies of all communications that are required by law to be given to the holder of an Accessible Investment where the Accessible Investment is held on trust by PAL or the Custodian on the Investor's behalf.

21 Transactions costs and charges

21.1 PAL will debit an Investor's Account (including the Cash Operating Account) for:

- a) all fees and charges outlined in (or otherwise advised) in relation to transactions undertaken through the Service;
- b) all government and other charges, taxes, levies and duties associated with the Investor's Accessible Investments and the management of the Investor's Account;

- c) plus, any goods and services tax incurred or payable in relation to any of the amounts referred to in (a) and (b);
- d) all transactions undertaken on the Investor's behalf including but not limited to the cost of purchase of any investments and any transaction costs including, without limitation, brokerage and stamp duty; and
- e) all fees due as notified to the Investor, or as otherwise advised in the IDPS Guide.

22 Limitation of liability and indemnity

- 22.1 To the extent PAL and its agents perform the Contract honestly and with reasonable care and diligence:
- a) PAL is not liable to an Investor for any loss of any nature (whether directly or indirectly) suffered by the Investor, other than as a direct result of a breach of this Contract by PAL;
 - b) each Investor indemnifies PAL (and its officers, employees and agents), to the extent permitted by law against all, proceedings, claims, demands, fees (including rights of reimbursement set out in the IDPS Guide), expenses, losses and liabilities whatsoever suffered or incurred by PAL or its officers, employees or agents occasioned by or arising from its performance of the Contract;
 - c) PAL will not be liable where it has relied on the validity of any document (including any electronic communication) unless it reasonably believes the document not to be genuine and, on any information provided by an existing or former Investor unless PAL reasonably believes the information is not accurate;
 - d) PAL will not be under any liability for failure to perform any act it is prevented by law from performing;
 - e) PAL will not be liable to account for any payment or retention of moneys made in good faith, or to meet a liability, to a duly empowered fiscal authority;
 - f) PAL will not be liable where it has relied on advice from any person believed in good faith to be expert in relation to the matter on which they are consulted.

23 Compliance with IDPS Law

23.1 PAL will comply with IDPS Law.

If a provision in IDPS Law that is required to be included in this Contract is not included in this Contract, that provision is deemed to be incorporated in this Contract. To the extent that a provision in this Contract is inconsistent with IDPS Law, IDPS Law will override this Contract to the extent of that inconsistency.

24 Company, partnership and trust accounts

- 24.1 If an Investor is a company or partnership or trust, the Investor must provide to PAL a document properly executed by the Investor listing all personnel of the Investor who are authorised to provide instructions to PAL in respect of the Investor's participation in the Service.
- 24.2 Investors must provide any amendments to the list referred to in clause 24.1 to PAL in writing. The document containing such amendments must be properly executed by the Investor.

25 Transmission

If an Investor dies or becomes subject to a legal disability, only the survivor (in the case of joint Investors) or legal personal representative in the case of a sole Investor, will be recognised as having any claim to the beneficial interest of the Investor's Account.

26 Notices

- 26.1 All notices, statements, payments and other communications of any kind may be sent by prepaid post to the address of the recipient notified in writing or any other address as notified from time to time in writing and is deemed (unless the contrary is proved) to have been received by the recipient two business days (at the place of receipt) after posting. Despite this, PAL and an Investor may agree to a different method of delivery.
- 26.2 Investors authorise PAL to provide a copy to the Investor's Nominated Representative of any notice that PAL gives to Investors. PAL is not obliged to provide Nominated Representatives with a copy of any notice.

27 Amendments

27.1 Amendment by PAL

PAL may amend this Contract at any time. PAL must obtain an Investor's prior approval of any change it reasonably believes may be adverse to the rights of the Investor. Otherwise, a change takes effect on the date PAL decides.

27.2 Agreed amendments

If any part of this Contract complies with the requirements of the Corporations Act, ASIC or IDPS Law and those requirements cease or change, the Investor agrees that, unless PAL determines otherwise, this Contract will be automatically amended by removing and amending those parts to ensure the Contract remains compliant.

28 Termination

- 28.1 Each Investor may terminate its participation in the Service in writing, at any time, subject to payment of any outstanding fees and expenses.
- 28.2 PAL may terminate an Investor's participation in the Service by giving the Investor 30 days' notice in writing of its intention to do so.
- 28.3 An Investor's participation in the Service also terminates immediately upon the withdrawal of the Investor's entire Account unless the Investor has made alternative arrangements with PAL to retain its participation.

- 28.4 Upon termination an Investor may instruct PAL to transfer the Investor's Account to another person authorised to hold and deal with those assets on the Investor's behalf. The Investor will reimburse and indemnify PAL in relation to any costs or expenses PAL incurs in relation to such transfer and termination.
- 28.5 If an Investor does not provide instructions to transfer the Investor's Account within a reasonable period from termination, PAL may realise the Investor's Account and pay the proceeds of realisation, less any costs or expenses in relation to such transfer and termination, to the Investor.

29 Governing law

- 29.1 This Contract is governed by the laws of Victoria.
- 29.2 Each party irrevocably submits to the non-exclusive jurisdiction of the courts of Victoria.

30 Assignment

- 30.1 An Investor's rights and obligations under the Contract are personal and may not be assigned, transferred, novated or delegated by the investor without PAL's prior written consent.
- 30.2 At any time, PAL or any of its assignees may nominate an assignee, transferee, novatee or delegate to any one or more persons (each such nominated person being an 'Assignee') to whom all or a part of PAL's respective rights and/or obligations under the Contract are to be assigned, transferred, novated or delegated.
- 30.3 Each Investor acknowledges and agrees that rights and obligations may be assigned, transferred, novated or delegated (as applicable) multiple times to successive Assignees, and agree that each such Assignee has the benefit of this Clause 30.
- 30.4 Each Investor acknowledges that it is of fundamental importance to PAL and any Assignee (and essential to PAL's ability to provide services under the Contract) that PAL be able to deal with all or part of the investor's rights and/or obligations under the Contract without restriction and that accordingly intend that the provisions in this Clause 30 operate as broadly as possible so as to provide PAL and any Assignee with the powers necessary to assign, novate or otherwise deal with its rights and obligations under the Contract.

31 Force majeure

When, as a result of an event beyond its reasonable control (force majeure event), PAL or an Investor is prevented in whole or in part from carrying out its obligations under the Contract, the affected party will give notice of this to the other specifying the obligations it cannot perform and fully describing the force majeure event. Following this notice and for as long as the force majeure event continues the obligations which cannot be performed because of the force majeure event is suspended. The force majeure event must be remedied to the extent reasonably practicable, and performance of the obligations will be resumed as soon as reasonably possible.

32 Severance

Any provision of this Contract which is prohibited or unenforceable in any jurisdiction will be ineffective in that jurisdiction to the extent of the prohibition or unenforceability. That will not invalidate the remaining provisions of this Contract nor affect the validity or enforceability of that provision in any other jurisdiction.

33 Entire agreement

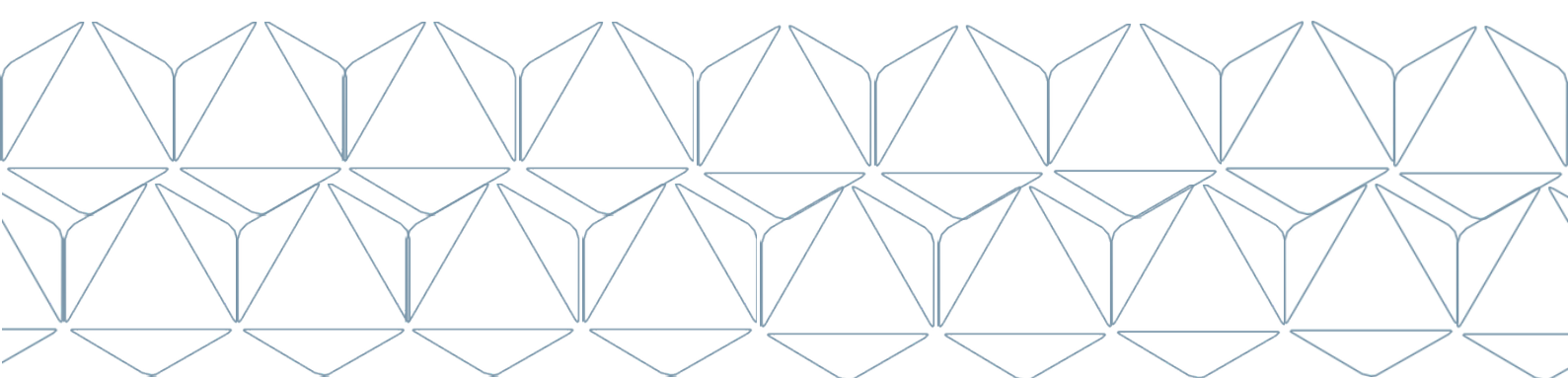
This Contract constitutes the entire agreement between the parties about its subject matter and supersedes all previous communications, representations, understandings or agreements between the parties on the subject matter.

Spectrum Investments



Product Disclosure Statement

This Product Disclosure Statement ('PDS') includes references to additional important information contained in the Spectrum IDPS Guide, which has been provided together with this PDS. The Spectrum IDPS Guide is for the Praemium Spectrum investor directed portfolio service, referred to in this PDS as 'Spectrum'. Spectrum Investments is only available to new investors through Spectrum and, as a result, in addition to this PDS you should consider the information contained in the Spectrum IDPS Guide before deciding to invest in this product.



1 October 2024

Powerwrap Scheme ARSN 137 053 073
Powerwrap Limited
ABN 67 129 756 850
Australian Financial Services Licence No 329829

This Product Disclosure Statement ('PDS') has been prepared and issued by Powerwrap Limited (ABN 67 129 756 850, AFSL 329829) ('Responsible Entity', 'we', 'us' or 'our') in its capacity as the Responsible Entity of the Powerwrap Scheme which is a registered managed investment scheme (ARSN 137 053 073) structured as an IDPS-like scheme. The Spectrum Investments product issued from the Powerwrap Scheme managed investment scheme is referred to in this PDS as 'Spectrum Investments' or the 'Scheme'.

The offer to invest in the Scheme under this PDS is only open to persons investing through the Praemium Spectrum IDPS ('Spectrum'). Praemium Australia Limited (ABN 92 117 611 784, AFSL 297956) ('Praemium') is the Operator of Spectrum which is an Investor Directed Portfolio Service ('IDPS'). A copy of the IDPS Guide for the IDPS has been provided together with this PDS. As the offer to invest in this Scheme is only open to persons investing through the IDPS, **you should read the IDPS Guide for the Spectrum IDPS together with this PDS before you make a decision to invest in the Scheme through the Spectrum IDPS.** A copy of the IDPS Guide is also available free of charge at <https://www.praemium.com/resources/forms-documents/>.

None of Praemium Limited (ABN 74 098 405 826), its associates and subsidiaries (other than Powerwrap Limited) have prepared this PDS or are responsible for its contents. None of Powerwrap Limited, Praemium, Praemium Limited, or any of its associates and subsidiaries guarantees the success of the Scheme, or the repayment of capital or a particular rate of return, income or capital.

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 professional adviser whether investing in the Scheme via Spectrum is appropriate for you having regard to your objectives, financial situation, needs and circumstances.

Nominated Representative

You are required to appoint a Nominated Representative (generally your financial adviser) for your Spectrum Account who will provide investment instructions to us on your behalf.

For further information regarding the appointment of your Nominated Representative please refer to the Spectrum IDPS Guide, available with this PDS and at www.praemium.com/resources/forms-documents/.

Eligibility

The offer to invest in the Scheme is only available to persons receiving this PDS as a hard copy or electronically within Australia and does not constitute an offer or invitation in any place where, or to any person to whom, it would not be lawful to make such an offer or invitation.

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 on www.praemium.com ('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 Scheme, including the investments offered, at any time.

Target Market Determinations

A Target Market Determination ('TMD') for this product and some of the underlying investment options can be viewed at www.praemium.com.au/resources/forms-documents/.

Contact details

Powerwrap Limited
PO Box 16071
Collins Street West, VIC 8007

General enquiries: 03 8681 4600 (9:00 AM to 5:00 PM
Monday to Friday)
Website: www.praemium.com

Spectrum Investments

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About Spectrum Investments

The Spectrum Investments product is issued from the Powerwrap Scheme, which is a registered managed investment scheme that is structured as an IDPS-like scheme. Your interest in the Scheme is held by the custodians appointed by Powerwrap Limited as Responsible Entity of the Powerwrap Scheme.

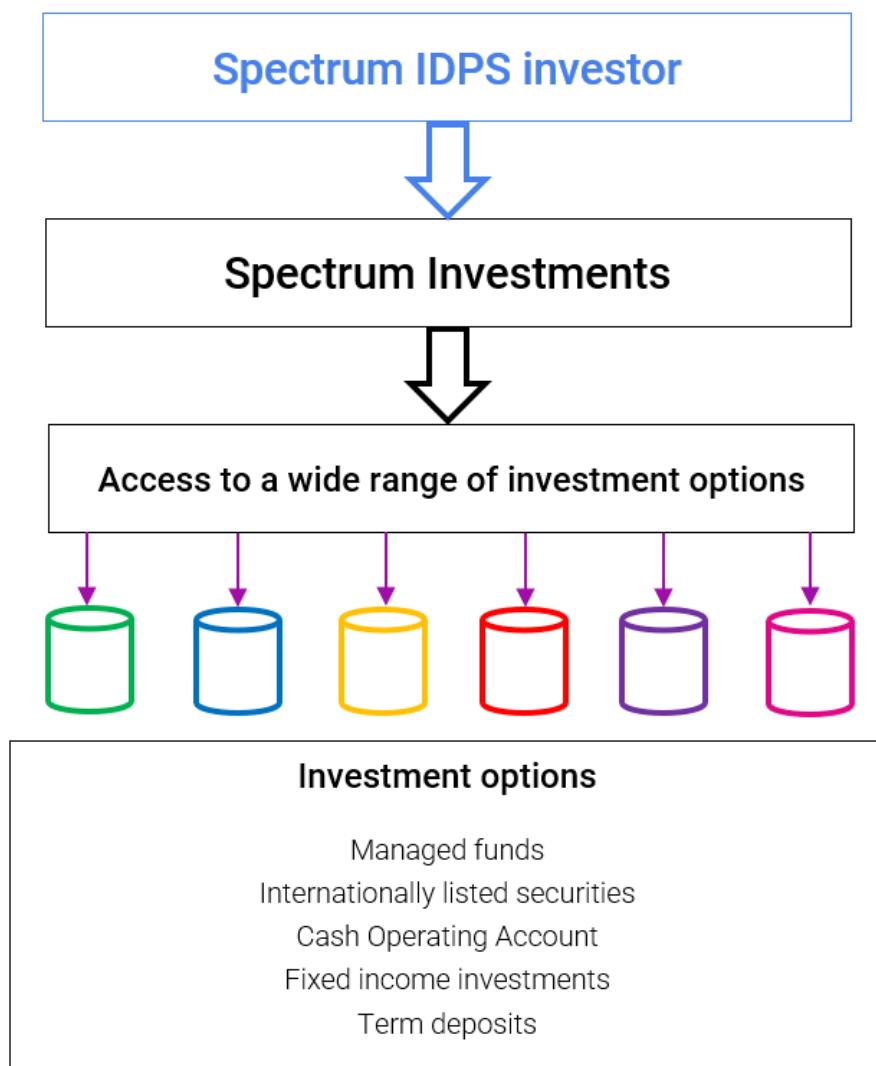
You can only invest in Spectrum Investments and the available investments through your Spectrum Account. Spectrum is an investor directed portfolio service ('IDPS') which is operated by Praemium. Further information relating to the holding of your interest in the Scheme is set out in the Spectrum IDPS Guide.

As an investor in the Scheme through Spectrum, the Scheme provides you with access to a wide range of indirectly held investments that you would otherwise not have access to as a direct investor. The investments available through the Scheme are listed in the Spectrum Investment Menu which accompanies the Spectrum IDPS Guide.

Instructions and preferences must be communicated via your Spectrum Account by your Nominated Representative (this is generally your financial adviser – for more information on your Spectrum Account please refer to the Spectrum IDPS Guide available with this PDS and on our website).

You can view all of your investments in your Spectrum Account, including any investments held in the Scheme as well as any investments directly held through Spectrum, through Praemium's online portal ('Investor Portal'). Access to the Investor Portal is established when you join Spectrum. For more information on how to access your investor portal, see the Spectrum IDPS Guide.

The portion of your Spectrum Account that invests in the Scheme is referred to in this PDS as 'your Scheme account'.



Key features and benefits

Some of the key features and benefits of investing in the Scheme via Spectrum include:

Key features and benefits	
Choice of investments	Through your Spectrum Account and via your Scheme account, you can access a wide range of investments available including managed funds, internationally listed securities, cash, fixed income investments, approved unlisted investments and term deposits.
Cash Operating Account	You will have a Cash Operating Account to enable transactions to occur within your Spectrum Account, held via your Scheme account. You can use the Cash Operating Account to effect transactions within your Spectrum Account. For more information regarding the Cash Operating Account please refer to the Spectrum IDPS Guide available with this PDS and on our website.
Managed fund minimums	Generally, there are no minimum investment amounts for individual managed funds to be held within your Scheme account. Some managers, however, may impose minimum restrictions – please refer to each managed fund’s PDS.
Distributions and Dividends	Distributions from your managed fund investments held via your Scheme account are paid to your Cash Operating Account as they are received.
Additional investments	You can make additional investments of any amount at any time via your Spectrum Account.
Key features and benefits of your Spectrum Account	For a comprehensive list of the key features and benefits of your Spectrum Account please refer to the Spectrum IDPS Guide available with this PDS and on our website.

How Spectrum Investments works

Opening your Scheme account

Your Scheme account is only available through your Spectrum Account. As a result, for more information on how to open your Spectrum Account and the Cash Operating Account for your investments in the Scheme, see the Spectrum IDPS Guide.

Instructions

All instructions in relation to your Scheme account must be placed via your Spectrum Account.

Cash Operating Account

When you open an Account in Spectrum, you authorise us to establish a Cash Operating Account (within your Scheme account) and give us access as a 'Full Access Authorised Operator' to your Cash Operating Account to:

- acquire investments (in accordance with investment instructions received);
- deposit funds from the sale of investments; and
- receive funds from income generated from the investments in your Scheme account.

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 the Spectrum IDPS Guide and 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 your Cash Operating Account and the Cash Administration Fee please refer to the Spectrum IDPS Guide available with this PDS and on our website.

Maintaining the Minimum Cash Operating Account Balance

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

For more information regarding the Minimum Cash Operating Account Balance please refer to the Spectrum IDPS Guide available with this PDS and on our website.

Cash deposits

When you open your Spectrum 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.

In-specie Transfers

You may be able to transfer investments you already own into your Scheme account via instructions provided to Praemium through your Spectrum Account. This may involve completion of additional forms, which your Nominated Representative will provide and assist you to complete. Fees and charges may also be payable for such transfers.

For more information regarding In-specie Transfers please refer to the Spectrum IDPS Guide available with this PDS and on our website.

Switching between Investments

You can change investments in your Scheme account via your Spectrum Account. Your Nominated Representative can provide us with instructions to sell an investment and purchase a different investment on the Spectrum Investment Menu, available on our website.

For more information regarding switching between investments please refer to the Spectrum IDPS Guide available with this PDS and on our website.

Making withdrawals from your Scheme account

Making a withdrawal from your Scheme account can be requested at any time via your Spectrum Account. The minimum withdrawal amount is \$100, subject to you maintaining the Minimum Cash Operating Account Balance.

Withdrawals will generally be actioned within two business days from the receipt of a completed withdrawal request. Where you are withdrawing by selling down investments, we will only be able to make payment once the requested transactions have settled to your Cash Operating Account.

Transfers (in specie) or withdrawal payments from your Scheme account may be delayed or may not be possible from time to time when external events have an impact on our ability to transfer investments or sell sufficient investments to satisfy withdrawal or transfer 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.

For more information regarding making withdrawals please refer to the Spectrum IDPS Guide available with this PDS and on our website.

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 for the period that these circumstances prevail, without any liability to you.

Changing details

Any changes to your personal details relating to your Scheme account must be made via your Spectrum Account. For more information regarding changing details please refer to the Spectrum IDPS Guide available with this PDS and on our website.

Reporting

All investor reporting is available online from the Investor Portal via your Spectrum Account. By applying for a Spectrum Account, you consent to receiving reports and notices electronically. You may withdraw your consent at any time. Once your Spectrum Account is activated, you will be able to access your Spectrum Account information and view your Spectrum Account valuations (including your Scheme account valuations) online.

For more information regarding reporting, and the types of online reports available, please refer to the Spectrum IDPS Guide available with this PDS and on our website.

Powerwrap Scheme financial information

As the Powerwrap Scheme is a registered managed investment scheme, we are required to produce annual audited financial statements. These reports cover the overall activities and holdings of the Powerwrap Scheme and are separate from reports of financial information relating to your Spectrum Account (which are available to you online at any time).

You may elect to receive free of charge a copy of the Powerwrap Scheme Annual Financial Report ('**Report**'). The Report will be sent to you electronically unless you request a hard copy. The Reports may be accessed at www.praemium.com/resources.

Responsible Entity reporting requirements

The Powerwrap Scheme is a 'disclosing entity' as defined under the Corporations Act. As a disclosing entity, the Powerwrap Scheme is subject to additional regular reporting and disclosure obligations. Any continuous disclosure notices required pursuant to the Corporations Act will be available at www.praemium.com.

You have a right to request us to provide to you free of charge the half yearly condensed financial report, the audited annual financial report and any continuous disclosure notices.

Investment options

Investments held via Spectrum Investments		
Investments held in custody	The following investments are held in custody ¹ . 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 Spectrum Investment Menu, available on our website.	Spectrum Investment Menu
Internationally listed securities	You can choose from a selection of internationally listed securities from approved international exchanges.	Page 9
Cash	You can hold cash in your Spectrum Account via your Cash Operating Account.	Page 6
Fixed income investments	You can choose from a selection of approved fixed income investments, such as bonds, debt securities and structured products.	Page 9
Term deposits	You can choose from a selection of term deposits, issued by approved Authorised deposit-taking institutions ('ADIs').	Page 9

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. These may describe the investment objective, investment strategy, risk/return profile, and investment timeframe of the investment manager. Your Nominated Representative 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.

For more information regarding investing, making changes to the investments you hold and other general investment information, please refer to the Spectrum IDPS Guide available with this PDS and on our website.

Praemium Investment Committee

The Praemium Investment Committee ('IC') provides initial and ongoing due diligence on the investments that are provided through the Scheme. This includes the initial and ongoing due diligence of the professional investment managers that provide the investments that are included in the Spectrum Investment Menu.

Spectrum Investment Menu

The Spectrum Investment Menu provides information about the investments available through the Scheme.

When deciding whether to include a particular investment option in the Spectrum Investment Menu, the IC will act in the best interests of all members of the Scheme.

In reviewing the Spectrum Investment Menu, the IC will make determinations regarding the investments and associated investment manager appointments, terminations and other decisions regarding the investment managers, such as changes made to investments and services.

The IC may consider requests by investors in Spectrum (and therefore members of the Scheme) and their Nominated Representatives. Before an investment is included in the Spectrum Investment Menu, it must be approved by the IC.

Investments held in custody via the Scheme

You can choose from a selection of investments, available in Spectrum via the Scheme. We recommend that you obtain advice from your Nominated Representative, before investing.

Managed Funds

You can choose from a selection of managed funds offered by a number of different fund managers as outlined in the Spectrum Investment Menu, available on our website.

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 and credited to your Cash Operating Account. You may be able to instruct your Nominated Representative to acquire further interests 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.

¹ The Responsible Entity may appoint one or more custodians for these investments at its discretion. The custodian holds legal title to the investments, and you will have beneficial ownership of these investments.

Investment options

Praemium's policy regarding corporate actions affecting investments in managed funds is that it does not accept directions from individual investors since managed fund investments are 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 may request a copy of Praemium's Corporate Actions Policy which will be provided free of charge.

Internationally listed securities

Internationally listed 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:

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

As Operator of Spectrum, Praemium receives all communications relating to corporate actions affecting your internationally listed securities holdings and will notify your Nominated Representative accordingly.

Cash

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

Fixed income investments

A range of Domestic and International fixed income investments, such as bonds, debt securities and structured products, may be made available. Acceptance of orders for fixed income investments may be subject to approval.

Term Deposits

You can choose from a selection of term deposits, issued by approved ADIs and held in custody with Clearstream. Refer to the disclosure document for the relevant term deposit for more information regarding fees and costs and other terms and conditions that may apply.

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.

Investment options for Wholesale investors

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

For more information regarding Wholesale investors, please refer to the Spectrum IDPS Guide available with this PDS and on our website.

Labour standards, environmental, social and ethical considerations

Unless otherwise indicated, the Scheme does not take into account labour standards or social, environmental or ethical considerations in the context of making investments available.

For information about investments available through the Scheme and whether they take into account labour standards or social, environmental or ethical considerations, refer to the applicable disclosure document for the relevant investment option.

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 of 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 Spectrum and the Scheme and investment selection before you apply to establish a Spectrum Account or select investments.

You should also consider the risks associated with investing in the Scheme via Spectrum, which are set out in the Spectrum IDPS Guide.

Risks associated with the Scheme

Scheme risk

There are risks particular to investing in the Scheme including that the Scheme could be terminated, fees and charges could change, we could be replaced as Responsible Entity and investments could be closed or change.

Operational risks

In addition to the normal risks of investing, investors in the Scheme are subject to certain operational risks that are inherent in the administration of the Scheme, such as processing errors or delays and systems or technology failure, which may have an impact on your Scheme account. Delays can also be experienced as a result of transaction processing delays with third parties such as brokers or fund managers, or if your Nominated Representative 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.

Technology risk

There is a risk that financial loss, data loss, business disruption and/or reputational damage to the Responsible Entity may occur. An attack, interruption, fault or failure to any part of our systems, including a breach of online security, could impact our capacity to provide the services described in this PDS.

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 Scheme account, the more concentrated your Scheme account. The more concentrated your Scheme account, the greater the risk that poor performance of a single investment may significantly affect the performance of your whole scheme 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 Scheme 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 Scheme 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 Scheme account may be more susceptible to changes in global market conditions.

Risks

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 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 Scheme account is exposed to international investments.

Volatility risk

Changes in security and unit prices can affect the value of investments in your Scheme 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 Scheme 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 interests in the Scheme 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 Scheme account will be closed in accordance with our scheme 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 investment 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.

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) (where applicable).

As the Scheme is only available through Spectrum, the fees and other costs described in this document are also charged in respect of your use of Spectrum and are typically paid out of your Spectrum Cash Operating Account. Such fees and costs are in addition to the fees and costs that are payable in respect of the investment options available through the Scheme. For further information about the fees and other costs that you may be charged in respect of investing through Spectrum and your Spectrum Cash Operating Account, refer to the Spectrum IDPS Guide which has been provided together with this PDS and speak to your Nominated Representative.

Fees and costs summary

Spectrum Investments		
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	Administration Fee Nil. ²	Not applicable. ²
The fees and costs disclosed in this PDS relate only to gaining access to investments offered by the Scheme and do not include fees and costs that relate to investing in those investments	Asset based Administration fees Nil. ³	Not applicable. ³

² Administration fees are payable by you as part of your participation in Spectrum. Further information is in the Additional explanation of fees and other costs section below and the Spectrum IDPS Guide.

³ Asset based Administration fees are payable by you as part of your participation in Spectrum. Further information is in the Additional explanation of fees and other costs section below and the Spectrum IDPS Guide.

Fees and other costs

Ongoing annual fees and costs (cont.)		
Performance fees Amounts deducted from your investment in relation to the performance of the product	Nil ^{4,5}	Not applicable.
Transaction costs The costs incurred by the scheme when buying or selling assets	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)		
Establishment Fee The fee to open your investment	Nil	Not applicable.
Contribution Fee The fee on each cash amount contributed to your investment	Nil	Not applicable.
Buy-sell spread An amount deducted from your investment representing costs incurred in transactions by the scheme	Nil ⁶	Not applicable.
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

It is important that you understand the fees of any accessible investments chosen by you and that those fees will be in addition to the fees charged for accessing Spectrum and investments via Spectrum Investments, together with transaction and account costs incurred on your behalf. The costs of the accessible investments chosen by you will generally be set out in a disclosure documents for the accessible investments.

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

Fees and other costs

Example of annual fees and costs for a balanced investment option

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

EXAMPLE – Vanguard Growth Index Fund		Balance of \$50,000 with a contribution of \$5,000 during year⁷
Contribution fees	Nil	For every additional \$5,000 you put in, you will be charged \$0.
PLUS Management fees and costs*	Nil	And , for the \$50,000 you have in Vanguard Growth Index Fund through the Scheme, you will be charged \$0 each year.
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	0.00% p.a.	And , you will be charged or have deducted from your investment \$0 in transaction costs
EQUALS Cost of Vanguard Growth Index Fund		<p>If you had an investment of \$50,000 at the beginning of the year and you put in an additional \$5,000 during that year you would be charged fees and costs of:</p> <p style="text-align: center;">\$0</p> <p>What it costs you will depend on the investment option you choose and the fees you negotiate.</p>

*Additional fees apply. Management fees and costs are payable by you as part of your participation in Spectrum. Further information relating to the fees and costs payable to Praemium for managing your interest in the Scheme is set out in the Spectrum IDPS Guide available with this PDS and on our website.

The Management fees and costs of the Scheme in the above example relate only to the Scheme and access to the accessible investments, and do not include the fees and costs that relate to investing in the accessible investments. Additional fees and costs will be charged by the issuers of the accessible investments that you decide to invest in. Your Nominated Representative can provide you with the current disclosure documents for the investments you are considering.

⁷ This example is based on an investment of \$50,000 and assumes that there is a constant account balance throughout the year.

Fees and other costs

Example of annual fees and costs for the Scheme and underlying investments

This table gives an example of how the ongoing fees and costs in the Scheme and selected underlying investments held through the Scheme can affect your investment over a one-year period. You should use this table to compare this product with other products offered by managed investment schemes.

EXAMPLE – Vanguard Growth Index 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*	Nil	And , for the \$50,000 you have in Vanguard Growth Index Fund through the Scheme, you will be charged \$0 each year.
	PLUS Investment cost⁹ (charged in the Vanguard Growth Index Fund) 0.29%	And , an investment cost of \$139.20
PLUS Performance fees	0.00% p.a. (charged in the Vanguard Growth Index Fund)	And , you will be charged or have deducted from your investment \$0 in performance fees each year
PLUS Transaction costs	0.00% p.a. (charged in the Vanguard Growth Index Fund)	And , you will be charged or have deducted from your investment \$0 in transaction costs
EQUALS Cost of investing in a balanced investment option		<p>If you had an investment of \$50,000 at the beginning of the year and you put in an additional \$5,000 during that year you would be charged fees and costs of:</p> <p style="text-align: right;">\$139.20</p> <p>What it costs you will depend on the investment option you choose and the fees you negotiate.</p>

*Additional fees apply. Management fees and costs are payable by you as part of your participation in Spectrum. Further information relating to the fees and costs payable to Praemium for managing your interest in the Scheme is set out in the Spectrum IDPS Guide available with this PDS and on our website.

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

⁹ \$48,000 is available to be invested as \$2,000 is required to be maintained as the Minimum Cash Operating Account Balance.

Fees and other costs

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*
Spectrum Investments	\$0 ¹⁰
Spectrum Investments – Internationally listed securities	\$72 ¹¹
Spectrum Investments – Fixed income investments	\$24 ¹²
Spectrum Investments – Managed funds	\$139.20 ¹³

***Additional fees apply. Management fees and costs are payable by you as part of your participation in Spectrum. Further information relating to the fees and costs payable to Praemium for managing your interest in the Scheme is set out in the Spectrum IDPS Guide available with this PDS and on our website.**

Additional explanation of fees and other costs

Fees and costs in addition to those outlined in this PDS will apply in relation to your investment in the Scheme through Spectrum. Such fees and costs will generally be deducted from your Spectrum Cash Operating Account. For information on the fees and other costs associated with your use of the Spectrum platform and your Spectrum Cash Operating Account, please refer to the Spectrum IDPS Guide provided with this PDS and speak to your Nominated Representative.

The management fees and costs that are payable by you as part of your participation in Spectrum, may include the following fees and costs:

Administration Fee

Administration fees are payable by you as part of your participation in Spectrum. Further information relating to the fees and costs payable to Praemium for managing your interest in the Scheme is set out in the Spectrum IDPS Guide.

Asset based Administration Fees

Asset based Administration fees are payable by you as part of your participation in Spectrum. Further information relating to the fees and costs payable to Praemium for managing your interest in the Scheme is set out in the Spectrum IDPS Guide.

Transaction fees and costs

All transaction fees and costs are payable by you as part of your participation in Spectrum. Further information relating to the fees and costs payable to Praemium for managing your interest in the Scheme is set out in the Spectrum IDPS Guide, available with this PDS and on our website. The transaction fees and costs table in the Spectrum IDPS Guide sets out the transaction fees and costs that you might incur for transactions in the Scheme in various investment classes (where applicable).

Service Fees

Adviser Remuneration

Your Nominated Representative (through its Licensee) may receive payment in connection with the provision of financial advice to you, including in relation to recommending Spectrum and the Scheme to you. The level and the type of such fees can be negotiated with your Nominated Representative. You should contact your Nominated Representative. The fee is reflected in your Spectrum Application Form and is deducted from your Spectrum Cash Operating Account.

Praemium is authorised by you to deduct monies from your Cash Operating Account to pay to your Nominated Representative (legally, and in terms of process, monies are actually paid to the AFS Licensee of your Nominated Representative) for financial advisory services provided to you, including in relation to facilitating your investment in Spectrum and the Scheme.

¹⁰ This cost of product information relates only to gaining access to the investments made available via the Scheme and does not include the fees and costs that relate to investing in those investments.

¹¹ This cost of product information relates to gaining access to the investments made available via the Scheme and includes the 0.15% p.a. International Securities Administration Fee (charged via your Spectrum Account) that relates to investing in an internationally listed security.

¹² This cost of product information relates to gaining access to the investments made available via the Scheme and includes the 0.05% p.a. Fixed Income Administration Fee (charged via your Spectrum Account) that relates to investing in a fixed income investment.

¹³ This cost of product information relates to gaining access to the investments made available via the Scheme and includes the Investment cost of the Vanguard Growth Index Fund (0.29% p.a.).

Fees and other costs

The level and the type of fees deducted are determined as a result of the agreement between you and your Nominated Representative, and as reflected in your Spectrum Application Form. We can only deduct and pay fees to your Nominated Representative with your consent, and we will rely on your Spectrum Application Form as evidence of your consent. The types of adviser remuneration you can agree with your Nominated Representative are set out in the Spectrum IDPS Guide, available with this PDS and on our website.

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.

Where we hold money in a foreign currency account on your behalf and we receive interest on that account, any interest received is retained by us.

Changes to fees and costs

The fees and costs set out in the Spectrum IDPS Guide and in this PDS may change from time to time. Praemium may vary the fees and costs and the Spectrum IDPS Guide and this PDS will be updated if the fees are changed. Praemium 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:

- 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).

Payments to us

Where permitted by law, we may receive fees for the associated administrative activities of products that are available on the Spectrum Investment Menu through the Scheme. 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. This fee is not payable by you.

General information

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.

Further information relating to tax is set out in the Spectrum IDPS Guide, available with this PDS and on our website.

Comparing investing via the Scheme to investing directly

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

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 Scheme will be consolidated in the reports issued for your Spectrum Account.	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).	You hold your interests in the fund directly in your name.	Investments are held directly in your name.
Communications	Your Nominated Representative will receive communications from us relating to your Account and it is the responsibility of your Nominated Representative 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 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 Nominated Representative. Voting will be in accordance with Praemium's Corporate Actions Policy.	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	You can close your Spectrum Account at any time by seeking a cash withdrawal and/or an in-specie transfer. 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.	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.	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.

Issuer

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

As the Scheme is only available to persons who invest through Spectrum and have a Spectrum Account, this makes you an indirect investor in the Scheme. As a result:

- we, as the Responsible Entity of the Scheme, are not responsible for the operation of Spectrum or the interests that you hold directly through Spectrum; and
- you do not acquire the rights of a direct investor in the Scheme as such rights are granted to Praemium as the operator of Spectrum.

This means that you will not receive reports or statements from us including any periodic statements about indirect costs. Such information will instead be accessible through your Spectrum Account. For additional information on the reports and statements made available to you through your Spectrum Account, please refer to the Spectrum IDPS Guide which has been provided together with this PDS.

We authorise the use of this PDS as disclosure to indirect investors through Spectrum as well as prospective indirect investors.

Cooling-off rights

No cooling-off rights apply to your investments acquired through Spectrum, including investments acquired in the Scheme, even if you are a retail investor. If you change your mind about an investment after it has been made, you may incur fees and may have infrequent or limited redemption options.

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 Scheme 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 the 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;

General information

- 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 Scheme 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 Scheme 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, other than term deposits and managed funds. Clearstream Australia Limited has been appointed custodian to hold term deposits and managed fund investments. Cash held in the Cash Operating Account is held by Powerwrap Limited as custodian.

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, other than Powerwrap Limited, 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 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.

Enquiries and complaints

If you have a complaint regarding 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, you will need to contact the product issuer directly.

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

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.

General information

Privacy

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

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.

We may disclose information to related overseas entities for the purpose of providing internal support for our service and product offering. These entities are currently located in Armenia, the United States, the European Union, India and New Zealand and comply with Australian privacy requirements. We may also disclose your information to external parties on your behalf, such as your Nominated Representative. Unless otherwise provided by law, we will not retain personal information received via unsolicited third parties which is not relevant to, or directly related to, the operation of our business. Such information will be destroyed or deidentified as soon as reasonably practicable.

We may use your information on occasion, to advise you about other services or products offered by us or by Praemium Limited and its related bodies corporate, but you may elect to stop receiving such information by giving us notice to that effect at any time by contacting support@praemium.com.au.

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).

You may contact our Privacy Officer on 03 8681 4600 if you wish to update or request access to your information or if you have any queries regarding our Privacy Policy.

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 Spectrum and the Scheme.

We cannot accept an application to invest in Spectrum and the Scheme 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 Spectrum 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 Spectrum or the Scheme under an assumed name;
- any money used by you to invest in Spectrum or the 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.

General information

The role of your Nominated Representative

You can only invest in Spectrum and the Scheme through a Nominated Representative (generally your financial adviser) who is able to provide investment instructions to us on your behalf. Your Nominated Representative is integral to the operation and maintenance of your Spectrum Account. Your Nominated Representative 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 Spectrum and the Scheme, you agree to appoint your Nominated Representative as your agent for the purposes of operating your Spectrum Account and providing us with instructions in relation to your Spectrum Account.

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

We are required to verify the identity of your Nominated Representative and any agent appointed to act on behalf of an investor. We cannot proceed to act on the instructions of a Nominated Representative 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.

We will continue to act upon instructions from your Nominated Representative until we receive a written cancellation of the appointment. If you cancel the appointment and fail to appoint another Nominated Representative acceptable to us, we may terminate your participation in Spectrum and the Scheme by giving you 30 days' notice. Where we close your Spectrum Account, you can elect to have your investments in the Scheme 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.

For more information regarding your Nominated Representative (and if you cease to have a Nominated Representative) please refer to the Spectrum IDPS Guide available with this PDS and on our website and the Non-Advised Policy available free of charge on request.

Glossary

Term	Definition
AFSL	Australian Financial Services Licence
Application Form	The online Application Form you fill in to apply to join Spectrum and access the Scheme.
ASIC	Australian Securities and Investments Commission
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 Scheme.
Full Access Authorised Operator	The authority given by you to Praemium to perform transactions on your Cash Operating Account that relate to the operation of your Spectrum 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 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.
Nominated Representative	The business or person that provides you with financial advice in relation to your Spectrum Account, and who holds an AFSL, or is licensed by a Licensee to do so.
PDS	Product Disclosure Statement.
Responsible Entity	Powerwrap Limited.
Scheme	The Powerwrap Scheme (ARSN 137 053 073).
Scheme account	Your account pursuant to this PDS and specifically includes investments held in custody via the Scheme.
Spectrum Account	Your account pursuant to Spectrum and includes Investments held in custody, Directly Held Investments and cash (terms deposits and Cash Operating Account).



Contact details

Powerwrap Limited
PO Box 16071
Collins Street West, VIC 8007

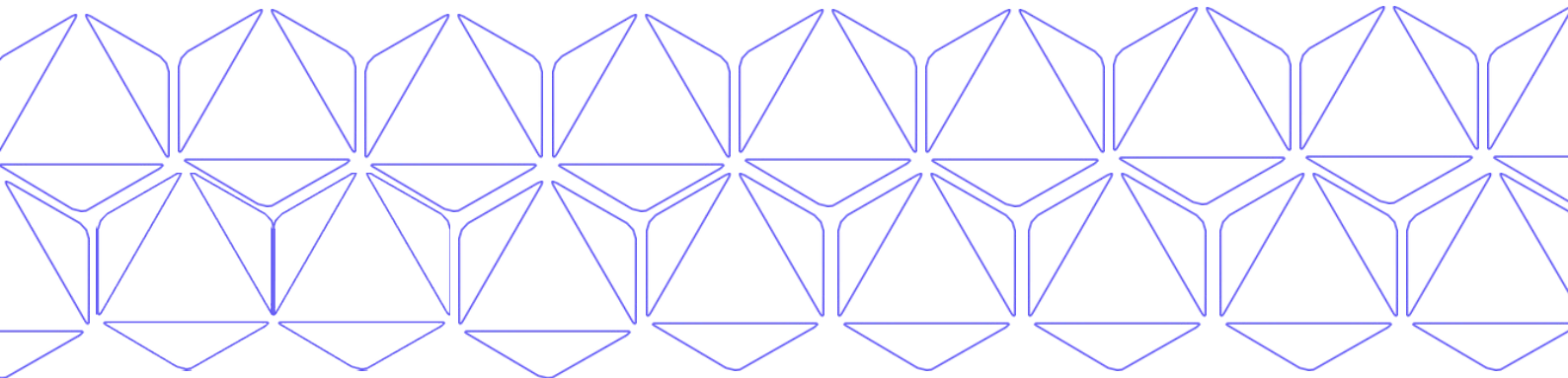
General enquiries: 03 8681 4600 (9:00 AM to 5:00 PM Monday to Friday)
Website: www.praemium.com

Spectrum Managed Accounts



Product Disclosure Statement

This Product Disclosure Statement ('PDS') includes references to additional important information contained in the Spectrum IDPS Guide, which has been provided together with this PDS. The Spectrum IDPS Guide is for the Praemium Spectrum investor directed portfolio service, referred to in this PDS as 'Spectrum'. Spectrum Managed Accounts is only available to new investors through Spectrum and, as a result, in addition to this PDS you should consider the information contained in the Spectrum IDPS Guide before deciding to invest in this product.



1 October 2024

Separately Managed Accounts ARSN 114 818 530
Praemium Australia Limited
ABN 92 117 611 784
Australian Financial Services Licence No 297956

This Product Disclosure Statement ('PDS') has been prepared and issued by Praemium Australia Limited (ABN 92 117 611 784, AFSL 297956) ('Praemium', 'we', 'us' or 'our') in its capacity as the Responsible Entity of the Separately Managed Accounts which is a registered managed investment scheme (ARSN 114 818 530). The Spectrum Managed Accounts product issued from the Separately Managed Accounts managed investment scheme is referred to in this PDS as the 'Spectrum Managed Accounts'.

The offer to invest in the Spectrum Managed Accounts is only open to persons investing through the Praemium Spectrum IDPS ('Spectrum'). Praemium is also the Operator of Spectrum which is an Investor Directed Portfolio Service ('IDPS'). A copy of the IDPS Guide for the IDPS has been provided together with this PDS. As the offer to invest in this Scheme is only open to persons investing through the IDPS, **you should read the IDPS Guide for the Spectrum IDPS together with this PDS before you make a decision to invest in the Scheme through the Spectrum IDPS.** A copy of the IDPS Guide is also available free of charge at <https://www.praemium.com/resources/forms-documents/>.

None of Praemium Limited (ABN 74 098 405 826), its associates and subsidiaries (other than Praemium Australia Limited) have prepared this PDS or are responsible for its contents. None of Praemium, Praemium Limited, any of its associates and subsidiaries, or any Model Portfolio Manager guarantees the success of the Spectrum Managed Accounts or any particular Model Portfolio, or the repayment of capital or a particular rate of return, income or capital.

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 professional adviser whether investing in the Spectrum Managed Accounts via Spectrum is appropriate for you having regard to your objectives, financial situation, needs and circumstances.

Nominated Representative

You are required to appoint a Nominated Representative (generally your financial adviser) for your Spectrum Account who will provide investment instructions to us on your behalf.

For further information regarding the appointment of your Nominated Representative please refer to the Spectrum IDPS Guide, available at www.praemium.com/resources/forms-documents/.

Eligibility

The offer to invest in the Spectrum Managed Accounts is only open to persons receiving this PDS as a hard copy or electronically within Australia and does not constitute an offer or invitation in any place where, or to any person to whom, it would not be lawful to make such an offer or invitation.

Updating information

Information in this PDS is current as at the date of issue. However, 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 <https://www.praemium.com> ('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.

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 on 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 Spectrum Managed Accounts, including the Model Portfolios offered, at any time.

Target Market Determinations

A Target Market Determination ('TMD') for this product and some of the underlying investment options can be viewed at www.praemium.com.au/resources/forms-documents/.

Contact details

Praemium Australia Limited
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Melbourne, VIC 3000

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PO Box 322
Collins Street West
MELBOURNE VIC 8007

General enquiries: 1800 571 881
Email: support@praemium.com.au
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Spectrum Managed Accounts

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About the Spectrum Managed Accounts

The Spectrum Managed Accounts product is issued from the Separately Managed Accounts, which is a registered managed investment scheme. Your interest in the Spectrum Managed Accounts is held by the custodians appointed by Praemium as Responsible Entity of the Separately Managed Accounts.

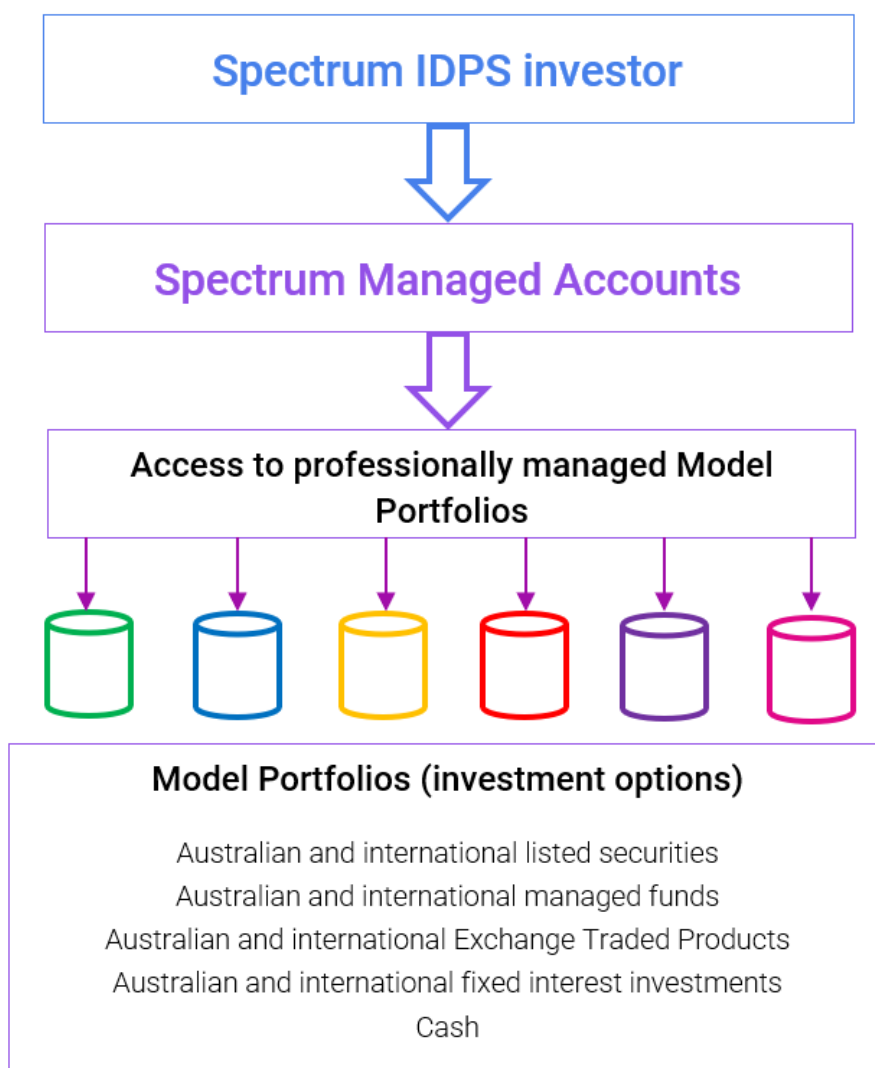
You can only invest in the Spectrum Managed Accounts and the available Model Portfolios through your Spectrum Account. Spectrum is an investor directed portfolio service ('IDPS') which is operated by Praemium. Further information relating to the holding of your interest in the Spectrum Managed Accounts is set out in the Spectrum IDPS Guide.

As an investor in the Spectrum Managed Accounts through Spectrum, the Spectrum Managed Accounts provides you with access to a wide range of indirectly held Model Portfolios. A Model Portfolio is a set of underlying investments based on the investment philosophy and decisions of a professional Model Portfolio Manager. The Model Portfolios available in the Spectrum Managed Accounts are listed in the Spectrum Managed Accounts Model Portfolios Menu ('Model Portfolios Menu') which accompanies this PDS.

The Spectrum Managed Accounts also allows you to apply customisations, contribute additional funds, make withdrawals and switch between Model Portfolios. Investment instructions and preferences must be communicated via your Spectrum Account by your Nominated Representative (this is generally your financial adviser – for more information on your Spectrum Account please refer to the Spectrum IDPS Guide available on our website).

You can view all investments in your Spectrum Account, including any Model Portfolio/s held in the Spectrum Managed Accounts as well as any investments directly held through Spectrum, through our online portal ('Investor Portal'). Access to the Investor Portal is established when you join Spectrum.

The portion of your Spectrum Account that invests in the Spectrum Managed Accounts is referred to in this PDS as 'your managed account'.



Key features and benefits

Some of the key features and benefits of investing in the Spectrum Managed Accounts via Spectrum include:

Key features and benefits	
Spectrum Managed Accounts cash account	A minimum of 1% of the portion of your Spectrum Account that invests in the Spectrum Managed Accounts. This is in addition to your Spectrum Account Cash Operating Account. If your Spectrum Managed Accounts cash account holding falls below the minimum required, additional investments will be sold (or purchases reduced) pro-rata across your Model Portfolio(s) (subject to any minimum holding locks).
Daily rebalance process	Your managed account is automatically reviewed and rebalanced each Business Day to ensure it remains aligned to your selected Model Portfolio(s). This may include the buying and/or selling of investments to bring your managed account back to your chosen Model Portfolio(s).
Netting	The Spectrum Managed Accounts seeks to minimise brokerage costs by eliminating unnecessary trading where possible. Netting works to offset buy and sell trades in an investment so that only the net position is traded.
Suggested minimum model investment	Suggested minimum model investment amounts may apply to Model Portfolios and are specified in the profiles in the Model Portfolios Menu.
Additional investments	You can make additional investments of any amount at any time via your Spectrum Account.
Transferring investments in	Any existing holdings of Eligible Investments may be transferred into your managed account.
Transferring investments out	The transfer out of investments may be made to an account in your name. Fees may apply. Refer to the 'Fees and other costs' section for more information.
Model Portfolios	A set of underlying investments based on the investment philosophy and decisions of a professional Model Portfolio Manager. The range of Model Portfolios available are listed in the Model Portfolios Menu.
Substitution	You may substitute individual investments within a Model Portfolio with other Eligible Investments or cash. Alternatively, you can reinvest what would have been invested in the excluded investment evenly across the other investments in the Model Portfolio from which the exclusion is made.
Minimum trade size	<p>You may select a minimum trade size. This means that investments in your Model Portfolios will generally only be traded if the trade size is greater than or equal to that of the specified minimum trade size.</p> <p>A minimum trade size is applied per investment, per trade. If you have not set a minimum trade size of your own, a default minimum trade size will be applied. For managed accounts under \$75,000, the default is 0.20% of your managed account value per investment, per trade. For managed accounts valued at \$75,000 and above, the default minimum trade size is \$150 per investment, per trade.</p> <p>Setting a minimum trade size per investment for your Model Portfolios will generally ensure that trades (buys or sells) of a value less than the nominated amount will not be executed. Setting a minimum trade size may also result in the performance of the Model Portfolio(s) in your managed account deviating from the performance of the actual Model Portfolio(s). A low minimum trade size may result in an increase in the number of transactions.</p>

Key features and benefits	
Minimum holding lock	You have the option to lock a specific investment holding in a Model Portfolio at a level of your choice. When rebalancing your managed account in accordance with your chosen Model Portfolio(s) we will ensure that, for the nominated investment, the holding is maintained at or above your selected level. You should be aware that the use of the minimum holding lock facility may result in the performance of the Model Portfolio(s) in your managed account deviating from the performance of the actual Model Portfolio(s).
Model weighting: fixed or floating?	<p>If you select more than one Model Portfolio in your managed account, you have the choice of applying the Model weightings on a fixed or floating basis. This is explained in more detail under 'How the Spectrum Managed Accounts works'. You may change the basis at any time. If you have elected to use the floating basis you may reset your Model weightings to your selected fixed percentages at any time, and then revert to a floating basis again.</p> <p>Additional contributions into and withdrawals out of your Model Portfolio(s) are allocated to align with your current Model weights. For managed accounts with fixed Model weightings, this will be your nominated weighting, and for managed accounts with floating Model weightings, this will be the weights implied by your current balances and cashflow instructions. If no selection is made, your managed account will default to floating.</p>
Environmental, social and governance (ESG) screening	A number of ESG screening options allow you to customise your Model Portfolios so they align with your ethical beliefs and values. You should speak with your Nominated Representative about setting up the ESG screening options.
Income¹	<p>Income received from investments held in Model Portfolio(s) will be reflected in your managed account. You can select how the income received is treated prior to the next daily rebalance process, via one of the below options:</p> <ul style="list-style-type: none"> • Added to your Spectrum Managed Accounts cash account and then applied pro-rata across the investments in your managed account via the daily rebalance process (this is the default option); or • Added to your Spectrum Managed Accounts cash account and then targeted to the Managed Account Cash model (MACAUD)² where it will remain. You may then choose to have your income paid into your Spectrum Cash Operating Account. Your Nominated Representative will need to request this on your behalf.

¹ Income can include dividends, interest, gains on the disposal of investments and other types of income.

² For further information regarding the Managed Account Cash model (MACAUD) refer to the Model Portfolios Menu available on our website.

How Spectrum Managed Accounts works

Opening your managed account

Your managed account is only available through your Spectrum Account. As a result, for more information on how to open your Spectrum Account and the Spectrum Managed Accounts cash account for your investments in the Spectrum Managed Accounts, see the Spectrum IDPS Guide.

Instructions

All instructions in relation to your managed account must be placed via your Spectrum Account.

The Spectrum Managed Accounts cash account

To ensure there is sufficient cash to pay fees and cover charges relating to the settlement of trades that are carried out in respect of your managed account, you must maintain a minimum amount of cash in your Spectrum Managed Accounts cash account. The minimum Spectrum Managed Accounts cash account amount is currently 1% of the assets invested in your managed account. This is in addition to any cash that a Model Portfolio may require and your Spectrum Cash Operating Account.

If at any time your Spectrum Managed Accounts cash account amount falls below the required minimum, we may sell some of the investments in your managed account to bring your cash back up to the required minimum level. Please refer to the section 'Going above or below the Spectrum Managed Accounts cash account minimum' below.

The cash in your Spectrum Managed Accounts cash account will be held in a bank account or invested in a cash fund selected by us. Any interest or income earned on any cash that is held in respect of your managed account will be credited to your Spectrum Managed Accounts cash account as and when it is received by us, less the Cash Administration Fee. If your Spectrum Managed Accounts cash account has a negative cash holding (i.e. your cash holding is overdrawn as a result of trades), you will be charged interest on the negative cash holding.

Going below the Spectrum Managed Accounts cash account minimum

If your Spectrum Managed Accounts cash account holding falls below the minimum required, additional investments will be automatically sold (or purchases reduced) pro-rata across your Model Portfolio(s) (subject to any minimum holding locks).

Where appropriate, any such transactions will not change the relative Model weightings but will reduce the overall amount allocated to each investment in your chosen Model Portfolio(s). Alternatively, you can request to top up your Spectrum Managed Accounts cash account from your Spectrum Cash Operating Account at any time, as outlined under 'Additional investments'.

Daily rebalance process

Rebalancing is an automatic process whereby Model Portfolios are compared against Model Portfolio holdings in investors' managed accounts.

The daily rebalance process within the Spectrum Managed Accounts will be undertaken on each Business Day. If an instruction to acquire or withdraw investments is received after 9:30am on a Business Day, it will generally be actioned on the next Business Day.

Trading in your managed account will occur in the following circumstances:

- a Model Portfolio Manager advises us of a change to a Model Portfolio;
- you make an investment in or withdraw cash and/or investments from your managed account/Spectrum Managed Accounts cash account;
- you switch Model Portfolios or make other alterations to your managed account;
- as a result of market movements, for those investors who have chosen to fix their Model weights; and
- where your Spectrum Managed Accounts cash account has moved away from the minimum required as a result of income received, or fees paid.

Model Portfolio Managers may review their Model Portfolios and advise us of changes at any time.

Netting

The Spectrum Managed Accounts seeks to minimise brokerage costs by eliminating unnecessary trading. Trading within the Spectrum Managed Accounts is conducted at a pooled level. This means that each day we assess the net trading requirements of the whole Separately Managed Accounts and trade investments on this basis. This process, known as netting, works to offset buy and sell trades in an investment so that only the net position is traded.

For example, if investors are selling securities in ABC Company and at the same time other investors are buying the same number of securities in ABC Company, we will transfer that security from one group of managed accounts to the other without incurring any brokerage cost. The benefits (in terms of lower brokerage costs) are passed on to investors.

Netted transactions will receive the same price as the market traded transactions, and brokerage is applied pro-rata across the entire client base involved in that transaction. If there is an exact netting of transactions and no market trade, the netted transactions will be priced at the daily volume weighted average price ('VWAP').

Occasionally, orders are unable to be fully filled on a particular day due to inadequate liquidity of an investment. If this occurs, we will continue to attempt to fill the order until it is completed. You may see small residual trades on your managed account as a result of this.

In relation to managed fund orders, those orders will also be netted internally. On allocation of the netted trade, we are entitled to retain any benefits arising from the difference between the 'buy' and 'sell' price.

Suggested minimum model investment

Suggested minimum model investment amounts may apply to Model Portfolios and are specified in the profiles in the Model Portfolios Menu.

You should discuss with your Nominated Representative what the appropriate investment amount is for you to invest in Model Portfolios through the Spectrum Managed Accounts. Regarding some Model Portfolios, a small investment may mean the asset holdings and performance of your Model Portfolio(s) differ from the Model Portfolio(s) you invest in.

Making additional investments

Additional investments can be made at any time by electronic cash transfer, direct debit or by transferring Eligible Investments. The additional investments (if Eligible Investments) will be applied to your selected Model Portfolio(s) via the daily rebalance process at the next available opportunity (generally the next Business Day). Instructions in relation to additional investments are made via your Spectrum Account.

Note that while an investment transfer is in progress, your Model Portfolio(s) will not be included in the daily rebalance process (i.e. will not trade). Please note an investment transfer is considered 'in progress' once the transfer details have been provided to and processed by us.

Transferring in Eligible Investments

Any existing holdings of Eligible Investments may be transferred into your managed account and must be in the same name as your Spectrum Account. When transferring in investments, we will wait until we receive all components of your investments before we re-commence trading on your managed account. Instructions in relation to transferring investments are made via your Spectrum Account.

Original documents in relation to these transfers will be forwarded to us by your Nominated Representative. Note that while a transfer of Eligible Investments is in progress, your Model Portfolio(s) will not be included in the daily rebalance process (i.e. will not trade). The transfer of Eligible Investments, particularly for unlisted managed funds and international securities, may take a number of weeks. Please note, a transfer of Eligible Investments is considered 'in progress' once the transfer details have been provided to and processed by us.

Until your Model Portfolio(s) are included in the daily rebalance, any Eligible Investments transferred will be held outside of the daily rebalance process. You will receive interest on cash balances held during this period and may also incur fees.

Once your Model Portfolio(s) have been placed in the daily rebalance, your investment amount will be applied to your selected investments at the next rebalancing opportunity after we receive your investment instructions – generally each Business Day.

Transferring investments out

A withdrawal request for the transfer out of Investments must indicate the name and number of the investments to be transferred and the account number into which they are to be transferred. Investments can only be transferred into the same account name as used for your Spectrum Account. Please note that if you are withdrawing by way of a transfer of investments, a written approval from your loan provider (if applicable) may also be required. Instructions in relation to transferring of assets are made via your Spectrum Account.

Requests will generally be actioned on the Business Day following receipt of your request.

If, following the transfer out of investments, your Model Portfolio(s) no longer reflect your selected Model Portfolio(s) (for example, because you requested a transfer of one security only), we will need to rebalance your Model Portfolio(s) via the daily rebalance process at the next available opportunity (generally the next Business Day). The rebalancing may result in brokerage being charged.

While an investment transfer is in progress, your Model Portfolio(s) will not be included in the daily rebalance process (i.e. will not trade). Please note, an investment transfer is considered 'in progress' once the transfer details have been provided to and processed by us.

If insufficient cash is available in your managed account to pay the In-Specie Transfer Fee, investments may be sold to cover this cost.

Cash withdrawals

You can instruct us to withdraw from your managed account at any time via your Spectrum Account. The sale of selected investments in your managed account will commence at the next Business Day following receipt of your withdrawal request. Once the selected investments are sold to cash, it is then paid to the Cash Operating Account you hold in your Spectrum Account and made available for withdrawal.

Once you give a withdrawal instruction, you cannot revoke the instruction unless we give our approval.

Valuing your managed account

Updated valuations of your managed account will generally be available each Business Day. ASX listed securities will be priced at previous close of market prices. Other assets will generally be valued at the offer/exit price for the relevant asset. Upon their disposal, such assets will be realised at the actual sell price for those assets, and accordingly, the realisation proceeds may be less than the value recorded in your managed account for those assets.

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

Reporting

All investor reporting is available online from the Investor Portal via your Spectrum Account. By applying for a Spectrum Account, you consent to receiving reports and notices electronically. You may withdraw your consent at any time. Once your Spectrum Account is activated, you will be able to access your Spectrum Account information and view your Spectrum Account valuations (including your managed account valuations) online.

Spectrum Managed Accounts account information available includes:

- your managed account details including a list of your selected Model Portfolios;
- daily valuations of your managed account;
- cash account transactions;
- investment purchases and sales;
- distribution and dividend details;
- brokerage paid;
- fees and other charges deducted.

For more information regarding reporting and the types of online reports available, please refer to the Spectrum IDPS Guide available on our website.

Performance reporting*

Model Portfolio performance information is also available online daily. Model Portfolio performance is shown based on \$1,000,000 invested at the inception of each Model Portfolio.

* Performance reporting is not always up to date on the website and tax reports may not be correct for months after the end of the financial year depending on the investments held, due to the reliance on third-party information.

Separately Managed Accounts financial information

As the Separately Managed Accounts is a registered managed investment scheme, we are required to produce annual audited financial statements. These reports cover the overall activities and holdings of the Separately Managed Accounts and are separate from reports of financial information relating to your Spectrum Account (which are available to you online at any time).

You may elect to receive free of charge a copy of the Separately Managed Accounts Annual Financial Report (Report). The Report will be sent to you electronically unless you request a hard copy. The Reports may be accessed at www.praemium.com/resources.

Responsible Entity reporting requirements

The Separately Managed Accounts is a 'disclosing entity' as defined under the Corporations Act. As a disclosing entity, the Separately Managed Accounts is subject to additional regular reporting and disclosure obligations. Any continuous disclosure notices required pursuant to the Corporations Act will be available at www.praemium.com.

You have a right to request us to provide to you free of charge the half yearly condensed financial report, the audited annual financial report and any continuous disclosure notices.

Investment options

Model Portfolios

Model Portfolios include a range of underlying investments based on the investment philosophy and decisions of a professional Model Portfolio Manager. You can choose from a selection of Model Portfolios provided by Model Portfolio Managers, referred to as Spectrum Managed Accounts, which are only available through Spectrum. The Model Portfolios available for investment in Spectrum Managed Accounts are listed in the Model Portfolios Menu available on our website. We may update the Model Portfolios Menu at our discretion.

Model Portfolios are included in the daily rebalance process. The daily rebalance process automatically reviews your Model Portfolios each Business Day to ensure they remain aligned to your selected Model Portfolios.

The profile relating to each Model Portfolio includes:

- investment objective and description;
- asset allocation ranges and performance benchmarks;
- risk level and suggested minimum time frame; and
- fees applicable to the Model Portfolio.

As certain information about the Model Portfolios may change from time to time, you should check for updated information available on our website.

Our relationship with the Model Portfolio Managers is governed by a Model Portfolio Manager Deed. This sets out the agreed investment objectives, strategy and any investment restrictions applicable to each Model Portfolio. Each of the Model Portfolios is managed by the relevant Model Portfolio Manager within these investment guidelines.

Any changes to Model Portfolios are advised to us by the Model Portfolio Managers. We then buy and sell investments to implement the changes across all managed accounts that are invested in the affected Model Portfolios.

We reserve the right to change Model Portfolio Managers, change the Model Portfolios offered, offer new Model Portfolios or cease to offer Model Portfolios. Where a Model Portfolio ceases to be offered, we will give you prior written notice via the Investor Portal or by mail.

We do not make any representation as to the return of capital or any particular return of income or other performance by any Model Portfolio.

Selecting Model Portfolios

When selecting a Model Portfolio, you should carefully consider the number of investments held as well as your investment amount and any customisations required, as this could impact on the ability of your Model Portfolio(s) to reflect the stated investment strategy of the Model Portfolio. You should discuss Model Portfolios in detail with your Nominated Representative before selecting them for investment.

Please note that if your Nominated Representative is employed, associated with, or a subsidiary of a Model Portfolio Manager, they are not acting for, or on behalf of, Praemium (as Responsible Entity) in providing any advice to you about your investment in, or the suitability of, the Spectrum Managed Accounts or any Model Portfolio.

Investing in international securities

The Spectrum Managed Accounts offers a selection of Model Portfolios for those looking to diversify their investment portfolio into international markets.

The Spectrum Managed Accounts does not offer foreign currency cash holdings in your managed account. All international asset related transactions on your managed account including security trades, income and any corporate action proceeds will be converted to AUD by the custodian and reflected accordingly on your portfolio.

Investments with exposure to international securities, as traded via an international securities exchange, are available only to Australian residents for tax purposes. When you apply for investments with international securities, you confirm that you are an Australian resident. Please notify Praemium at the earliest should your circumstances change and seek advice on switching to new investments. Where you cease to be an Australian resident, your international holdings will be sold down.

You can only use customisations to substitute a security with an international security in a Model Portfolio that is mandated to hold international direct securities.

How your investments are held

The Responsible Entity has appointed a custodian to hold the assets of the scheme. All assets held within the Spectrum Managed Accounts are held by the appointed custodian. Records of individual investment holdings by each investor are retained by us within the Spectrum Managed Accounts.

Praemium will (by directing the custodian of the managed investment scheme) hold any cash not required for settlements in a cash account with Australia and New Zealand Banking Group Limited, ABN 11 005 357 522 ('ANZ'). Praemium will not withdraw, or direct the custodian to withdraw, funds from this account other than in accordance with your direction (including a standing instruction) or where necessary to meet your Spectrum Managed Accounts cash account minimum or where otherwise directed by a regulatory body or court order.

Labour standards, environmental, social and ethical considerations

Unless otherwise indicated, we do not take into account labour standards or social, environmental or ethical considerations in the context of making investments available.

Unless otherwise indicated in the profile in the Model Portfolios Menu, Model Portfolio Managers may not take into account labour standards or social, environmental or ethical considerations in the context of making investment decisions.

Switching Model Portfolios

You can switch between Model Portfolios or alter the combination of Model Portfolios at any time. Your instruction to switch will generally be acted upon during the next Business Day following receipt of such instructions from your Nominated Representative.

Dealing in investments for Model Portfolios

Dealing in investments for Model Portfolios will be undertaken by us on the advice of the relevant Model Portfolio Managers and instructions from your Nominated Representative. Dealing will occur on an aggregate basis across all Model Portfolios within the Spectrum Managed Accounts to take advantage of scale and netting opportunities. All investments within a Model Portfolio will be allocated to the relevant managed accounts on a pro rata basis.

In order to minimise the amount of brokerage paid, we will generally use a single execution-only broker. However, we may use other brokers if market conditions and security-specific factors warrant it and may use a combination of one or more brokers at any time. Note that we are entitled to retain the netting benefits of any managed fund trades (see 'Netting' on page 7).

Customisations

The Spectrum Managed Accounts allows you to customise your managed account in accordance with your requirements. The below descriptions set out the customisations available. It is the responsibility of your Nominated Representative to manage any customisations.

Please note, if your managed account is customised, your investments in Model Portfolio(s) may not perform in the same manner as the actual Model Portfolio(s) you hold due to the different nature of the holdings.

You should discuss these in detail with your Nominated Representative.

Substitution

You may substitute individual investments within a Model Portfolio with other Eligible Investments. These can be substituted for cash, other securities or reinvested evenly across the other investments and cash.

You should be aware that substitution may result in the performance of the Model Portfolio(s) in your managed account deviating from the performance of the actual Model Portfolio(s).

If a company changes its name and thus the investment code changes, we will apply the change to any substitutions you have involving the investment. You need to be aware that corporate actions such as takeovers may require you or your Nominated Representative to review your substitutions.

Minimum trade size

You may specify a minimum trade size for investments held in a Model Portfolio if you do not wish small trades to be undertaken. We will endeavour to ensure that trade sizes are within the limits specified; however, in some circumstances (such as market movements) this may not always be possible.

A minimum trade size is applied per investment, per trade. If you have not set a minimum trade size of your own, a default minimum trade size will be applied. For managed accounts under \$75,000, the default is 0.20% of your managed account value per investment, per trade. For managed accounts valued at \$75,000 and above, the default minimum trade size is \$150 per investment, per trade.

Setting a minimum trade size per investment for your Model Portfolios will generally ensure that trades (buys or sells) of a value less than the nominated amount will not be executed.

Note: If you select your own minimum trade size, this will override the default minimum trade size described above. When you select a minimum trade size with multiple criteria, the system will apply the largest (in dollar terms) of any nominated criteria.

Setting a minimum trade size may also result in the performance of the Model Portfolio(s) in your managed account deviating from the performance of the actual Model Portfolio(s). A low minimum trade size will result in closer alignment with the Model Portfolio but is also likely to increase the number of transactions.

Minimum holding lock

You have the option to lock a specific investment holding in a Model Portfolio at a level of your choice. When rebalancing your managed account in accordance with your chosen Model Portfolio(s) we will ensure that, for the nominated investment, the holding is maintained at or above your selected level.

You should be aware that the use of the minimum holding lock facility may result in the performance of the Model Portfolio(s) in your managed account deviating from the performance of the actual Model Portfolio(s).

If a company changes its name and thus the investment code changes, we will apply the change to any minimum holding lock you have involving the investment. You need to be aware that corporate actions such as takeovers may require you or your Nominated Representative to review your minimum holding locks.

Model weightings: fixed or floating?

If you select more than one Model Portfolio in your managed account, you have the choice of applying the Model weightings on a fixed or floating basis. If no selection is made, Model weightings will default to floating.

Applying your Model weightings on a floating basis means that when your selected Models Portfolios perform differently from each other, the relative proportion of your managed account attributable to each option will move (float) away from the weights that you originally selected.

For example, if you originally invested \$100,000, allocating 50% to Model Portfolio 1 and 50% to Model Portfolio 2, your managed account would notionally be broken down as:

	Model Portfolio 1	Model Portfolio 2	Cash	Total
Weighting	49.5%	49.5%	1%	100%
Value	\$49,500	\$49,500	\$1,000	\$100,000

If after one day Model Portfolio 1 had a performance of -5% and Model Portfolio 2 had a performance of +5% and you chose to apply the Model weights on the above floating basis, your approximate managed account breakdown would be:

	Model Portfolio 1	Model Portfolio 2	Cash	Total
Weighting	47%	52%	1%	100%
Value	\$47,025	\$51,975	\$1,000	\$100,000

* All values are approximate and indicative only, displayed purely to illustrate the effect of the fixed or floating basis for applying Model weightings. It should not be inferred from this example that either basis is preferred or will result in higher value added.

Applying the Model weights on a floating basis means that we will not act to adjust the relative values of the Model Portfolio – they will continue to move independently from each other according to each option's relative performance.

If you choose to fix the weightings at every rebalance, the proportion of your managed account attributable to each option will remain the same as the weights that you originally selected. In the above example, this would involve selling down \$2,475 of investments from Model Portfolio 2 to apply to investments in Model Portfolio 1, restoring each to equal weightings.

You should be aware that choosing the fixed basis may mean that investments attributable to a highly performing Model Portfolio are sold in order to purchase additional investments attributable to a Model Portfolio with lower performance.

You may change the basis at any time. If you have elected to use the floating basis you may reset your weightings to your selected fixed percentages at any time, and then revert to a floating basis again.

Additional contributions and withdrawals are allocated to align with your current Model weights. For fixed weightings this will be your nominated weighting, for floating weightings this will be the weights implied by your current Model Portfolio balances.

Environmental, social and governance (ESG) screening

Working with your Nominated Representative, you can automatically apply a number of ESG screening options on your Model Portfolios (if applicable). The available screening categories to choose from include:

- Adult Entertainment (production)
- Alcoholic Beverages
- Animal Testing (pharma)
- Animal Testing (non-pharma)
- Controversial Weapons (significant ownership)
- Gambling
- Oil & Gas
- Oil Sands
- Thermal Coal
- Tobacco Products

This allows your Nominated Representative to tailor your Model Portfolios so they align with your own ethical beliefs and values. For further information please log in to your managed account and select the help centre or contact your Nominated Representative.

Income

Income received from investments held in Model Portfolio(s) will be reflected in your managed account. You can select how the income received is treated prior to the next daily rebalance process, via one of the below options:

- Added to your Spectrum Managed Accounts cash account and then applied pro-rata across the investments³ in your managed account via the daily rebalance process (this is the default option); or
- Added to your Spectrum Managed Accounts cash account and then targeted to the Managed Account Cash model (MACAUD)⁴ where it will remain. You may then choose to have your income paid into your Spectrum Cash Operating Account. Your Nominated Representative will need to request this on your behalf.

Other information

Corporate actions

As the Responsible Entity for the Spectrum Managed Accounts, Praemium will receive communications relating to corporate actions affecting the investments held in your managed account. For example, the issuers of the investments will send any notices of meetings relating to the investments, and any offers of dividend or distribution reinvestment plans, to our custodian.

In dealing with corporate actions, we will act in the best interests of all investors but will generally not be obliged to act on any individual investor's directions. Our policy regarding corporate actions affecting investments held in the Spectrum Managed Accounts is that generally:

- we will elect to receive dividends and distributions in cash, which will be credited to your Spectrum Managed Accounts cash account;
- we will generally adopt a neutral position and not vote at meetings of holders of investments, although we may exercise our discretion and vote depending on the particular circumstances; and
- we will deal with other corporate actions using our discretion and will generally not participate in conditional events.

In certain limited circumstances, entitlement to corporate actions may be subject to externally imposed limits or caps or operational requirements of the managed investment scheme, which may result in your entitlement to participate in the corporate action through your Spectrum Managed Accounts holding being less than an entitlement of an individual investor holding the same number of the investments directly.

³ Income can include dividends, interest, gains on the disposal of investments and other types of income.

⁴ For further information regarding the Managed Account Cash model (MACAUD) refer to the Model Portfolios Menu available on our website.

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 of particular investments.
- risks associated with the structure 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 Spectrum and the Spectrum Managed Accounts and investment selection before you apply to establish a Spectrum Account or select investments.

You should also consider the risks associated with investing in the Spectrum Managed Accounts via Spectrum, which are set out in the Spectrum IDPS Guide.

Risks associated with the Spectrum Managed Accounts

Scheme risk

There are risks particular to investing in the Spectrum Managed Accounts including that the Spectrum Managed Accounts could be terminated, fees and charges could change, we could be replaced as Responsible Entity and investments could be closed or change.

Operational risks

In addition to the normal risks of investing, investors in the Spectrum Managed Accounts are subject to certain operational risks that are inherent in the administration of the Spectrum Managed Accounts, such as processing errors or delays and systems or technology failure, which may have an impact on your managed account. Delays can also be experienced as a result of transaction processing delays with third parties such as brokers or fund managers, or if your Nominated Representative 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.

Technology risk

There is a risk that financial loss, data loss, business disruption and/or reputational damage to the Responsible Entity may occur. An attack, interruption, fault or failure to any part of our systems, including a breach of online security, could impact our capacity to provide the services described in this PDS.

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 managed account, the more concentrated your managed account. The more concentrated your managed account, the greater the risk that poor performance of a single investment may significantly affect the performance of your whole managed 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 managed 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.

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 managed 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 Nominated Representative 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 assets, your managed 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 investment option's 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 managed account is exposed to international investments.

Currency foreign exchange rate risk

International investments are inherently exposed to risk associated with currency foreign exchange rate movements. The Spectrum Managed Accounts does not offer foreign currency holdings and does not currently facilitate the management of exchange rate risks via derivatives. All international asset related transactions on your managed account including security trades, income and corporate action proceeds will be converted to AUD by the custodian and subsequently reflected on your managed account. This may impact on the value of your holdings.

Volatility risk

Changes in security and unit prices can affect the value of investments in your managed 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.

Portfolio investment risk

Historically, equities have offered higher returns over the long term than other asset classes; however, they are volatile and can perform poorly over the short to medium term.

Securities of smaller capitalisation companies may, from time to time and especially in falling markets, become less liquid and experience short-term price volatility. They may also be less financially secure than larger more established companies and depend on a small number of key personnel, which increases the risk of a company's failure if a product fails, management changes or if there are other adverse developments.

The value of commodity assets can be adversely affected by a range of factors including demand for and supply of the physical commodity, changing inflationary pressures, and the activity of other investors. Commodity investments are volatile and can perform poorly for extended periods.

Some Model Portfolios may only hold a small number of investments compared to their relevant benchmark index. The performance of Model Portfolios holding a concentrated portfolio of investments may be more volatile than its benchmark index across all investment timeframes. The profiles in the Model Portfolios Menu provide general guidance on the types of investments or commodities likely to be contained in each Model Portfolio.

Fixed income risks

If your managed 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 in this section.

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 interests in the Spectrum Managed Accounts 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 managed account will be closed in accordance with our managed account closing policy.

Derivative risk

A range of financial derivatives, for example futures and options, may be used to implement investment decisions and to manage risk in a Model Portfolio. 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. This may result in a loss to the value of your investments.

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.
- 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 investment 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.

This section shows fees and other costs that you may be charged. These fees and costs may be deducted from your money, 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) (where applicable).

As the Spectrum Managed Accounts is only available through Spectrum, the fees and other costs described in this document are also charged in respect of your use of Spectrum and are typically paid out of your Spectrum Cash Operating Account. Such fees and costs are in addition to the fees and costs that are payable in respect of the Model Portfolios available through the Spectrum Managed Accounts. For further information about the fees and other costs that you may be charged in respect of investing through Spectrum and your Spectrum Cash Operating Account, please refer to the Spectrum IDPS Guide which has been provided together with this PDS and speak to your Nominated Representative.

Fees and costs summary

Spectrum Managed Accounts		
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	Administration Fee Nil. ⁵	Not applicable. ⁵
The fees and costs disclosed in this PDS relate only to gaining access to investments offered by the scheme and do not include fees and costs that relate to investing in those investments	Cash Administration Fee⁶ Up to 1.40% on funds held in your Spectrum Managed Accounts cash account.	The Cash Administration Fee is the amount that Praemium 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 interest you earn on your cash holdings and is not separately deducted from your managed account.

⁵ Administration fees are payable by you as part of your participation in Spectrum. Further information is in the Additional explanation of fees and other costs section below and the Spectrum IDPS Guide.

⁶ Refer to 'Additional explanation of fees and other costs' for further details.

Ongoing annual fees and costs (cont.)		
	Investment Fee⁷ The fee for investing in a Model Portfolio. For the Investment Fee that applies to a particular Model Portfolio, refer to the Model Portfolios Menu. Indirect Costs⁷ For the Indirect Costs that apply to a particular Model Portfolio, refer to the Model Portfolios Menu.	The Investment 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 managed account. This fee is paid to the Model Portfolio Manager. Deducted by the underlying managed fund/ETP prior to striking a unit/trading price, this fee is not separately deducted from your managed account.
Performance fees⁷ Amounts deducted from your investment in relation to the performance of the product	For the Performance Fee that applies to a particular Model Portfolio, refer to the Model Portfolios Menu.	A Performance Fee, if applicable, is calculated monthly in arrears based on the particular Model Portfolio(s) selected. It is deducted directly from your managed account. This fee is paid to the Model Portfolio Manager.
Transaction costs The costs incurred by the scheme when buying or selling assets	For the estimated Transaction Costs that apply to a particular Model Portfolio, refer to the Model Portfolios Menu.	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)		
Establishment fee The fee to open your investment	Nil	Not applicable.
Contribution fee The fee on each cash amount contributed to your investment	Nil	Not applicable.
Buy-sell spread An amount deducted from your investment representing costs incurred in transactions by the scheme	Nil ⁸	Not applicable.
Withdrawal fee The fee on each amount you take out of your investment	Nil	Not applicable. However, the In-Specie Transfer Fee may apply.
Exit fee The fee to close your investment	Nil	Not applicable. However, the In-Specie Transfer Fee may apply.
Switching fee The fee for changing investment options	Nil	Not applicable.

⁷ Refer to 'Additional explanation of fees and other costs' for further details.

⁸ For Buy-sell spreads that apply to investments refer to the relevant PDS or other disclosure document for that investment.

Example of annual fees and costs for a balanced investment option

This table gives an example of how the ongoing annual fees and costs in the balanced investment option for 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 – iShares Growth (BR0104)		Balance of \$50,000 with a contribution of \$5,000 during year ⁹
Contribution fees	Nil	For every additional \$5,000 you put in, you will be charged \$0.
PLUS Management fees and costs*	Cash Administration Fee¹⁰ Up to 1.40% p.a. on cash holdings	And , for the \$50,000 you have in iShares Growth (BR0104), you will be charged or have deducted from your investment \$7 each year.
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	0.00% p.a.	And , you will be charged or have deducted from your investment \$0 in transaction costs
EQUALS Cost of iShares Growth (BR0104)		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: \$7 What it costs you will depend on the investment option you choose and the fees you negotiate.

Although no Exit Fee applies, the In-Specie Transfer Fee may apply.

***Additional fees apply.** Management fees and costs are payable by you as part of your participation in Spectrum. Further information relating to the fees and costs payable to Praemium for managing your interest in the Spectrum Managed Accounts is set out in the Spectrum IDPS Guide available with this PDS and on our website.

The Management fees and costs of the Spectrum Managed Accounts in the above example relate only to the Spectrum Managed Accounts and access to the accessible investments, and do not include the fees and costs that relate to investing in the accessible investments. Additional fees and costs will be charged by the issuers of the accessible investments that you decide to invest in. Your Nominated Representative can provide you with the current disclosure documents for the investments you are considering.

⁹ This example is based on an investment of \$50,000 and assumes that there is a constant account balance throughout the year.

¹⁰ Based on the minimum 1% cash held in your Spectrum Managed Accounts cash account.

Example of annual fees and costs for the Scheme and underlying investments

This table gives an example of how the ongoing fees and costs in the Scheme and selected underlying investments held through the Scheme can affect your investment over a one-year period. You should use this table to compare this product with other products offered by managed investment schemes.

EXAMPLE – iShares Growth (BR0104)		Balance of \$50,000 with a contribution of \$5,000 during year ¹¹
Contribution fees	Nil	For every additional \$5,000 you put in, you will be charged \$0.
PLUS Management fees and costs*	Cash Administration Fee¹² Up to 1.40% p.a. on cash holdings PLUS Investment Fee (charged in respect of iShares Growth (BR0104)) 0.05% Indirect Costs¹³ (charged in iShares Growth (BR0104)) 0.19%	And , for the \$50,000 you have in iShares Growth (BR0104), you will be charged or have deducted from your investment \$31.50 each year. And , an Investment Fee of \$25 And , Indirect Costs of \$95
PLUS Performance fees	0.00% p.a. (charged in iShares Growth (BR0104))	And , you will be charged or have deducted from your investment \$0 in performance fees each year
PLUS Transaction costs	0.06% p.a. (charged in iShares Growth (BR0104))	And , you will be charged or have deducted from your investment \$30 in transaction costs
EQUALS Cost of investing in a balanced investment option		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 of: <p style="text-align: center;">\$181.50</p> What it costs you will depend on the investment option you choose and the fees you negotiate.

*Additional fees apply. Management fees and costs are payable by you as part of your participation in Spectrum. Further information relating to the fees and costs payable to Praemium for managing your interest in the Scheme is set out in the Spectrum IDPS Guide available with this PDS and on our website.

¹¹ This example is based on an investment of \$50,000 and assumes that there is a constant account balance throughout the year.

¹² Based on a Model cash weighting of 4.50%.

¹³ This fee varies. For the Indirect Costs that apply to a particular Model Portfolio, refer to the Model Portfolios Menu.

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*
Spectrum Managed Accounts	\$7 ¹⁴
Spectrum Managed Accounts - iShares Growth (BR0104)	\$181.50 ¹⁵

***Additional fees apply. Management fees and costs are payable by you as part of your participation in Spectrum. Further information relating to the fees and costs payable to Praemium for managing your interest in the Spectrum Managed Accounts is set out in the Spectrum IDPS Guide available with this PDS and on our website.**

Additional explanation of fees and other costs

Fees and costs in addition to those outlined in this PDS will apply in relation to your investment in the Spectrum Managed Accounts through Spectrum. Such fees and costs will generally be deducted from your Spectrum Cash Operating Account. For information on the fees and other costs associated with your use of Spectrum and your Spectrum Cash Operating Account, please refer to the Spectrum IDPS Guide provided with this PDS and speak to your Nominated Representative.

Management fees and costs

Management fees and costs include fees and costs incurred by Praemium in managing your investments and costs associated with operating Spectrum, including custody, technology and administration costs and fees and costs charged by Model Portfolio Managers.

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

Whilst no Administration Fee is charged directly to your managed account, administration costs are payable by you as part of your participation in Spectrum. Further information relating to the fees and costs payable to Praemium for managing your interest in the Spectrum Managed Accounts is set out in the Spectrum IDPS Guide, available on our website.

Cash Administration Fee

Praemium has entered into an arrangement to deposit a portion of your cash in an omnibus account with ANZ, which attracts an interest rate on your cash holdings. The Cash Administration Fee is the fee Praemium charges for the additional tasks associated with managing your cash holdings in this way, including establishing your Spectrum Managed Accounts cash account 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 Spectrum Managed Accounts cash account and will not be deducted from your Spectrum Managed Accounts cash account.

Model Portfolio Managers' fees

Each Model Portfolio has its own separate fee structure, as agreed with the Model Portfolio's Manager. These fees may have multiple components, as set out in the Management Costs section of the 'Fees and costs summary' table: a base fee, referred to as the 'Investment Fee', an underlying indirect cost, referred to as the 'Indirect Costs' and a performance-based fee, referred to as the 'Performance Fee'. Individual Model Portfolios may charge none, one or all of these fees. These fees are charged on the percentage of your managed account that is linked to the Model Portfolio, including locked investments, and are calculated based on the daily value of your Model Portfolios.

Full details of the fees applicable to each Model Portfolio can be found in the profile in the Model Portfolios Menu.

Investment Fee

The Investment Fee represents the base fee component of the Model Portfolio Manager's Fee. This fee is calculated monthly in arrears based on the daily value of the particular Model Portfolio(s) selected and is not linked to performance of the Model Portfolio. It is deducted directly from your managed account and paid to the Model Portfolio Manager.

Indirect Costs

Indirect costs include costs which Praemium 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.

There are no indirect costs for investing in the Spectrum Managed Accounts, however, 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).

¹⁴ This cost of product information relates only to gaining access to the Model Portfolios made available via Spectrum Managed Accounts and does not include the fees and costs that relate to investing in those Model Portfolios.

¹⁵ This cost of product information relates to gaining access to iShares Growth (BR0104) made available via Spectrum Managed Accounts and includes the fees that relate to investing in iShares Growth (BR0104).

Fees and other costs

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. Refer to the disclosure document for the managed fund or ETP.

For the Indirect Costs that apply to a particular Model Portfolio, please refer to the Model Portfolios Menu.

Performance fees

A 'performance fee' is not payable for your investment in the Spectrum Managed Accounts, however, performance fees may be payable to a Model Portfolio Manager where the relevant Model Portfolio adds value over a benchmark. The benchmark may be an index, an amount in excess of an index, zero or a specified return (for example 2% or the RBA Cash Rate).

The value added for each Model Portfolio relative to the benchmark is calculated for each managed account each day of the performance period. Performance periods are calendar months unless otherwise stated in the profile in the Model Portfolios Menu.

If the total value added for the period is negative, no Performance Fee is payable, and this amount is carried forward to the next period. A Performance Fee is only paid at the end of the performance period if the total value added for the period, plus any value added or carried forward from previous performance periods, is positive. Value added for a Model Portfolio includes all dividends but excludes any franking credits unless otherwise stated (for details on which Model Portfolios include franking credits please see the profiles in the Model Portfolios Menu).

This means you will not pay a Performance Fee unless the total value added relative to the benchmark since inception for your managed account is higher than at the end of any previous performance period.

Some Model Portfolios may impose an additional condition, which is that a Performance Fee is only paid where the return of the Model Portfolio, after payment of Performance Fees (absolute return), is positive. Where the return of the Model Portfolio is negative, the Performance Fee otherwise payable is carried forward. For details on which Model Portfolios only pay a Performance Fee where there are positive returns, refer to the profiles in the Model Portfolios Menu.

The Performance Fee calculation is specific to each managed account, so for any particular Model Portfolio over a performance period, some managed accounts may be charged a Performance Fee while others are not, depending on the circumstances applicable to each investor's particular managed account. For example, the timing of when the managed account invested in a Model Portfolio will influence what, if any, Performance Fee is charged to the managed account in respect of its allocation to that Model Portfolio. For Performance Fee calculation purposes, we consider only the Model Portfolio's performance and the weighting of your managed account to the particular Model Portfolio. We ignore individual customisations and exclude the minimum cash component.

Examples of calculation of Performance Fee

The following examples are simplistic and for illustrative purposes only and may not reflect the actual Performance Fee charged. For details of the Performance Fee, benchmark and performance period applicable to each Model Portfolio, refer to the profile in the Model Portfolios Menu.

Example 1. Value added over a benchmark

Assume an amount of \$100,000 is invested for 12 months, and the Performance Fee is calculated annually.

If the Model Portfolio's return for the year is 25% and the benchmark return is 20% then the excess performance is 5% and the Performance Fee would be calculated as follows:

- investment return achieved is 25% of \$100,000 = \$25,000
- benchmark return is 20% of \$100,000 = \$20,000
- value added (excess performance above benchmark) is (\$25,000 - \$20,000) = \$5,000

If the Performance Fee is 25% of excess performance above benchmark, then the fee charged by the Responsible Entity would be 25% of \$5,000 = \$1,250.

If the Performance Fee is 10% of excess performance above benchmark, then the fee charged by the Responsible Entity would be 10% of \$5,000 = \$500.

Example 2. Value added over an amount in excess of a benchmark

Assume an amount of \$100,000 is invested for 12 months, and the Performance Fee is calculated annually.

If the Model Portfolio's return for the year is 25% and the benchmark return is 20% and the performance fee is based on the benchmark plus 2% then the excess performance is 25% - (20% + 2%) = 3% and the Performance Fee would be calculated as follows:

- investment return achieved is 25% of \$100,000 = \$25,000
- benchmark return plus 2% is (20% + 2%) of \$100,000 = \$22,000
- value added (excess performance above benchmark) is (\$25,000 - \$22,000) = \$3,000

If the Performance Fee is 25% of excess performance above the benchmark plus 2%, then the fee charged by the Responsible Entity would be 25% of \$3,000 = \$750.

If the Performance Fee is 10% of excess performance above the benchmark plus 2%, then the fee charged by the Responsible Entity would be 10% of \$3,000 = \$300.

Example 3. Performance must be greater than zero (absolute return)

Assume an amount of \$100,000 is invested for 12 months and the Performance Fee is calculated annually.

If the Model Portfolio's return for the year is -3% and the benchmark return is -5% then the excess performance is 2%. No Performance Fee would be payable as the Model Portfolio's return is less than 0%. However, the Performance Fee would be carried forward as follows:

- investment return achieved is -3% of \$100,000 = -\$3,000
- benchmark return is -5% of \$100,000 = -\$5,000
- value added (excess performance above benchmark) is (-\$3,000 - [-\$5,000]) = \$2,000

At the end of the next performance period \$2,000 will be added to the value added calculated for the new period. Though calculated daily the Performance Fees are assessed monthly, therefore you will only pay Performance Fees in respect of a Model Portfolio which added value over the month.

Transaction costs

Transaction costs cover our costs of buying and selling investments in your managed account, primarily brokerage but may include Government taxes, bank charges and stamp duty (if any). These costs are incurred when transactions are effected. Where transaction costs such as brokerage, Government taxes, bank charges and stamp duty are incurred in relation to more than one investor Account, they will be allocated pro rata across all affected investor Accounts.

Where for operational reasons there is insufficient cash for the settlement of a trade within the Spectrum Managed Accounts, an overdraft facility is available for which interest and other expenses may be charged. Interest expenses will be allocated on a pro-rata basis across all investor Accounts with a negative cash holding. This is intended as a short-term arrangement only.

A brokerage charge of approximately 0.099% is applied to trades in ASX listed securities. In addition, a settlement fee of \$0.55 per ASX listed security transaction will be deducted from your Spectrum Managed Accounts cash account.

For unlisted managed fund trading, Praemium does not charge any brokerage or settlement fee.

Fees on international security transactions

All international security trades in your managed account will incur brokerage, exchange specific taxes and duties, and currency conversion costs. A brokerage charge of approximately 0.1364% is applied to trades on all available international exchanges, and foreign exchange rates and spreads apply. In addition, a standard settlement fee of \$2.64 per international trade transaction will be deducted from your Spectrum Managed Accounts cash account.

In-Specie Transfer Fee

This is the amount that we deduct from your managed account each time you In-Specie transfer investments in or out of your managed account. The In-Specie Transfer Fee will be deducted from your managed account at the time the transfer request is received by us.

No fee is payable when Australian domiciled investments are transferred into your managed account, however a fee of \$29.00 per domestic stock or managed fund is charged when these are transferred out of your managed account. An In-Specie Transfer Fee of \$22.00 per stock will apply to direct international securities transferred in and an In-Specie Transfer Fee of \$44.00 per stock will apply to direct international securities transferred out of your managed account.

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 the Spectrum IDPS Guide and in this PDS may change from time to time. Praemium may vary the fees and costs and the Spectrum IDPS Guide and this PDS will be updated if the fees are changed. Praemium 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:

These are (inclusive of GST):

Administration costs:	up to 3.3% p.a.
Investment costs	
Management Fee:	up to 3.3% p.a.
Performance Fee:	up to 55% of out-performance of a benchmark

Model Portfolio Manager Service Fees

Where permitted by law, we may charge a service fee to Model Portfolio Managers whose Model Portfolios are available within the Spectrum Managed Accounts. These service fees are our reasonable costs relating to the services that we as the Responsible Entity provide to Model Portfolio Managers for the review, ongoing monitoring, management, maintenance, administration and compliance of the options available through the Spectrum Managed Accounts.

The fee is up to the greater of \$11,000 p.a. per Model Portfolio or 0.22% p.a. of the total funds invested that are linked to the Model Portfolio.

These service fees are paid to us directly from the investment manager and are not an additional cost to you.

Individual fee arrangements and service provider arrangements

Where permitted by law, we may enter into individual fee arrangements and/or service provider arrangements. We may pay some of our fees to 'wholesale investors' including 'professional investors' (as defined in the Corporations Act) so that in effect they pay lower overall fees. This is generally because they invest very large amounts of money in the Spectrum Managed Accounts.

We may also, at our discretion, enter into a variety of arrangements with service providers such as master trusts, managed discretionary account ('MDA') operators and investor directed portfolio services ('IDPS') operators which may involve us making payments to, and providing services to, these operators in return for the promotion of the Spectrum Managed Accounts.

Such payments may be one-off payments or on-going payments based on a percentage of funds under management. These payments are paid out of our fees and are not an additional cost to the investor. Further details on these payments (if any) may be obtained directly from your Nominated Representative, master trust, MDA operator or IDPS operator.

Additionally, we may provide alternative forms of remuneration which include professional development, sponsorship and entertainment to licensed financial advisers, dealer groups and master trusts, MDA operators or IDPS operators. Where such benefits are provided, they are payable by us and not an additional cost to you. We maintain a public register of alternative forms of remuneration in accordance with FSC/FPA Industry Code of Practice on Alternative Forms of Remuneration. Please contact us if you wish to inspect this register.

Differential Fees

In accordance with the Corporations Act, we may individually negotiate fees with investors classed as 'wholesale' or 'professional' investors.

We may also offer reduced fees to employees of the Responsible Entity and its related bodies corporate or come to different fee arrangements with different classes of interests.

The constitution allows for more than one class of interest to be issued and there are currently a number of classes on issue. For more information, please speak to your Nominated Representative or contact the Responsible Entity.

We cannot enter into individual fee arrangements with other investors unless otherwise permitted by law.

General information

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. The tax information set out below is a broad overview of the possible Australian income tax consequences for Australian Residents who invest through the Spectrum Managed Accounts.

Taxation of the Spectrum Managed Accounts

The Spectrum Managed Accounts is not taxed since all investments are beneficially held by investors directly in their separate managed account. You have a vested and indefeasible interest in your assets held through the Spectrum Managed Accounts. All income and gains on the investments and other assets in your managed account accrue directly to you.

Tax on Income

Depending on the types of investments made, your managed account can derive income in the form of dividends, interest, gains on the disposal of investments and other types of income. Generally speaking, such income is taxable, but tax credits (for example, franking credits or foreign income tax offsets) may be available to offset part or all of any resulting tax liability.

If you receive franking credits, your entitlement to use those credits to offset tax or obtain a refund of tax may be affected by your holding of the underlying investments which resulted in the credits. Generally speaking, you must hold the relevant investments at risk for more than 45 days (90 days for preference shares) to be entitled to the credit. Please see your tax adviser for further information, as some exceptions do apply. Tax reporting available online includes an estimate of the available tax credits in relation to your managed account.

Tax on Capital Gains

The disposal of investments in your managed account may result in a taxable gain or loss under the capital gains tax provisions of the Income Tax Assessment Act 1997 (Cth). These disposals may be triggered by the investment decisions of a Model Portfolio Manager or by you in the case of a withdrawal or switching (transferring) Model Portfolios.

A feature of the Spectrum Managed Accounts is that when you choose to move between Model Portfolios, your investments move with you to the extent that there is commonality between the Model Portfolios. This means that, where an investment is held in both your old and new Model Portfolio, there will be no sale or disposal of the investment in your managed account for capital gains tax purposes, to the extent that the holdings offset each other.

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

The Spectrum Managed Accounts allows you to manage your own capital gains tax affairs. For investments transferred into your managed account from outside the Separately Managed Accounts, your existing cost base can be maintained (usually where there is no change to the beneficial ownership). You can select the tax parcel accounting method which best suits your own circumstances, and you can adjust and amend the allocation method online as required, including after the trade has been completed.

Should a disposal result in a capital loss, the loss may be able to be offset against capital gains arising in that or subsequent years but is not permitted to be offset against other income. This includes gains or losses realised outside the Separately Managed Accounts; gains and losses are consolidated based on your overall tax position and are not isolated to or quarantined to your managed account.

In some cases (e.g. you are in the business of trading in investments), gains and losses on the disposal of some investments may be taxed on revenue account and not be subject to the capital gains tax rules. You should consult your tax adviser in this regard.

Foreign Investments

Foreign income (e.g. foreign dividends) may be subject to withholding tax in the country from which the income is derived. All foreign income and corporate action transactions are also converted from base currency to Australian dollars by the custodian. Generally speaking, this income will be taxable in Australia with a foreign income tax offset available for the foreign withholding tax paid.

Further information relating to tax is set out in the Spectrum IDPS Guide, available on our website.

Comparing investing via the Spectrum Managed Accounts to investing directly

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

Investing through Spectrum Managed Accounts	Investing directly in the investment
The investor is the beneficial owner of the investments, but they are registered in our name or any custodian that we appoint. Consequently, the investor does not automatically: <ul style="list-style-type: none"> - receive notices from the issuer of the underlying investments; or - have voting rights in relation to the underlying investments. 	The investor receives notices about the investments, including notices of meetings and annual reports, and retains full discretion to exercise voting rights.
The investor has online access to a single report consolidating the relevant information regarding the performance of underlying investments.	The investor receives reports and accounts from the issuer of each investment, not a single consolidated report.
The timing of payments, rate of return (due to fees or taxes payable), timing of distributions and price of investments may differ from those available to direct investors.	The investor receives direct payment, rate of return and pricing of investments.
The time to acquire or withdraw from an underlying investment may be delayed by Spectrum Managed Accounts administrative requirements.	Investments and withdrawals are made in accordance with the parameters of the particular investments.
A corporate action may impose a limit or cap on the number of entitlements per holding, which may result in an investor receiving fewer securities/units or a lesser entitlement than a direct investor.	The investor's entitlement under a corporate action is determined by their individual holding and is not affected by the holdings of others.
Generally, investors holding investments through the Spectrum Managed Accounts will not be able to access shareholder discount cards and other similar schemes.	The investor has full access to any shareholder discount schemes.

Issuer

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

As the Spectrum Managed Accounts is only available to persons who invest through Spectrum and have a Spectrum Account, this makes you an indirect investor in the Spectrum Managed Accounts. As a result:

- we, as the responsible entity of the Spectrum Managed Accounts, are not responsible for the operation of Spectrum or the interests that you hold directly through Spectrum; and
- you do not acquire the rights of a direct investor in the Spectrum Managed Accounts as such rights are granted to Praemium as the operator of Spectrum.

This means that you will not receive reports or statements from us including any periodic statements about indirect costs. Such information will instead be accessible through your Spectrum Account. For additional information on the reports and statements made available to you through your Spectrum Account, please refer to the Spectrum IDPS Guide which has been provided together with this PDS.

We authorise the use of this PDS as disclosure to indirect investors through Spectrum as well as prospective indirect investors.

Cooling-off rights

No cooling-off rights apply to your investments acquired through the Spectrum, including investments acquired in Model Portfolios available in the Spectrum Managed Accounts, even if you are a retail investor. If you change your mind about an investment after it has been made, you may incur fees and may have infrequent or limited redemption options.

Constitution

Our responsibilities and obligations as the Responsible Entity of the Separately Managed Accounts are governed by the Constitution for the Separately Managed Accounts, the Corporations Act and general trust law.

The Constitution contains a number of provisions relating to the rights, terms, conditions and obligations imposed on both investors and us. Your Nominated Representative will be able to obtain a copy of the Constitution for you from us free of charge on request.

The Constitution contains a provision that investors and all persons claiming through them are bound by the terms of the Constitution.

The main provisions which relate to your rights under the Constitution include:

- your absolute entitlement to the assets and cash credited to your managed account;
- your right to withdraw from the Separately Managed Accounts and what you are entitled to receive when you withdraw, or if the Separately Managed Accounts is wound up;

General information

- your rights to attend and vote at meetings of the Separately Managed Accounts – these mainly reflect the requirements of the Corporations Act which also deals with investor rights to requisition or call a meeting; and resolutions passed by a requisite majority at a meeting of investors are binding on all investors; and
- your ability to transfer or register investment interests (where accepted by us) over your managed account.

There are also provisions governing our powers and duties, some of which are discussed elsewhere in this PDS.

Other provisions include:

- when we can terminate the Separately Managed Accounts and what happens if we do. The Separately Managed Accounts will terminate 80 years less one day after it was established unless terminated earlier. We can terminate the Separately Managed Accounts by giving the required notice, and if we do, you share pro rata in the net proceeds from us selling the investments;
- our right to be paid by, or receive a benefit from, an incoming Responsible Entity, and not be required to account to investors for such payment or benefit;
- when we can amend the Constitution. Generally, we can only amend the Constitution where we reasonably believe that the changes will not adversely affect your rights as an investor. Otherwise the Constitution can only be amended if approved by special resolution at a meeting of investors;
- our right to refuse to accept application for interests without giving any reason;
- our right to determine minimum application, withdrawal and holding amounts and powers in support of these minimums;
- our ability to terminate your participation in the Separately Managed Accounts on 14 days' notice or if you breach any terms and conditions of the Separately Managed Accounts Constitution or your managed account;
- our right to deduct amounts you owe us from withdrawal proceeds; and
- our broad powers, including to act on properly authorised instructions, invest, and generally manage the Separately Managed Accounts.

In particular, your managed account will be credited with:

- all monies you pay into the Spectrum Managed Accounts;
- all other monies and assets that we receive from you or on your behalf;
- any investments acquired on your behalf; and
- such other amounts and assets that we determine to be appropriate to credit to your managed account.

Your managed account will be debited with:

- all monies paid out to you or your Nominated Representative;
- any monies required to settle an investment transaction for you;
- any monies required for the payment of fees, charges, expenses and taxes associated with your managed account or instructions;
- any assets disposed of on your behalf; and
- such other amounts as we determine to be appropriate to debit to your managed account.

In some circumstances we need not act on your instructions (such as where your managed account does not include sufficient funds or where it is impractical or impossible to do so – for instance when markets are closed or disrupted).

The Constitution provides that the liability of each investor is limited to its investment in the Separately Managed Accounts. An investor is not required to indemnify us or our creditors in respect of the Separately Managed Accounts. However, no complete assurance can be given in this regard as the ultimate liability of a member has not been finally determined by the courts.

All liabilities, which in our opinion are attributable to a particular investor or investor's Account, are to be satisfied either or both:

- from that investor's Account; and/or
- by you upon receipt of an invoice from Praemium.

No limitation of liability applies for such liabilities.

The Constitution also deals with our liabilities in relation to the Separately Managed Accounts and when they can be reimbursed to us out of the Separately Managed Accounts assets, for example, subject to the Corporations Act:

- we are not liable for acting in reliance and in good faith on professional advice;
- we are not liable to investors for any loss provided we did not act negligently, or we believed we acted in good faith in accordance with the law and the Constitution; and
- we can be reimbursed for all liabilities we incur in connection with the proper performance of our duties in respect of the Separately Managed Accounts.

Compliance Plan

We have lodged a Compliance Plan for the Separately Managed Accounts with ASIC. The Compliance Plan sets out the measures we will take to ensure we comply with the Corporations Act and the Constitution for the Separately Managed Accounts.

To oversee compliance with the Compliance Plan, we have established a Compliance Committee. The Compliance Committee is required to report breaches of the Constitution and the Corporations Act to the directors of the Responsible Entity and in some circumstances to ASIC.

Responsible Entity

Praemium is the Responsible Entity of the Spectrum Managed Accounts. Praemium holds AFSL No. 297956 which authorises it to operate the Spectrum Managed Accounts.

As the Responsible Entity we may, at our discretion, reject applications for membership of and investment in the Spectrum Managed Accounts.

We can retire as Responsible Entity on the provision of 30 days' notice, or we can be removed in accordance with the Corporations Act.

Custody

Praemium has appointed HSBC Bank Australia Limited (HSBC) as custodian for all domestic assets within the Separately Managed Accounts and J.P. Morgan Chase as custodian for all international asset holdings. We may change these custodians at our discretion from time to time. Whilst both custodians hold the legal title to respective assets and investments, investors retain the underlying beneficial interest.

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.

General information

Neither HSBC nor J.P. Morgan Chase have been involved in the preparation of this document or caused or otherwise authorised the issue of this document. 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 Spectrum Managed Accounts nor the repayment of capital or any particular rate of capital or income return.

Enquiries and complaints

If you have a complaint, you can either call Praemium on 1800 571 881 or write to our Complaints Handling Officer at Praemium, PO Box 322, Collins Street West, Melbourne VIC 8007; or send it by email to complaints@praemium.com.au. 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'). AFCA provides fair and independent financial services complaint resolution at no cost.

The AFCA contact details are:

Mail: GPO Box 3, Melbourne, Victoria, 3001

Telephone: 1800 931 678

Website: www.afca.org.au

Email: info@afca.org.au

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.

Privacy

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

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.

We may disclose information to related overseas entities for the purpose of providing internal support for our service and product offering. These entities are currently located in Armenia, the United States, the European Union, India and New Zealand and comply with Australian privacy requirements. We may also disclose your information to external parties on your behalf, such as your Nominated Representative. Unless otherwise provided by law, we will not retain personal information received via unsolicited third parties which is not relevant to, or directly related to, the operation of our business. Such information will be destroyed or deidentified as soon as reasonably practicable.

We may use your information on occasion, to advise you about other services or products offered by us or by Praemium Limited

and its related bodies corporate, but you may elect to stop receiving such information by giving us notice to that effect at any time by contacting support@praemium.com.au.

Please note that, in accordance with the requirements of the Anti-Money Laundering and Counter Terrorism Financing Act 2006 (Cth) ('the AML/CTF Legislation'), we may be requested to disclose your personal information to the Australian Transaction Reports and Analysis Centre (AUSTRAC).

You may contact our Privacy Officer on 1800 571 881 if you wish to update or request access to your information or if you have any queries regarding our Privacy Policy.

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 Spectrum and the Spectrum Managed Accounts.

We cannot accept an application to invest in Spectrum and the Spectrum Managed Accounts 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 Spectrum 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 Spectrum or the Spectrum Managed Accounts under an assumed name;
- any money used by you to invest in Spectrum or the Spectrum Managed Accounts 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 Nominated Representative

You can only invest in Spectrum and the Spectrum Managed Accounts through a Nominated Representative (generally your financial adviser) who is able to provide investment instructions to us on your behalf. Your Nominated Representative is integral to the operation and maintenance of your Spectrum Account. Your Nominated Representative 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 Spectrum and the Spectrum Managed Accounts, you agree to appoint your Nominated Representative as your agent for the purposes of operating your Spectrum Account and providing us with instructions in relation to your Spectrum Account.

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

We are required to verify the identity of your Nominated Representative and any agent appointed to act on behalf of an investor. We cannot proceed to act on the instructions of a Nominated Representative 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.

We will continue to act upon instructions from your Nominated Representative until we receive a written cancellation of the appointment. If you cancel the appointment and fail to appoint another Nominated Representative acceptable to us, we may terminate your participation in Spectrum and the Spectrum Managed Accounts by giving you 30 days' notice. Where we close your Spectrum Account, you can elect to have your investments in the Spectrum Managed Accounts 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.

For more information regarding your Nominated Representative (and if you cease to have a Nominated Representative) please refer to the Spectrum IDPS Guide available with this PDS and on our website and the Non-Advised Policy available free of charge on request.

Glossary

Adviser, Financial Adviser or Nominated Representative

means the person nominated by you on your Spectrum Application Form as your nominated representative and who is authorised by you to provide instructions to us and receive certain information and communications from us on your behalf.

Business Day means an ASX trading day.

Eligible Investment means any ASX listed CHESS-eligible security, any unlisted investment or other investment given prior approval by Praemium.

ETP means Exchange Traded Product, which is the family name for the group of products comprising exchange-traded funds (ETFs), managed funds and structured products.

Model Portfolios Menu means the list of Model Portfolios that are available for investment in the Spectrum Managed Accounts.

Minimum Cash Holding means the cash held in your managed account in addition to any cash held in the Model Portfolios.

Model Portfolio(s) means the investment model portfolio(s) offered under the Spectrum Managed Accounts that may be applied to your managed account.

Model Portfolio Manager(s) means the person(s) responsible for providing and administering the relevant Model Portfolio(s) for your managed account.

Nominated bank account means a bank account with an Australian domiciled bank.

Operator means Praemium Australia Limited ABN 92 117 611 784, AFSL No 297956 as Operator of Spectrum.

PDS means this Product Disclosure Statement, unless otherwise indicated.

Praemium, us, we or our means Praemium Australia Limited ABN 92 117 611 784, AFSL No 297956, the Operator of Spectrum and the Responsible Entity of the Spectrum Managed Accounts.

Spectrum means the IDPS which provides access to the Spectrum Managed Accounts.

Spectrum Application Form means the application form completed and submitted online which provides access to the Model Portfolios available through the Spectrum Managed Accounts.

Responsible Entity is Praemium Australia Limited.

Spectrum Managed Accounts means the registered managed investment scheme which is known as the Separately Managed Accounts ARSN 114 818 530.

your managed account means your interest in the Spectrum Managed Accounts that is issued under this PDS.

Important information

Issued by Praemium Australia Limited ABN 92 117 611 784 AFS Licence No 297956.

Contact

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