



# Bentham Wholesale Global Income Fund

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**Product Disclosure Statement**

Dated 27 April 2012

**Bentham Wholesale Global Income Fund**

ARSN 105 898 271

APIR CSA0038AU

**Responsible Entity**

Fidante Partners Services Limited

ABN 44 119 605 373

AFSL 320505

## About this Product Disclosure Statement (PDS)

This document provides information to help investors and their advisers assess the merits of investing in the Bentham Wholesale Global Income Fund (ARSN 105 898 271) (Fund). No other Fund is offered in this PDS. This PDS should be used to compare the Fund with other investment opportunities on offer. We strongly encourage you to read this document in full before making an investment decision.

In preparing this PDS we did not take into account your particular investment objectives, financial situation or needs. As investors' needs and aspirations differ, you should consider whether investing in the Fund is appropriate for you in light of your particular needs, objectives and financial circumstances. You may also wish to obtain independent advice, particularly about such individual matters as taxation, retirement planning and investment risk tolerance.

## Updated information

The information in this PDS is up-to-date at the time of preparation. However, some information and terms (see below) can change from time to time. If a change is considered materially adverse, we will issue a supplementary or new PDS.

For updated or other information about the Fund (such as performance), please consult your financial adviser, visit our website [www.fidante.com.au](http://www.fidante.com.au) or call our Investor Services team. We will also send unitholders a copy of any incorporated information and updated information free of charge upon request.

## Important notices

This PDS relating to the Fund is dated 27 April 2012 and is issued by Fidante Partners Services Limited (ABN 44 119 605 373, AFSL 320505) (**Fidante Partners**), we, us, our or the responsible entity). Fidante Partners is the responsible entity of the Fund and issuer of this PDS. Fidante Partners' ultimate parent is Challenger Limited (ABN 85 106 842 371) (Challenger Limited).

Fidante Partners has appointed Bentham Asset Management Pty Ltd (ABN 92 140 833 674, AFSL 356199) (**Bentham** or the **investment manager**) as the investment manager of the Fund.

Neither Fidante Partners, nor any other member of Challenger Limited, nor Bentham, guarantees the repayment of your capital or the performance of your investment or any particular taxation consequences of investing.

Fidante Partners authorises the use of this PDS as disclosure to investors and potential investors who wish to access the Fund either directly (**direct investors**) or through an IDPS operator (**indirect investors**).

This PDS may also be used for direct investment by IDPS operators. Please refer to 'Indirect investors' on page 27.

By investing in the Fund, you confirm that you have received a copy of the current PDS to which this investment relates, that you have read it and agree to the terms contained in it, and that you agree to be bound by the terms of the current PDS and the current constitution of the Fund (each as amended from time to time).

The offer or invitation to subscribe for units in the Funds under this PDS is only available to persons receiving this PDS (electronically or otherwise) in Australia and New Zealand and is subject to the terms and conditions described in this PDS.

This PDS has been prepared to comply with the requirements of the laws of Australia and New Zealand. The distribution of this PDS in jurisdictions outside of Australia and New Zealand may be restricted by law, and persons who come into possession of this PDS should seek their own advice on, and observe any, such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. This PDS does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. We reserve the right to withdraw the offer or invitation to subscribe for units and withdraw this PDS. New Zealand investors should read 'Important information for New Zealand investors' on page 32.

Fidante Partners reserves the right to change any terms and conditions with, in the case of an increase in fees, 30 days' notice, otherwise notice will generally be provided before, or as soon as practicable after, the change occurs. We reserve the right to withdraw the offer or invitation to subscribe for units and withdraw this PDS.

## Consent

Bentham has provided its consent to the statements about it in the form and context in which they are included. Bentham was not involved in the preparation and distribution of this PDS and is not responsible for the issue of this PDS, nor is it responsible for any particular part of this PDS, other than those parts that refer to it. Bentham has not withdrawn its consent before the date of this PDS.

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## Contact details

By phone	Investor Services team 13 51 53
By email	<a href="mailto:info@fidante.com.au">info@fidante.com.au</a>
By fax	02 9994 6666
By mail	Fidante Partners Reply Paid 86049 Sydney NSW 2001
Website	<a href="http://www.fidante.com.au">www.fidante.com.au</a>

# About Bentham

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Bentham Asset Management Pty Limited (**Bentham**) is a specialist fixed interest and credit investment manager. Bentham actively manages a number of high yielding funds with varying risk profiles. The portfolios are designed to generate income while diversifying risk in global credit markets. Bentham's goal is to deliver higher income to investors than can generally be achieved in traditional fixed interest and equity markets.

The founders of Bentham previously worked together as part of the Credit Investment Group of Credit Suisse Alternative Capital Inc. They are still managing the same portfolios.

Bentham's investment philosophy is based on a strong credit culture and a systematic investment process, with a focus on the preservation of principal and protection against downside risk.

For more information on Bentham, please visit their website [www.benthamam.com](http://www.benthamam.com).

## About the responsible entity

Fidante Partners is the responsible entity of the Fund. As responsible entity, we issue units in the Fund and are legally responsible to the unitholders of the Fund for its operation. All correspondence pertaining to your investment will be issued by Fidante Partners and you should contact Fidante Partners with any queries regarding your investment.

Fidante Partners has appointed Bentham as the investment manager of the Fund. We provide back office, marketing, distribution, administration and compliance support services to Bentham, giving it the freedom to focus on investing and managing the assets of the Fund.

A related entity of Fidante Partners has a partial equity stake in Bentham.

# Features at a glance

		See section
<b>Minimum transaction and balance requirements<sup>1</sup></b>		
Initial investment	\$10,000 or \$1,000 when a Regular Savings Plan is established	‘Making, withdrawing and monitoring your investment’ on pages 17 to 23.
Additional investment	\$1,000	
Regular Savings Plan	\$100 per month (with an initial investment of \$1,000)	
Minimum withdrawal	\$100 per month (with an initial investment of \$1,000)	
Minimum balance	\$10,000 or \$1,000 with a Regular Savings Plan	
Indirect investors	If you are an indirect investor, you need to comply with any minimum transaction and balance requirements of your IDPS operator.	
<b>Fees and other costs<sup>2,3</sup></b>		
Contribution fee	Nil	‘Fees and other costs’ on pages 12 to 16.
Withdrawal fee	Nil	
Management fee	0.72% p.a. of the net asset value of the Fund.	
Estimated reimbursable expenses	0.05% p.a. of the net asset value of the Fund.	
Abnormal expenses	Under the constitution of the Fund, we may recover any abnormal expenses (such as the costs of unitholder meetings) from the Fund.	
Transaction costs	The Fund may be reimbursed for transaction costs incurred from trading in the Fund’s portfolio (such as settlement costs) from the Fund.	
Buy/sell spread	+0.45%/–0.45% per transaction. This amount may change if the estimate of the underlying transaction costs changes (see page 13).	
Risks of investing in the Fund	A degree of risk applies to all types of investments, including investments in this Fund. The significant risks are described on pages 5 to 8.	
<b>Making and withdrawing your investment</b>		
Investment and withdrawing	Generally, you can invest or withdraw at any time subject to certain limits in the Fund’s constitution and this PDS (refer to pages 17 to 23).	‘Making, withdrawing and monitoring your investment’ on pages 17 to 23.
Transaction cut-off times	Valid transaction requests must be received by us prior to 3.00pm Sydney time to be processed that day and withdrawal requests will usually be paid within five business days.	
<b>Distribution payments</b>		
Frequency	Monthly; however, there may be periods in which reduced or no distributions are paid and we do not guarantee any level of distributions.	‘Additional information’ on pages 26 to 29.
Payment methods	Reinvested into the Fund as additional units or paid to your nominated account. For indirect investors, distributions will be paid to your IDPS operator as soon as practicable after the end of the quarterly distribution period.	
<b>Valuations and pricing</b>		
Valuing the Fund’s assets	The Fund’s assets are usually valued each NSW business day.	‘Additional information’ on pages 26 to 29.
Unit pricing	Unit prices are usually calculated each NSW business day.	
<b>Investor reporting</b>		
Transaction confirmations	We generally send transaction confirmations for investments and withdrawals.	‘Making, withdrawing and monitoring your investment’ on pages 17 to 23.
Regular reporting	We send quarterly periodic statements as at 31 March, 30 June, 30 September and 31 December with details of transactions and any income distributions.	
Annual tax reporting	We send an annual tax statement.	

<sup>1</sup> We may, at our discretion, accept lower minimum transaction and balance amounts.

<sup>2</sup> For certain wholesale clients (as defined in the Corporations Act 2001) we may, at our discretion, negotiate, rebate or waive all or part of our fees. Please refer to ‘Can fees be different for different investors?’ on page 14.

<sup>3</sup> Unless otherwise stated, all fees and costs are quoted inclusive of any Goods and Services Tax (GST) and net of any reduced input tax credits (RITCs) at the prescribed rate, which is currently 75%. However, the Government proposes to reduce the RITC rate to 55% for certain services from 1 July 2012, which may result in a minor increase in the net cost of some fees from that date. Please refer to ‘Government charges and GST’ on page 14 for more information. Fees stated may be rounded to two decimal places.

# Benefits of investing in the Fund

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## Significant features

- Investments are actively managed with allocations across different credit sectors with a focus on generating stable investment income.
- The Fund aims to minimise credit risk and focus on capital preservation. It offers a high diversity of investments which would otherwise be difficult to achieve without access to global markets and an institutional sized portfolio.
- A global focus provides more investment opportunities and diversity when compared with domestic fixed income markets.
- An objective to outperform the UBSA Composite Bond Index and UBSA Bank Bill Index over three years.

Refer to 'How we invest your money' on pages 9 to 11 for more information on the Fund's investments.

## Significant benefits

- The Fund allows access to investment opportunities and diversification that individual investors usually cannot achieve on their own.
- The Fund offers access to investment professionals who specialise in domestic and global credit markets.
- The Fund generally pays distributions monthly.
- You may access up-to-date information on your account 24 hours a day, seven days a week through InvestorOnline, a secure online service. You will also receive regular information about your investment including quarterly periodic statements and annual tax statements. Transaction statements showing all transactions for a specific period can be requested at any time.
- The way in which the Fund operates, including the rights, responsibilities and duties of the responsible entity and unitholders, is governed by a constitution together with the Corporations Act and other laws.

# Risks of managed investment schemes

All investments carry risk. Different strategies carry different levels of risk depending on the assets that make up the strategy. Generally, assets with the potential for the highest long-term returns may also carry the highest level of short-term risk.

When investing in a managed investment scheme, it is important to note that the value of assets in the managed investment scheme and the level of returns will vary. No return is guaranteed. Future returns may differ from past returns and investors may lose some of their money invested. Additionally, laws (including tax laws) that affect registered managed investment schemes may change

in the future which may have an adverse effect on the returns of managed investment schemes.

Your level of acceptable risk will vary compared to other investors' risk appetites and depends on a range of factors such as your age, your investment timeframe, how comfortable you feel about exposing your investment to risk, the nature and size of other investments you hold and the extent to which the Fund fits into your overall financial plan and investment goals.

The table below explains the significant risks associated with investing in the Fund. You should consult your financial adviser before making a decision to invest.

## Significant risks of investing in the Fund

Risk	Explanation
<b>Counterparty risk</b>	The risk that the other party to a contract (such as a derivatives contract, physical security trade or foreign exchange contract) fails to perform its contractual obligations either in whole or part.
<b>Credit risk</b>	<p>The risk that the issuer of the securities in which the Fund may invest may not meet its obligations in full and/or on time to pay interest and repay capital or other financial obligations. Causes of such a failure include an issuer encountering financial difficulties such as insolvency.</p> <p>Credit risk is generally considered to be lower with investment grade credit quality fixed income securities. Fixed income securities rated below investment grade credit quality generally have a higher risk of default. Emerging markets debt is generally below investment grade and usually has a higher risk of default.</p> <p>Bentham therefore monitors, on an ongoing basis, the financial position of issuers whose securities are held by the Fund.</p>
<b>Currency risk</b>	<p>The Fund can invest in securities outside Australia which are valued in currencies other than Australian dollars. A change in the value of these currencies relative to the Australian dollar can therefore affect the value of the investment. For example, a rise in the Australian dollar relative to other currencies may negatively impact the value of the investment. Conversely, a decline in the Australian dollar relative to other currencies may positively impact the value of the investment.</p> <p>Bentham adopts currency management strategies such as currency hedging in an aim to reduce, or remove completely, the impact of these currency movements on the value of the investment. However, it should be noted that such hedging strategies will also reduce the potential for increased gains where the value of that currency increases relative to the Australian dollar.</p> <p>Please refer to 'Currency strategy' on page 10 for information on Bentham's currency management strategy.</p>

Risk	Explanation
<b>Derivative risk</b>	<p>The value of a derivative is linked to the value of an underlying asset and can be highly volatile. While the use of derivatives offers the opportunity for higher gains, it can also increase losses to the Fund.</p> <p>Risks associated with using derivatives might include the value of the derivative failing to move in line with that of the underlying asset, potential illiquidity of the derivative, the Fund not being able to meet payment obligations as they arise and the risk that the other party with whom the derivative contract is held will fail to perform its contractual obligations (known as 'counterparty risk').</p> <p>Bentham does not intend to gear the Fund through the use of derivatives.</p> <p>Bentham aims to keep derivative risk to a minimum by:</p> <ul style="list-style-type: none"> <li>• constantly monitoring the Fund's use of derivatives;</li> <li>• aiming to ensure the Fund keeps sufficient liquid assets to meet all obligations, costs, liabilities and potential losses associated with derivatives; and</li> <li>• entering into derivative contracts with reputable counterparties.</li> </ul>
<b>Equity securities risk</b>	<p>The value of an equity security in a company (known as a share) may be affected by market sentiment and other factors that may impact the performance of the actual company.</p> <p>Investing in shares of a company will expose an investor to many of the risks to which the individual company is itself exposed. They include such factors as changes in management, actions of competitors and regulators, changes in technology and market trends.</p> <p>Share markets tend to move in cycles, and the individual share price of a security may fluctuate.</p> <p>Such risk is considered by Bentham through its investment process and managed by maintaining a diversified portfolio of securities in Australian companies.</p> <p>Investment returns from international shares are also affected by exchange rate fluctuations. The currency exposure from the Fund's international equity investments may be hedged or partially hedged into the Australian dollar.</p>
<b>Fixed interest securities and credit investment risk</b>	<p>Fixed interest securities are affected by many of the risks outlined in this section such as interest rate risk and credit risk. The impact of interest rate risk will largely depend on the term to maturity of the security. Refer to 'Interest rate risk' for more information.</p> <p>Credit risk is generally considered to be low with investment grade fixed income securities. Refer to 'Credit risk' for more information.</p> <p>The value of a security and cash flows can also be affected by:</p> <ul style="list-style-type: none"> <li>• changes in the security's credit risk premium;</li> <li>• ratings upgrades or downgrades by ratings agencies (e.g. when a borrower's financial position has improved or deteriorated);</li> <li>• defaults (i.e. when a borrower fails to pay interest or principal when it is due); and</li> <li>• recovery risk (the severity of the capital loss incurred as a result of a default).</li> </ul>

Risk	Explanation
<b>Fixed interest securities and credit investment risk (continued)</b>	<p>Investment returns from international bonds (and related derivatives) are also affected by fluctuations in exchange rates. Foreign currency exposure may be hedged to the Australian dollar (refer to 'Currency strategy' on page 10).</p> <p>A further risk relevant to fixed interest securities is 'prepayment risk' where certain debt securities can be prepaid at the option of the issuer. There is no assurance that proceeds received from a prepayment can be invested in similar securities generating the same level of return.</p>
<b>Fund risk</b>	<p>Fund risk refers to specific risks associated with the Fund, such as termination and changes to fees and expenses. We may close the Fund to further investments if, for example, we consider it appropriate given the investment objective and investment strategy of the Fund. We may also terminate the Fund by notice to unitholders.</p> <p>Your investment in the Fund is governed by the terms of the constitution of the Fund and the PDS, each as amended from time to time, the Corporations Act and other laws.</p> <p>The value or tax treatment of an investment in the Fund or its underlying assets, or the effectiveness of the Fund's trading or investment strategy may also be adversely affected by changes in government policies (including taxation), regulations and laws, or changes in generally accepted accounting policies or valuation methods. Such changes could also make some investors consider the Fund to be a less attractive investment option than other investments, prompting greater than usual levels of withdrawals, which could have adverse effects on the Fund.</p> <p>There is also a risk that investing in the Fund may give different results from holding the underlying assets of the Fund directly because of:</p> <ul style="list-style-type: none"> <li>• income or capital gains accrued in the Fund at the time of investing; and</li> <li>• the consequences of investment and withdrawal decisions made by other investors in the Fund; for example, a large level of withdrawals from the Fund may lead to the need to sell underlying assets which would potentially realise income and/or capital gains.</li> </ul> <p>We aim to manage these risks by monitoring the Fund and acting in investors' best interests. In the event of winding up the Fund, we will realise all of the Fund's assets which will generally result in the crystallisation of tax positions (both income and capital) at that time.</p>
<b>Interest rate risk</b>	<p>Changes in interest rates can directly and indirectly impact investment values and returns. For example, an increase in a jurisdiction's official interest rates can result in a fall in the value of fixed interest securities, while a decrease in official interest rates can result in an increase in value. Changes in interest rates may also affect the value of Australian and international equities and the value of property securities. The risk increases as the term of the investment increases.</p>

Risk	Explanation
<b>Liquidity risk</b>	<p>If a security is not actively traded, it may not be readily bought or sold without some adverse impact on the price paid or obtained. Securities that may be less liquid include direct property assets and certain debt instruments in which the Fund may invest or to which it may have exposure. Bentham aims to manage this through its investment process and by carefully managing the sale and purchase of the Fund's assets.</p> <p>If an investor, or a group of investors, in the Fund with exposure to less liquid assets seeks to make large withdrawals, then selling assets to meet those withdrawals may result in a detrimental impact on the price we receive for those assets. In certain circumstances we may be required to suspend withdrawals (refer to 'Withdrawal risk') to allow sufficient time for a more orderly liquidation of assets to meet the withdrawals.</p>
<b>Market risk</b>	<p>The value of a security may be influenced by the condition of investment markets (e.g. domestic and global share markets and bond markets etc.), as well as the economic state of particular regions or the returns of other asset classes.</p> <p>Investment markets are impacted by broad factors such as economic conditions including interest rates, the availability of credit, political environment, investor sentiment, global markets and significant external events (e.g. natural disasters).</p> <p>Often assets from less developed regions or markets display higher levels of volatility of investment return than assets in mature markets.</p>
<b>Withdrawal risk</b>	<p>If a situation occurs where the assets that the Fund invests in are no longer able to be readily bought and sold, or market events reduce the liquidity of a security or asset class, there is a risk that the generally applicable timeframe of five business days for meeting withdrawal requests may not be able to be met.</p> <p>This is because it may take longer to sell these types of investments at an acceptable price. In this case, withdrawals from the Fund may take significantly longer than the generally applicable timeframe.</p> <p>The maximum timeframe in which we, as responsible entity, have to meet a withdrawal request is set out in the constitution of the Fund. Where the Fund is not liquid (as defined in the Corporations Act 2001), you may only withdraw when we make an offer to withdraw to all investors, as required by the Corporations Act 2001. Please refer to 'Additional information about withdrawing your investment' on pages 20 and 21 for further information about an investor's ability to withdraw when the Fund is liquid, including the timeframes, and an investor's ability to withdraw if the Fund is not liquid.</p>

# How we invest your money

<b>Investment return objective</b>	The Fund aims to provide exposure to global credit markets and to generate income with some potential for capital growth over the medium to long term. The Fund aims to outperform its composite benchmark over the suggested minimum investment timeframe.
<b>Minimum suggested investment timeframe</b>	At least three years
<b>Benchmark</b>	50% UBSA Composite Bond Index 50% UBSA Bank Bill Index
<b>Risk level</b>	<b>Medium</b> – The Fund offers the potential for favourable returns over the long term with some income but could potentially exhibit moderate levels of volatility over the short to medium term.
<b>Description of the Fund</b>	<p>The Fund is managed by Bentham who seeks to provide a diversified exposure to domestic and global credit markets with a focus on generating stable investment income.</p> <p>The Fund is intended to be suitable for investors seeking to invest for at least three years, with a preference for stable income with minimised risk of capital loss. Definitions of the important investment terms are provided in the 'Glossary' on pages 30 and 31.</p> <p><b>Investment approach</b></p> <p>The Fund is actively managed and focused on generating stable investment income by providing a diversified exposure to domestic and global credit markets while managing interest rate risk and currency risk.</p> <p>Bentham seeks to add value through actively managing allocations across different credit sectors, trading of individual securities and managing its interest rate and currency risk.</p> <p>Bentham manages the Fund on a top-down basis. Active asset allocations are made according to quarterly forecasts of prospective risk-adjusted returns across a range of credit sectors. Drawing on a combination of both experience and strong relationships with specialist investment managers, Bentham seeks out and identifies global investment opportunities in credit markets with the aim to generate income with some potential for capital growth.</p> <p>Bentham utilises a bottom-up analysis to select individual investments based on credit fundamentals and market information.</p> <p>The Fund must maintain a minimum investment of 50% in investment grade rated securities. Bentham aims to minimise credit risk with a focus on capital preservation and a high diversity of investments which would otherwise be difficult to achieve without access to global markets.</p>

<b>Description of the Fund continued</b>	<b>Investment universe and portfolio construction</b>		
	<p>The Fund invests in global credit and fixed interest markets. The Fund's investments include, but are not limited to, Australian and global hybrid securities, global high yield bonds, global syndicated loans, investment grade securities, global capital securities, asset backed securities, equities and derivatives.</p>		
	<p>The Fund uses derivatives as a risk management tool, including currency swaps, interest rate swaps and credit default swaps. The final portfolio reflects Bentham's rigorous fundamental approach to credit portfolio management. Portfolio construction guidelines promote diversification and credit quality by limiting the maximum portfolio exposure to any single non-investment grade security to 2% of the net asset value of the Fund. The Fund has a minimum exposure of 50% in investment grade securities.</p>		
	<p>The Fund may have a net short credit exposure which is not to exceed 35% of the portfolio. The Fund may have up to 10% physical exposure to equity securities and a net portfolio equity delta of 0.3.</p>		
	<b>Currency strategy</b>		
	<p>Bentham aims to fully hedge any foreign currency exposure back to the Australian dollar. Please refer to 'Currency risk' on page 5 for additional information.</p>		
<b>Strategic asset allocation ranges</b>	<b>Asset class</b>	<b>Min (%)</b>	<b>Max (%)</b>
	Australian hybrids	0	50
	Global hybrids (global/Euro convertible bonds)	0	40
	Global loans (including syndicated loans)	0	50
	Global high yield bonds	0	30
	Investment grade credit (including global corporate bonds and asset backed securities)	0	75
	Cash	0	30
	<p>These ranges are based on net exposures and may vary in accordance with hedging.</p>		
<b>Labour standards or environmental, social or ethical considerations</b>	<p>Generally, in buying, retaining or selling underlying investments, neither we, nor Bentham, take into account labour standards or environmental, social or ethical considerations. However, to the extent that we, or Bentham, believe those matters may affect the value or performance of an underlying investment, they may be considered. Neither we, nor Bentham, have a predetermined view as to what constitutes a labour standard or environmental, social or ethical consideration as these will be determined on a case-by-case basis.</p>		
<b>Changes to investment policy</b>	<p>The constitution of the Fund permits a wide range of investments and gives us, as responsible entity, broad investment powers. We may change the investment manager and/or vary the investment objectives, strategies, benchmarks, asset allocation ranges and processes of the Fund. We will give unitholders written notice of any material variation which we believe they would not have reasonably expected.</p>		

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## Borrowings

While the Fund's constitution allows for borrowing, Bentham will generally not borrow on behalf of the Fund, except from time to time to cover short-term cash flow needs or if emergency or extraordinary situations arise.

Borrowings may be from a variety of sources, including related entities. Where funds are borrowed from related entities, the terms are set on a commercial and arm's length basis.

The availability and terms of borrowings are subject to the market for borrowings (including market conditions in debt and other markets) and therefore borrowings may not always be available. Lenders may refuse to provide borrowings, renew an existing borrowing facility or refuse to renew on commercially acceptable terms. This may be for reasons specific to the Fund or due to market-wide events.

We may change the lending financial institution (if any) from time to time and may also seek to vary the terms of any borrowing facility where we believe this is in the best interests of unitholders.

## Derivatives

The term 'derivative' is used to describe any financial product that has a value that is derived from another security, liability or index.

The Fund may, at times, invest in or obtain exposure to derivatives, such as futures and options, interest rate swaps, currency hedging and credit default swaps.

The Fund's constitution permits the use of derivatives; however Bentham does not intend to gear the Fund through the use of derivatives. If market movements, investments into or withdrawals from the Fund, or changes in the nature of an investment, result in the Fund being geared through derivatives, this will be addressed by Bentham or us as soon as reasonably practicable. Where the Fund uses derivatives, Bentham aims to manage the Fund so as to keep sufficient liquid assets in the Fund to meet all obligations associated with the derivatives.

Derivatives will be used to gain exposure when they offer a more cost-effective way of purchasing the underlying security. Derivatives can be used to implement investment decisions, including hedging, and as a risk management tool (such as managing the effect of interest rate or foreign currency movements). They may also be used to adjust or implement investment decisions and to gain, or avoid, exposure to a particular market rather than purchasing physical assets.

The use of derivatives may expose the Fund to certain risks. Please refer to 'Derivative risk' on page 6 for more information.

## Asset allocation ranges

The Fund gains exposure to various investment markets and asset classes by investing into direct assets and/or indirectly via managed funds. Any reference to assets or investments held by the Fund may include assets held by the underlying fund and not held directly. References to asset allocations are references to the exposure of the Fund, not necessarily the physical unit or security held.

Page 10 shows indicative asset allocations for the Fund. If market movements, investments into, or withdrawals from, the Fund, or changes in the nature of an investment, cause the Fund to exceed the indicative asset allocations, or a limit set out in this PDS, this will be addressed by us or Bentham as soon as reasonably practicable.

## Making investments directly or indirectly

The Fund may make investments directly or indirectly by investing in other funds (including funds related to, or managed by, a related entity) that have investment objectives and authorised investments that are consistent with the Fund. This structure helps to minimise transaction costs and can enhance diversification.

# Fees and other costs

## Consumer advisory warning

### Did you know?

Small differences in both investment performance and fees and costs can have a substantial impact on your long-term returns. For example, total annual fees and costs of 2% of your fund balance rather than 1% could reduce your final return by up to 20% over a 30-year period (for example, reduce it from \$100,000 to \$80,000). You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs. You may be able to negotiate to pay lower contribution fees and management costs where applicable. Ask the fund or your financial adviser.

### To find out more

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

This table 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 Fund assets as a whole. Taxes are set out under 'How managed investment schemes are taxed' on pages 24 and 25. You should read all the information about fees and costs because it is important to understand their impact on your investment.

Type of fee or cost	Amount	How and when paid
<b>Fees when your money moves in or out of the Fund<sup>1</sup></b>		
<b>Establishment fee:</b> The fee to open your investment	Nil	Not applicable
<b>Contribution fee:</b> The fee on each amount contributed to your investment	Nil	Not applicable
<b>Withdrawal fee:</b> The fee on each amount you take out of your investment	Nil	Not applicable
<b>Termination fee:</b> The fee to close your investment	Nil	Not applicable
<b>Management costs<sup>2,3,4</sup></b>		
<b>Management costs:</b> The fees and costs for managing your investment		Management costs include the management fee and reimbursable expenses both expressed as a percentage of the net assets of the Fund. The amounts quoted do not include any abnormal expenses that may be charged.
<ul style="list-style-type: none"> <li>Management fee</li> </ul>	0.72% p.a.	The management fee and reimbursable expenses are deducted from the Fund's assets, accrued daily and paid monthly in arrears.
PLUS		
<ul style="list-style-type: none"> <li>Estimated reimbursable expenses</li> </ul>	0.05% p.a.	
<b>Service fees<sup>5</sup></b>		
<b>Investment switching fee:</b> The fee for changing investment options	Nil	Not applicable

<sup>1</sup> An allowance for transaction costs will apply to investments into, and withdrawals from, the Fund (refer to 'Buy/sell spreads' on pages 13 and 14 for more information).

<sup>2</sup> Unless otherwise stated, all fees and costs quoted in this document are quoted inclusive of Goods and Services Tax (GST) and net of any reduced input tax credits (RITCs) at the prescribed rate, which is currently 75%. However, the Government proposes to reduce the RITC rate to 55% for certain services from 1 July 2012, which may result in a minor increase in the net cost of some fees from that date. Please refer to 'Government charges and GST' on page 14. Fees stated may be rounded to two decimal places.

<sup>3</sup> For certain wholesale clients (as defined in the Corporations Act 2001) we may, at our discretion, negotiate, rebate or waive all or part of our fees. Please refer to 'Can fees be different for different investors?' on page 14.

<sup>4</sup> Please refer to 'Additional explanation of fees and costs' on pages 13 to 15 for more information on management costs.

<sup>5</sup> Please refer to 'Adviser remuneration' on pages 14 and 15 for information on additional fees that may be paid to your financial adviser.

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## Additional explanation of fees and costs

### Management costs

The total management costs for the Fund, also known as the Indirect Cost Ratio (ICR), comprise the additional fees or costs that an investor incurs by investing in the Fund rather than investing directly in the underlying assets.

Management costs include the management fee, reimbursable expenses and abnormal expenses. They do not include the transaction costs (i.e. buy/sell spreads) or other costs that an investor would ordinarily incur when investing directly in the underlying assets. Management costs are payable from the Fund's assets and are not paid directly from your account.

Management costs quoted are based on current financial information. For details of the maximum fees permitted under the constitution of the Fund, please refer to 'Can fees change' on page 15.

### Management fee

This is the fee charged for managing the investments, overseeing the Fund's operations and providing access to the Fund. This fee includes fees paid to external service providers and other expenses, but excludes buy/sell spreads and transaction costs. The management fee is calculated daily as a percentage of the net asset value of the Fund and payable monthly in arrears.

### Reimbursable expenses

Under the constitution of the Fund, we are entitled to recover costs incurred in the performance of our duties as responsible entity of the Fund and in the administration and management of the Fund. These reimbursable expenses include charges, fees, expenses, commissions, liabilities and losses associated with the Fund.

The estimated reimbursable expenses are based on the current reimbursable expenses charged for the Fund. This amount is not an indication or guarantee of the amount that may be charged in the future. Reimbursable expenses, and therefore total management costs, may vary each year.

### Abnormal expenses

We may recover abnormal expenses (such as costs of unitholder meetings, changes to the Fund's constitution and defending or pursuing legal proceedings) from the Fund. The management costs set out in the table on page 12 do not include any abnormal expenses. Whilst it is not possible to estimate such expenses with certainty, we anticipate that the events that give rise to such expenses will not occur regularly. In circumstances where such events do occur, we may decide not to recover these abnormal expenses from the Fund.

### Buy/sell spreads

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

The buy/sell spread for the Fund is stated as a percentage of the net asset value of the Fund and is the difference between the investment unit price and the withdrawal unit price. It reflects an estimate of the transaction costs expected to be incurred in buying and selling the Fund's assets as a result of investments and withdrawals made by investors.

This estimate may take into account factors such as (but not limited to) historical transaction costs and anticipated levels of investments and withdrawals. It is expected that brokerage will make up the vast majority of transaction costs.

The current buy/sell spread of the Fund is +0.45%/-0.45%; however, a different buy/sell spread may apply if the estimate changes.

We have discretion to waive or reduce the transaction costs on investments or withdrawals where no, or reduced costs, are incurred. We will provide notification to unitholders of any changes to buy/sell spread transaction costs on our website.

Please note that while the buy/sell spread is an additional cost to you, it is not a fee paid to us or Bentham. It is paid to the Fund and is reflected in the Fund's unit prices.

### **Buy/sell spread example**

- The current buy spread on an investment in the Fund is 0.45%. Therefore, the cost of an investment of \$50,000 into the Fund would be \$225.
- The current sell spread on a withdrawal from the Fund is 0.45%. Therefore, the cost on a withdrawal of \$50,000 from the Fund would be \$225.

Please note that this is just an example. In practice, actual transaction costs will depend on the amount you invest or withdraw.

### **Can fees be different for different investors?**

Yes; we may negotiate, rebate or waive fees for wholesale clients (as defined in the Corporations Act 2001). We do not negotiate fees with retail investors.

### **Borrowing costs**

Borrowing costs are the costs associated with borrowing money or securities. The Fund may enter into borrowing facilities and, if so, the costs of a borrowing facility would be deducted from the Fund and not paid for by us from the fees we receive. They would therefore increase the management costs of the Fund.

### **Government charges and GST**

Government taxes such as stamp duty and Goods and Services Tax (GST) may apply to the Fund or your investment. Unless otherwise stated, all fees and costs are quoted inclusive of any GST and net of reduced input tax credits (RITCs) that are expected to be available to the Fund.

Fees and costs are quoted on the basis that RITCs are available at the prescribed rate, which is currently 75%. On 13 January 2012, the Federal Government announced proposed changes to the RITC rules to take effect from 1 July 2012 under which the rate of RITC would remain at 75% for limited categories of services but would

be reduced to 55% for other services. If implemented, this may increase the net cost of some fees and costs disclosed in this PDS, which have been calculated on the basis that RITCs are available at the current rate of 75%. Please refer to 'How managed investment schemes are taxed' on pages 24 and 25 for additional information on GST.

### **Commissions and other payments**

We may pay fees from our resources to some investor directed portfolio service (IDPS) operators because they offer the Fund on their investment menus. These fees may be rebated to the indirect investor investing in the Fund through the IDPS operator or retained by the IDPS operator and include:

- for each IDPS operator, product access payments of up to \$8,250 p.a.; and/or
- fund manager payments of up to 0.55% p.a. of the amount invested by the IDPS operator in the Fund.

If we do pay fees, we will pay them from our own resources so that they are not an additional cost to the Fund or its unitholders. These amounts are current at the date of this document.

### **Adviser remuneration**

#### **Indirect (or alternative form) remuneration**

We may pay fees or provide other financial assistance (for seminars, client mailings, co-operative advertising, postage etc.) to other financial services intermediaries. These may be a fixed dollar amount or a percentage of the funds invested. If we do, we will make these payments from our own resources so that they are not an additional cost to the Fund or its investors.

We maintain a register (in compliance with the FSC/FPA Industry Code of Practice on Alternative Forms of Remuneration) summarising alternative forms of remuneration that are paid or provided to Australian Financial Service Licensees and/or their representatives. Registers are maintained by all members of the Financial Services Council and the Financial Planning Association.

This includes fund managers, platform providers, representatives and licensees. Registers are publicly available and if you would like to review our register, please contact our Investor Services team.

### Additional adviser service fees

You and your financial adviser may agree that you will pay your financial adviser an additional fee. The adviser service fee may be an amount of up to 1.1% p.a. of your account balance, negotiated with your financial adviser and to be calculated and paid on a monthly basis. This fee is not paid from the Fund. You and your financial adviser may agree to this fee being deducted from your account for the provision of ongoing services in relation to your investment. Where you agree to pay your financial adviser an adviser service fee, you also authorise us to withdraw units you hold in the Fund to pay this fee to your financial adviser on your behalf. There may be capital gain or capital loss consequences on the withdrawal.

We will not deduct the adviser service fee if your balance in the Fund is less than \$1,000.

### Additional adviser service fee example

If your account balance in the Fund is \$50,000, and you agree to pay a maximum adviser service fee of 1.1% p.a., this will equate to \$45.83 per month. You or your financial adviser may cancel the adviser service fee at any time.

### Can fees change?

All fees can change. Reasons for this might include changing economic conditions and changes in regulation. We will give unitholders 30 days' written notice of any proposed increase in fees. We cannot charge more than the Fund's constitution allows. If we wished to raise fees above the amount allowed for in the Fund's constitution, we would need the approval of unitholders.

The current fees charged are set out on page 12. Under the constitution of the Fund, we are presently entitled to charge the following maximum fees (GST can be added to all these fees if applicable).

Fee	Maximum amount
Contribution fee <sup>1</sup>	6.00% of the contribution amount (currently not charged)
Management fee	2.00% p.a. of the Fund's net asset value
Withdrawal fee	6.00% of the withdrawal amount (currently not charged)
Transfer fee	2.00% of the amount transferred (currently not charged)

<sup>1</sup> Referred to as a 'Selling fee' in the constitution of the Fund.

The constitution for the Fund permits us to charge a trustee fee of 0.04% p.a. of the value of the Fund that is invested in any of the other funds managed by Bentham, plus 0.10% p.a. of the value of the balance of that fund, or, in certain circumstances specified in the constitution, an amount no greater than an amount based on \$15,000 adjusted for inflation since 1992. We are also entitled to be reimbursed for certain fees and expenses of a custodian or sub-custodian up to a maximum of 1% of the net asset value of the Fund. It is not our current intention to charge any of these fees. However, should we propose to change this we will give unitholders 30 days' written notice of the change. We also reserve the right to waive or reduce any of the fees and costs described in this PDS without prior notice.

## Example of annual fees and costs for the Fund

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

Example	Amount	Balance of \$50,000 with a contribution of \$5,000 during year
Contribution fees	0.00%	For every additional \$5,000 you put in, you will be charged <b>\$0</b> .
<b>Plus Management costs<sup>1</sup></b>		
• Management fee	0.72%	<b>And</b> , for every \$50,000 you have in the Fund, you will be charged <b>\$360</b> each year.
• Reimbursable expenses	0.05%	<b>And</b> , for every \$50,000 you have in the Fund, you will be charged <b>\$25</b> each year
<b>Equals Cost of Fund</b>		<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 from:</p> <p style="text-align: center;"><b>\$385 to \$423.50<sup>2</sup></b></p> <p><b>What it costs you will depend on the investment option you choose and the fees you negotiate with your fund or financial adviser.</b></p>

<sup>1</sup> Unless otherwise stated, all fees and costs are quoted inclusive of any Goods and Services Tax (GST) and net of any reduced input tax credits (RITCs) at the prescribed rate, which is currently 75%. However, the Government proposes to reduce the RITC rate to 55% for certain services from 1 July 2012, which may result in a minor increase in the net cost of some fees from that date. Please refer to 'Government charges and GST' on page 14 for more information. Fees stated may be rounded to two decimal places.

<sup>2</sup> An allowance for transaction costs will apply to investments into, and withdrawals from, the Fund (refer to 'Buy/sell spreads' on pages 13 and 14 of this PDS for more information).

Please note that this is just an example. In practice, actual investment balances will vary daily and the actual fees and expenses we charge are based on the value of the Fund, which also fluctuates daily.

# Making, withdrawing and monitoring your investment

The information in the table below applies to direct investors only. If you are an indirect investor, you will need to comply with any requirements set by your IDPS operator. Please refer to 'Indirect investors' on page 27 for further information.

	<b>Minimum amounts<sup>1</sup></b>	<b>How to lodge your request</b>	<b>More information</b>
<b>Initial investment</b>	\$10,000 or \$1,000 with a Regular Savings Plan	<ul style="list-style-type: none"> <li>complete and sign the relevant application form (depending on what type of investor you are). All application forms are available on our website;</li> <li>include all required customer identity verification documents as outlined in the relevant application form (depending on what type of investor you are);</li> <li>if making your investment via direct debit, you will need to complete the direct debit request section of the relevant application form. All direct debits are subject to the Direct Debit Request Agreement attached to the relevant application form;</li> <li>if making your investment via cheque, make the cheque payable to 'Fidante Partners &lt;insert name of investor(s)&gt;' and attach it to your application form.</li> </ul>	<p>'Additional information about making an investment' on pages 18 to 20.</p> <p>'Customer Identification Program' on pages 19 and 20.</p>
<b>One-off additional investment</b>	\$1,000	<ul style="list-style-type: none"> <li>complete and sign the 'Additional Investment Form' available on our website;</li> <li>if making your investment via direct debit, you will need to complete the direct debit request section of the relevant application form. All direct debits are subject to the Direct Debit Request Agreement attached to the relevant application form;</li> <li>if making your investment via cheque, make the cheque payable to 'Fidante Partners &lt;insert name of investor(s)&gt;' and attach it to your application form.</li> </ul>	'Additional information about making an investment' on pages 18 to 20.
<b>Regular Savings Plan</b>	\$100 per month (with an additional investment of \$1,000)	<ul style="list-style-type: none"> <li>complete and sign the 'Regular Savings Plan Form' available on our website.</li> </ul>	'Regular Savings Plan' on page 18.
<b>Withdrawals</b>	\$1,000 per withdrawal, subject to maintaining the minimum balance in the Fund.	<ul style="list-style-type: none"> <li>complete and sign the 'Withdrawal Request Form' available from our website; or</li> <li>write a letter, including:               <ul style="list-style-type: none"> <li>– your account number;</li> <li>– the full name(s) in which your investment account is held;</li> <li>– the amount (dollars or units) you wish to withdraw;</li> <li>– how and to whom you would like us to make the payment; and</li> <li>– a daytime contact telephone number; or</li> </ul> </li> <li>via telephone or fax subject to certain restrictions. Please refer to 'Telephone and fax terms and conditions' on page 23.</li> </ul>	<p>'Additional information about withdrawing your investment' on pages 20 and 21.</p> <p>'Telephone and fax terms and conditions' on page 23.</p>
<b>Transferring ownership</b>	\$10,000	Subject to conditions as required by law and that we, from time to time, prescribe. Please contact our Investor Services team for information about transferring.	'Transferring ownership' on page 20.

<sup>1</sup> We may accept lower minimum transaction amounts at our discretion.

## Additional information about making an investment

### Initial and additional investments

All individual or joint investors must be at least 18 years of age. If you wish to make additional investments in the Fund, please keep a copy of the current PDS and any updates for future reference. A paper copy of the current PDS and any updates are available free of charge by visiting our website or by calling our Investor Services team.

### Regular Savings Plan

The Regular Savings Plan enables direct investors to invest in the Fund monthly via direct debit from a nominated account. If you have a Regular Savings Plan, participation is renewed annually by continuing to make contributions.

Your application to start a Regular Savings Plan must be received at least three business days before the 14th day of the month in which you wish your instructions to take effect. Your nominated account will be debited on or around the next business day after the 14th day of each month for the specified amount.

Units will be issued on the information contained in the PDS current at the time the contributions are made. Should an updated PDS or supplementary PDS be issued, we will notify you and inform you of any changes or updates if you continue to participate in the Regular Savings Plan.

You can amend, suspend or cancel your Regular Savings Plan at any time. You should ensure that we receive your instructions to amend, suspend or cancel your Regular Savings Plan at least three business days before the 14th day of the month in which you wish your instructions to take effect. Any request received after this may result in the change being effective for the following month.

If two consecutive debits are dishonoured due to insufficient funds, we will suspend your Regular Savings Plan.

### Incomplete or rejected application forms

Under the Fund's constitution, we can accept or reject any application for units and are not required to give

any reason or grounds for such a refusal. To ensure that your applications are processed efficiently, you need to complete all sections of the application form and provide all required customer identity verification documents required under the Customer Identification Program (refer to 'Customer Identification Program').

If your application form is not complete and we are not able to proceed with your request, we may:

- attempt to contact you and/or your financial adviser; or
- hold your application monies in a non-interest bearing account until we receive the required information.

Monies may be held for a maximum period of 30 days (in a non-interest bearing account) commencing on the day we receive the funds. After this period, your funds will be returned to the source of payment via cheque. Once we receive your completed application form, the monies held will be divided by the next determined unit price to calculate the number of units allocated to you.

### Restrictions on investments

We can vary the minimum investment amounts and can change the investment transaction cut-off time at any time. Under the Fund's constitution, we can reject applications at any time and without giving any reason.

### Cooling-off rights

If you are a retail investor as defined by the Corporations Act 2001, you may have a cooling-off right whereby you can change your mind about your investment in the Fund and ask for your money to be repaid. The cooling-off right must be exercised within 14 days from the earlier of:

- when you receive confirmation of your investment; or
- the end of the fifth business day after the day on which your units were issued or sold to you.

The cooling-off right terminates immediately if you exercise certain other investor rights, such as withdrawing part of your investment. The cooling-off right does not apply to reinvested distributions or certain additional investments or if the Fund is illiquid (refer to 'If the Fund becomes illiquid' on page 21).

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To exercise the cooling-off right we must receive your written instructions in our office before the expiry of the 14-day cooling-off period. The repayment of your investment under the cooling-off right is subject to an adjustment for market movements (both positive and negative) during the period the investment has been held. We may also deduct a reasonable charge for our administration costs.

These cooling-off rights do not apply to wholesale clients (as defined in the Corporations Act 2001). Please note that as an investor in the Fund you will not necessarily be a wholesale client for the purposes of the Corporations Act 2001. If you have any questions about cooling-off rights, please contact your financial adviser or our Investor Services team.

Cooling-off rights do not apply to indirect investors. Please refer to 'Indirect investors' on page 27.

### **Customer Identification Program**

To address money laundering and terrorism risks, verification of each customer's identity is a prerequisite for all new customers starting an investment. The requirements to verify each customer's identity will depend on what type of investor you are, e.g. individual, sole trader or Australian company etc. These requirements are outlined in the application form for each investor type.

If you are investing via a financial adviser, they will be required to obtain acceptable identity verification documents from you, prior to lodging your application. To do this, your financial adviser will need to sight the original or certified copies of your identity verification documents and retain a copy of these. Your financial adviser will then send us copies of your identity verification documents together with your application form.

If the application form is signed under Power of Attorney, we will also require a certified copy of the Power of Attorney document and a specimen signature of the attorney. If you have not provided identity verification documents to a financial adviser, you will be required to provide certified copies of your identity verification

documents directly to us (refer to 'Who can certify' for a list of who can certify these documents).

Under relevant laws, we may be required to ask you for additional identity verification documents and/or information about you or anyone acting on your behalf, either when we are processing your investment request or at some stage after we issue the product. We may pass any information we collect and hold about you or your investment to the relevant government authority.

### **Identity verification documents**

Whether you are investing via a financial adviser or directly with us, you will be required to provide valid identity verification documentation when you invest. The actual documentation required will depend on whether you are an individual investor or a non-individual investor such as a superannuation fund, a trust or a company.

We have outlined the specific documentation required in the relevant application form. If any documentation you provide is not in English, it must be accompanied by an original copy of an English translation prepared by an accredited translator. If we do not receive all the required valid customer identity verification documents with your application form or we are unable to verify your identity at any time, we may not be able to commence your investment or may not process any future withdrawal requests until we receive the required document. We will contact you as soon as possible if we require more information.

To reduce uncertainty around releasing funds to third party accounts, when we receive withdrawal requests we may delay the release of money until we gain comfort around the request for withdrawal, including the identity of the third party account.

### **Who can certify**

You must ensure that each page of the relevant identity verification document(s) is certified. The person certifying **must state in writing:**

1. their **capacity** (from the list provided); and

2. on each page of the document **'this document is a true and correct copy of the original'** or words to that effect.

An identity verification document may be certified as a true and correct copy of an original document by one of the following persons:

- Officer with, or authorised representative of, a holder of an Australian Financial Services Licence, having two or more continuous years of service with one or more licensees, i.e. a financial adviser;
- Justice of the Peace;
- A person who is enrolled on the roll of the Supreme Court of a State or Territory, or the High Court of Australia, as a legal practitioner (however described), i.e. an Australian lawyer;
- Member of the Institute of Chartered Accountants in Australia, CPA Australia or the National Institute of Accountants, i.e. an accountant;
- Agent of the Australian Postal Corporation who is in charge of an office supplying postal services to the public;
- Permanent employee of the Australian Postal Corporation with two or more years of continuous service who is employed in an office supplying postal services to the public;
- Police officer.

Other persons may also be qualified to certify documents. For a full list of eligible persons, please contact our Investor Services team.

## Transferring ownership

You can transfer some or all of your investment to another person in such a manner and subject to such conditions as required by law and that we, from time to time, prescribe. We are not obliged to register a transfer that does not meet these criteria, or where there is an amount payable to us by the transferee or transferor (as applicable) in respect of the units being transferred.

Please note that stamp duty may be payable to the NSW Office of State Revenue on transfers of units. Please contact our Investor Services team for further information about transferring units.

## Additional information about withdrawing your investment

### Withdrawal payments

For withdrawals made via a 'Withdrawal Request Form' or via a signed, original written request, payments can be made by either:

- direct deposit to your previously nominated account we have on file; or
- direct deposit to a third party account; or
- by cheque in your investment account name, posted to the address we have on file; or
- by cheque made out to a third party.

For withdrawals made via telephone or fax, payments can be made by either:

- direct deposit to your previously nominated account we have on file; or
- by cheque in your investment account name, posted to the address we have on file.

If you originally invested via direct debit and if you make a withdrawal within the first three months of making your investment, we will only pay the withdrawal proceeds to the account that was debited when making your initial investment.

You agree that if the type of payment you request results in bank fees being charged, we may deduct those fees from your withdrawal proceeds before remitting the net amount to you.

### Processing your withdrawal

While withdrawals are normally processed and paid within five business days of receiving your valid withdrawal request, we may take significantly longer than this (please

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refer to 'Delay of withdrawal payments' on this page). The Fund's constitution governs the way we may process your withdrawal.

If your request for withdrawal would cause your balance to fall below the current minimum balance amount of \$10,000 or \$1,000 when a Regular Savings Plan is established, this may be treated as a request for full withdrawal.

We can make withdrawal payments by direct credit to your nominated account or by cheque. You agree that if the type of payment you request results in bank fees being charged, we may deduct those fees from your withdrawal proceeds before remitting the net amount to you.

A withdrawal request, either in whole or in part, once received by us may not be withdrawn without our agreement.

Generally, if the payment for your withdrawal is returned to us and remains outstanding for one month, we may reinvest the proceeds in the Fund. If your withdrawal cheque remains unpresented for three months, we may stop the cheque and reinvest the proceeds in the Fund. Any reinvestment of a withdrawal amount will be processed using the investment unit price current at the time of the reinvestment transaction. For more information on unit prices, refer to 'Unit prices and valuing assets and liabilities' on page 26.

We may determine that some or all of the withdrawal amount consists of income (which may include net capital gains), rather than capital of the Fund. We will advise you when this is the case as soon as practicable after the end of the financial year in which the withdrawal occurred. We can provide you with a full transaction history of your account for this purpose. We have the discretion to transfer assets of the Fund to you (instead of cash) in payment (partly or fully) for the proceeds of your withdrawal request less any costs involved in the transfer.

Where we give 30 days' notice to affected unitholders we can compulsorily withdraw investor units.

## **Delay of withdrawal payments**

Generally, proceeds from your withdrawal will be available within five business days of receiving your valid withdrawal request given normal operating conditions for the Fund; however, we do not guarantee this timeframe and may take significantly longer to pay withdrawals.

Under the constitution of the Fund, while the Fund is 'liquid' (within the meaning of the Corporations Act 2001), we can take up to 30 days to meet a withdrawal request.

If the Fund becomes illiquid (as defined by the Corporations Act 2001) unitholders will only be able to withdraw from the Fund if we make an offer of withdrawal. Please refer to 'If the Fund becomes illiquid' on page 21 for more information.

## **If the Fund becomes illiquid**

If the Fund becomes illiquid (as defined by the Corporations Act 2001) unitholders will only be able to withdraw from the Fund if we make an offer of withdrawal. If we do make such an offer, unitholders may only be able to withdraw part of their investment. There is no obligation for us to make such an offer.

Under the Corporations Act 2001, the Fund is regarded as liquid if liquid assets account for at least 80% of the value of the assets of the Fund. Liquid assets generally include money in an account or on deposit with a bank, bank-accepted bills, marketable securities and property of the kind prescribed under the Corporations Act 2001.

## **Transaction cut-off times**

Generally, if your valid transaction request is received in our Sydney office before 3.00pm Sydney time on a New South Wales business day (the transaction cut-off time), it will usually be processed using the unit price determined as at the close of business on that day.

If your payment and valid investment or withdrawal request are received after the transaction cut-off time, or on a non-business day, it will usually be processed using

the applicable unit price calculated as at the close of business on the next business day.

We will provide notice if we are to change the transaction cut-off time.

## Monitoring your investment

You can access your account information 24 hours a day, seven days a week through InvestorOnline, a secure online service which provides access to up-to-date information about your investments, including the latest unit prices, your account balance and transaction history.

We will also send you regular information about your investments, including:

- confirmation of the acceptance of your initial and one-off additional investments (excluding Regular Savings Plan investments); this confirmation will provide details of the units issued;
- confirmation that we have processed a withdrawal request; this confirmation will provide details of the unit and dollar value withdrawn;
- a quarterly statement; and
- a consolidated annual taxation statement.

At any time, you may request a transaction statement that shows either all transactions since your last regular statement or all transactions for a specific period. We recommend that you check all statements and transaction confirmations carefully. If there are any discrepancies, please contact your financial adviser or our Investor Services team.

As the Fund is a 'disclosing entity' under the Corporations Act 2001, it is subject to regular reporting and disclosure obligations.

You can obtain copies of the Fund's most recent annual financial report by visiting our website. As responsible entity of the Fund, we are also subject to continuous disclosure obligations that require us to make material information available to investors. You can obtain a copy of the Fund's continuous disclosure information by visiting our website.

A paper copy of the Fund's annual financial reports, any continuous disclosure notices and any half yearly financial report will also be given to you, without charge, on request.

## Keeping us informed

Our records about you are important. Please inform us in writing of any change to the personal details that you have given us. This may be a new postal address, a change of name or new bank account details. When requesting a change of personal details please provide a request signed by the appropriate signatories that includes:

- your account number;
- the full name in which your investment is held;
- the change(s) you are requesting; and
- a daytime telephone number.

Some changes may also require additional documentation, such as a change of name request. If you wish to change your nominated bank account from which direct debits are deducted, you will be required to complete the relevant sections of the Additional investment form. We will send you written confirmation of any changes that you request us to make to your personal details.

## What happens if you choose not to disclose certain information?

- If you choose not to disclose your **TFN, TFN exemption** or **ABN**, we have to deduct tax at the highest marginal tax rate (plus Medicare levy) from distributions we pay you (refer to 'Tax File Number' on page 25 of this document);
- If you choose not to disclose your **account details** when communicating with us, we will not be able to pay withdrawal proceeds or income distributions to you;
- If you provide us with an **incomplete application form**, unless otherwise agreed, we will not be able to process your investment request;

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- If you do not provide **all relevant identity verification documents**, we may not be able to process your investment or may not process any future withdrawal requests.

### **Up-to-date information about the Fund**

You can obtain up-to-date Fund performance, actual asset allocations and Fund size information by contacting your financial adviser, visiting our website or calling our Investor Services team. A paper copy of any updated information will be given to you, without charge, on request by calling our Investor Services team.

### **Telephone and fax terms and conditions**

You should understand that a person without your authority could telephone us or send us a fax and, by pretending to be you, withdraw funds from your account for their own benefit.

In using the telephone and/or fax facility, you agree that we are not responsible to you for any fraudulently completed communications and that we will not compensate you for any losses. You agree that, should such a fraud take place, you release and indemnify us against any liabilities whatsoever arising from our acting on any communication received by phone or fax in respect of your investment. We will only act on completed communications that we receive. In the case of a fax, a transmission certificate from your fax machine is not sufficient evidence (unless otherwise agreed), that we received your fax. We will not be liable for any loss or delay resulting from the non-receipt of any transmission.

These terms and conditions are in addition to any other requirements that may form part of your giving instructions relating to the completion of a particular authority. In the case of joint holdings, superannuation funds, trusts and companies, any investor or director who signs the application form may request a telephone withdrawal.

If the details of the account quoted at the time of making a telephone or fax withdrawal do not match the nominated account we have on file, the withdrawal will not proceed. You must advise us via an original, signed, written request if you wish to change your previously nominated account details. Should you not wish to use these facilities, we must receive an original, signed, written request to cancel them. Cancellation will be effective from the end of the second business day after receipt of this request.

We may cancel or vary the terms of the phone and/or fax services by giving 14 days' written notice to you. By sending us a fax or making a telephone withdrawal, you signify your acceptance of these conditions.

### **Complaints**

We have a policy on how we will handle any complaints relating to your investment. Please notify us of complaints in writing or by calling our Investor Services team. Our policy is to acknowledge any complaint within two business days of receiving it and investigate, properly consider and decide what action (if any) to take and to communicate our decision to you within 45 days.

If you are not happy with how the complaint has been handled, you may contact the Financial Ombudsman Service, of which we are a member. This is an independent body and is approved by ASIC to consider complaints.

Its contact details are:

Financial Ombudsman Service  
GPO Box 3  
Melbourne VIC 3001  
Telephone: 1300 780 808  
Email: [info@fos.org.au](mailto:info@fos.org.au)  
Website: [www.fos.org.au](http://www.fos.org.au)

Indirect investors must send all complaints in writing to their IDPS operator.

# How managed investment schemes are taxed

Any investment can have a substantial impact on your tax position from year to year. The following information is of a general nature and is based on our understanding of the Australian tax laws as they relate to Australian resident individual taxpayers, as at the date of this incorporated information, who hold their investment on capital account. We recommend that you obtain your own professional advice regarding your position, as tax and social security laws are complex and subject to change, and investors' individual circumstances vary.

The Fund will generally not be liable to pay income tax on its net income (broadly taxable income) on the basis that the Fund's unitholders are presently entitled to the Fund's distributable income. You will generally be required to include in your assessable income your share of the net income of the Trust, which will be based on your share of the distributable income of the Fund to which you are presently entitled, even if your distributions are reinvested. Tax losses incurred by the Fund will remain in the Fund and can be applied by the Fund to reduce its income in future years, subject to the Fund satisfying the specific provisions of the trust loss carry forward legislation. For any investors who are non-residents, Australian withholding tax may be deducted from distributions.

There are other relevant tax considerations that may be applicable to the Fund's investments and your tax position.

The Foreign Investment Fund (**FIF**) provisions were repealed with effect from the 2010/2011 income year. The FIF provisions will be replaced by a specific anti-avoidance roll-up rule for Foreign Accumulation Funds (**FAF**), which seek to ensure that Australian residents cannot defer or avoid a tax liability on income earned in FAF. As at the date of this document, the Government has not released final legislation on the FAF legislation.

Since 1 July 2010, the Taxation of Financial Arrangement (**TOFA**) provisions have applied on a mandatory basis to qualifying taxpayers in respect of certain financial arrangements. Broadly, the TOFA provisions recognise certain gains and losses on financial arrangements on

an accruals basis, which may result in a taxing point prior to the realisation of the investment. Due to the implementation of the TOFA regime, there may be some instances where your share of the taxable income of the Fund exceeds the cash distribution you receive from the Fund. As at the date of this document, we, as responsible entity of the Fund, have not made an election to apply for one of the elective methods under TOFA.

The Managed Investment Trust (**MIT**) capital account election regime permits eligible MITs to make an irrevocable election to adopt capital account treatment for certain types of assets (broadly shares, units and real property) for income years to which the election applies. The Trustee has made an irrevocable election in respect of the Fund and accordingly deemed capital treatment will apply in respect of the qualifying assets for the income years to which the election applies.

Some of the income distributed to investors may be classified as tax-deferred income. For investors who hold their units on capital account, tax-deferred income should not form part of an investor's assessable income in the year that the tax-deferred distribution is paid. Instead, the investor's cost base in the units will be reduced by the tax-deferred amount and will affect the capital gains tax position of the investment. However, for those investors who have a zero cost base in their units, or where the tax-deferred distribution exceeds the cost base of their investment, any tax-deferred amounts received should be treated as a capital gain of the investor in the year in which payment is made. Investors should maintain records of their adjustments.

You may also be entitled to tax credits (franking credits and/or foreign tax offsets) distributed by the Fund. Provided investors satisfy certain provisions of the Tax Act, investors may be able to utilise these credits against their tax liability on the taxable components of the distributions. In order to claim the amount of tax credits, investors must include the amount of the credit in their assessable income.

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We will advise each investor of their share of tax credits in the annual tax statement. The disposal of units (for instance by redemption or transfer) may give rise to a capital gains tax liability or a capital loss. Investors who have held their units on capital account for more than 12 months may be entitled to a capital gains tax discount. For non-resident investors, complex laws govern the taxation of capital gains distributed by the Fund or those realised on the disposal of their units. Accordingly, non-resident investors should seek their own professional tax advice.

The Australian Government has issued a Discussion Paper 'Implementation of a new tax system for managed investment trusts', which sets the design and implementation details of a new tax system for MITs. The Government is consulting with industry on the new MIT regime and has deferred the start date of the new regime to 1 July 2013. The responsible entity will monitor the developments in relation to these reforms, and their impact on the Fund.

GST is not payable on the issue, withdrawal or transfer of units in the Fund, as these are input-taxed financial supplies for GST purposes. However, GST will generally be incurred on various acquisitions made by the Fund, including the acquisition of investment management services. In certain specified circumstances, the Fund may be entitled to RITCs equal to a prescribed percentage of the GST in the price, which if available, effectively reduces the non-recoverable GST cost incurred. Please refer to 'Government charges and GST' on page 14 for information on proposed changes to GST.

## Tax File Number

On your application form you may provide us with your Tax File Number (TFN), or TFN exemption. Alternatively, if you are investing in the Fund in the course of an enterprise, you may quote an Australian Business Number (ABN). It is not compulsory for you to quote a TFN, exemption or ABN, but if you do not, then we are required to deduct tax from any income distribution payable to you at the highest marginal tax rate plus the Medicare levy. The collection of TFNs is authorised, and their use is strictly regulated by tax and privacy laws. Non-residents are generally exempt from providing a TFN.

# Additional information

## Unit prices and valuing assets and liabilities

Unit prices are determined in accordance with the Fund's constitution and are usually calculated each NSW business day. The calculation of both the investment unit price and the withdrawal unit price is based on the net asset value (NAV) adjusted by the buy/sell spread (if any). For information on buy/sell spreads, refer to 'Buy/sell spreads' on pages 13 and 14 of this document. For investment and withdrawal unit prices, the NAV, is the value of all the Fund's assets less the value of the Fund's liabilities attributed to the units in the Fund at the valuation time. When calculating the NAV, we must use the most recent valuations of the Fund's assets and the most recent determination of the liabilities.

The Fund's assets and liabilities are usually valued each NSW business day. Generally, for unit pricing purposes, listed securities are valued using the last available market close price quoted on the relevant exchange. Other assets are generally valued at recoverable value. Any income entitlements, cash at bank, and any amount of Goods and Services Tax (GST) recoverable by the Fund from the Australian Taxation Office are also included in asset values used to calculate the investment price and withdrawal unit price.

Generally, for unit pricing purposes, liabilities are valued at cost. Liabilities also include an accrual for management costs and for costs (if any) that an investor would ordinarily incur when investing in the Fund's underlying assets.

Where we receive a valid transaction request before the cut-off time of 3.00pm Sydney time on a NSW business day, the unit price will generally be determined at the next valuation time after that transaction cut-off time. This is typically referred to as 'forward pricing'.

In rare circumstances, we may suspend unit pricing where, acting in accordance with our responsible entity obligations to members, we consider it impracticable to calculate a NAV.

We have a Unit Pricing Permitted Discretions Policy. The policy sets out how we will exercise any discretions in relation to unit pricing (such as, for example, how often we determine unit prices and valuation methodology). If we depart from our policy, we are also required to record details of this departure. You can obtain a copy of this policy or any recorded departures free of charge by calling our Investor Services team.

## Distributions

Distributions will generally be paid as soon as practicable after the end of the Fund's distribution accrual period. There may be periods in which no distributions are made or we may make interim distributions. However, we do not guarantee any particular level of distributions.

You may choose to have your distributions reinvested as additional units in the Fund, or paid directly to your nominated account. Unless you indicated otherwise on the application form, we will reinvest your distributions. If you wish to change your distribution payment instructions, please mail us an original, signed, written request.

The price of units issued on reinvestment of distributions is the investment price for units next determined after the close of business on the last day of the distribution period. There is no buy/sell spread reflected in this investment price. The amount of each distribution may vary. Your share of any distribution depends on how many units are held at the end of the accrual period as a proportion of the total number of units on issue at that time and the amount of net income referable to those units.

The amount of income distributed at the end of the distribution period will generally be based on our estimate of the net income received by the Fund, excluding any net capital gains realised by the Fund in the period, unless we decide to distribute a different amount. The net capital gains received by the Fund during the financial year are generally distributed in the June distribution period.

As distributable amounts are component of the unit price, unit prices normally fall by the distribution amount

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following a distribution. If you invest just prior to a distribution, you may receive some of your investment back immediately as income. Conversely, if you withdraw from the Fund just before a distribution, you might turn income into a capital gain or reduce your capital losses.

We have the discretion to transfer assets of the Fund to you (instead of cash) in payment (partly or fully) for a distribution amount.

Generally, if any distribution payments are returned to us and remain outstanding for a period of one month, we may reinvest those distributions and amend your future distribution method to reinvest. If your distribution cheque remains unpresented for three months, we may stop the cheque and reinvest the proceeds in the Fund and amend your future distribution method to reinvest. Any reinvestment of an unclaimed or returned distribution will be processed using the investment unit price current at the time of the reinvestment transaction.

## Indirect investors

Investors accessing the Fund through an investor directed portfolio service (IDPS) or IDPS-like scheme (commonly a master trust or wrap account) may use this PDS to give a direction to the operator of that service to invest in the Fund. Indirect investors do not become investors nor do they acquire the rights of an investor. The operator of that service acquires those rights and can exercise or decline to exercise them on behalf of indirect investors. Indirect investors should direct any enquiries or complaints to their financial adviser or IDPS operator, not to us.

Indirect investors do not receive income or reports directly from us, nor do they directly participate in investor meetings or the winding up of the Fund. They do not complete applications from this PDS.

Indirect investors should carefully read the service operator's offer document, which explains the service and the fees payable by the indirect investor to the service operator. Indirect investors should seek appropriate tax advice. Cooling-off rights with respect to the Fund do not apply to indirect investors.

## Other information

### Legal relationships

The Fund is a registered managed investment scheme that is an unlisted Australian unit trust and is governed by a constitution. Interests in unit trusts, which are called units, represent a share in the trust's collective asset pool. Certain rights are attached to the units and these rights are exercisable by the investors who own these units (referred to as unitholders).

Subject to the law, the Fund's constitution and the terms on which units are held, unitholders can invest in, or withdraw, their units at any time.

The Fund's constitution, together with the Corporations Act 2001 and some other laws, govern the way in which the Fund operates and the rights and responsibilities and duties of the responsible entity and unitholders. The constitution contains the rules relating to a number of issues including:

- unitholder rights;
- the process by which units are issued and redeemed;
- the calculation and distribution of income;
- the investment powers of the responsible entity;
- the responsible entity's right to claim indemnity from the Fund and charge fees and expenses to the Fund;
- the creation of other classes of units; and
- the termination of the Fund.

It is generally thought that unitholders' liabilities are limited to the value of their holding in the Fund. It is not expected that a unitholder would be under any obligation if a deficiency in the value of the Fund were to occur. However, this view has not been fully tested at law.

Unitholders can inspect a copy of the constitution at our head office or we will provide them with a copy free of charge.

We may alter the constitution if we reasonably consider the amendments will not adversely affect unitholders' rights. Otherwise (subject to any exemption under the

law) we must obtain unitholder approval at a meeting of unitholders. We may retire or be required to retire as responsible entity (if unitholders vote for our removal).

### **Terminations**

The Fund's constitution, together with the Corporations Act 2001, governs how and when the Fund may be terminated. We may terminate the Fund at any time by written notice to unitholders. On termination, a unitholder is entitled to a share of the net proceeds of our realisation of the assets in proportion to the number of units they hold in that class.

### **Unitholder meetings**

The conduct of unitholder meetings and unitholders' rights to requisition, attend and vote at those meetings are subject to the Corporations Act 2001 and (to the extent applicable) the Fund's constitution.

### **Compliance plan and compliance committee**

We have lodged the Fund's compliance plan with ASIC and established a compliance committee for the Fund with a majority of external members. The compliance plan sets out how we will ensure compliance with both the Corporations Act 2001 and the Fund's constitution. The compliance committee's role is to monitor compliance with the compliance plan. It must also regularly assess the adequacy of the compliance plan and report any breaches of the Corporations Act 2001 or the Fund's constitution to us. If we do not take appropriate action to deal with the breach, the compliance committee must report the breach to ASIC.

The Fund and the compliance plan are required to be audited annually.

### **Related and other parties**

We may enter into transactions with, and use the services of, any of our related entities. Such arrangements will be based on arm's length commercial terms. We, or any of our related entities, or any director or officer of any of them, may invest in the Fund.

We have engaged a custodian to hold the assets of the Fund. The custodian has no discretion with respect to the holding of assets and is subject to performance standards.

The Fund has a registered company auditor. The auditor's role is to provide an audit of the financial statements of the Fund each year as well as performing a half-yearly review (if required), and to provide an opinion on the financial statements.

### **Privacy**

To enable us to process your investment, administer your investment, provide you with reports and comply with our obligations under the law, we may collect personal information about you. You can access, correct or update any personal information we hold about you by contacting our Investor Services team.

From time to time, we, our related companies, or organisations with whom we have an alliance, may contact you to tell you about other products and services that might be useful to you. Please inform us in writing if you do not want any of this kind of marketing material.

Our records about you are important. Please refer to 'Keeping us informed' on page 22. If you decide not to provide certain information, we may not be able to process your investment or future withdrawal requests or may have to deduct tax at the highest marginal tax rate (plus Medicare levy) from any distributions paid to you. Please refer to 'What happens if you choose not to disclose certain information?' on pages 22 and 23.

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## **Disclosing your information**

We may disclose the information we hold about you in a number of ways, including:

- where you consent to the disclosure;
- to your financial adviser;
- to companies that provide services on our behalf, for example, to companies that print and dispatch the statements or notices we send to you or to the custodian of the Fund;
- to related companies and/or the investment manager that may also provide you with a financial product or financial service;
- to companies and/or organisations with whom we have an alliance that may also provide products and services that may also be useful to you; and
- if the disclosure is required or authorised by law.

For more information regarding the collection and use of personal information, please refer to our 'Privacy Policy' available on our website or by contacting our Investor Services team.

# Glossary

Term	Explanation/definition
<b>active management</b>	Refers to a style of portfolio management where the manager actively makes specific investments with the goal of outperforming an investment benchmark. Portfolio investment strategies are generally constrained within specific investment risk limits.
<b>asset backed security (ABS)</b>	A debt security whose coupon (interest payments) and principal payments originate from a specific pool of assets. The underlying pool of assets owned by the ABS is funded on the liability side by the issuance of credit tranches, structured bonds secured by the collateral pool of assets.
<b>bottom-up investing</b>	An investment approach where the focus of the analysis is on individual securities with less emphasis on broad economic and market cycle themes.
<b>cash</b>	Cash and short-term securities include cash, deposits and short-term bank bills. Cash traditionally produces a stable investment return (through the payment of interest).
<b>credit default swap (CDS)</b>	A derivative contract designed to transfer the credit exposure of a debt security from one party to another. A CDS contract can be used to create or reduce exposure on a particular debt security. In the event of default on an underlying debt security, the purchaser of the CDS contract is generally entitled to receive par value in exchange for delivering the underlying debt security. The occurrence of an event of default is generally determined by the International Swaps and Derivatives Association, Inc (ISDA).
<b>credit investment</b>	Is a debt security or derivative that has credit risk.
<b>credit protection</b>	Buying a CDS contract to protect, or benefit, from the deterioration in credit quality of an underlying debt security.
<b>debt security</b>	Is a financial instrument that is an obligation of its issuer to make payments to the holder of the instrument. The terms of the instrument define the interest payment terms, maturity date and investor protections. Debt securities can be bought and sold between different parties either over-the-counter or on an exchange. Examples of debt securities include government bonds, investment grade corporate bonds, non-investment grade corporate bonds (high yield bonds), syndicated loans, preferred securities and asset backed securities.
<b>equity delta</b>	The financial ratio that relates the change in the price of a derivative to the corresponding change in the price of an underlying asset.
<b>fixed interest security</b>	A fixed interest security is a debt security that makes interest payments based on a fixed rate that is set at the time of issuance. The market value of fixed interest securities can be affected by changes in market interest rates.
<b>floating rate security</b>	A floating rate security is a debt security that makes interest payments based on a market reference rate that is likely to change during the term of the instrument plus an interest margin, which is set at the time of issuance. The interest payments for a floating rate security vary with short-term interest rates. A common market reference rate for AUD floating rate securities includes the 90-day Bank Bill Swap Rate.
<b>high yield bond</b>	A non-investment grade security issued by a corporation.

<b>Term</b>	<b>Explanation/definition</b>
<b>hybrid security</b>	Hybrid securities are financial securities that have aspects of both equity and debt securities. The securities can include debt security terms such as defined interest payments and redemption features as well as equity terms such as the ability to convert into equity and discretionary payment of income distributions.
<b>investment grade bond</b>	Cash and short-term securities include cash, deposits and short-term bank bills. Cash traditionally produces a stable investment return (through the payment of interest).
<b>investment grade security</b>	Debt securities are generally assigned a credit rating of BBB–/Baa3 or better by the credit rating agencies. The credit ratings assigned by rating agencies represent an assessment of the borrower’s creditworthiness, that is, its ability to make interest and principal payments. Higher rated borrowers with an investment grade rating generally allows companies to reduce the interest rates that they pay on their debt when compared with lower rated borrowers.
<b>non-investment grade security</b>	Debt securities that are generally unrated or assigned a credit rating of below BBB–/Baa3 by the credit rating agencies. The credit ratings assigned by rating agencies represent an assessment of the borrower’s creditworthiness, that is, its ability to make interest and principal payments. Non-investment grade borrowers generally pay higher interest rates than higher rated borrowers as their financial position is not as strong.
<b>non-rated securities</b>	A debt security that has not been rated by a large credit rating agency, usually because the security is too small.
<b>residential mortgage backed security (RMBS)</b>	An ABS backed by a pool of residential home mortgages.
<b>SEC</b>	United States Securities and Exchange Commission.
<b>shares / equities</b>	Shares (also known as equities) represent the part ownership in a company and generally have voting rights. Shares are the residual claim on the assets of a company after all liabilities are paid. Shareholders may be entitled to receive some of the company’s profits if the company’s board decides to pay a dividend. Shareholders may experience some capital growth if the share price rises, or some capital loss may occur if the share price falls.
<b>top-down investing</b>	An investment approach that focuses on broader economic and market cycle themes in an attempt to identify investment sectors that are forecasted to outperform the market (not the individual company or companies).

# Important information for New Zealand investors

This offer to New Zealand investors is a regulated offer made under Australian and New Zealand law.

In Australia, this is Chapter 8 of the Corporations Act 2001 and Regulations. In New Zealand, this is Part 5 of the Securities Act 1978 and the Securities (Mutual Recognition of Securities Offerings – Australia) Regulations 2008.

This offer and the content of the offer document are principally governed by Australian rather than New Zealand law. In the main, the Corporations Act 2001 and Regulations (Australia) set out how the offer must be made.

There are differences in how securities are regulated under Australian law. For example, the disclosure of fees for collective investment schemes is different under the Australian regime.

The rights, remedies and compensation arrangements available to New Zealand investors in Australian securities may differ from the rights, remedies and compensation arrangements for New Zealand securities.

Both the Australian and New Zealand securities regulators have enforcement responsibilities in relation to this offer. If you need to make a complaint about this offer, please contact the Financial Markets Authority, Wellington, New Zealand. The Australian and New Zealand regulators will work together to settle your complaint.

The taxation treatment of Australian securities is not the same as for New Zealand securities.

If you are uncertain about whether this investment is appropriate for you, you should seek the advice of an appropriately qualified financial adviser.

The offer may involve a currency exchange risk. The currency for the securities is not New Zealand dollars. The value of the securities will go up or down according to changes in the exchange rate between that currency and New Zealand dollars. These changes may be significant.

If you expect the securities to pay any amounts in a currency that is not New Zealand dollars, you may incur significant fees in having the funds credited to a bank account in New Zealand in New Zealand dollars. We will only pay withdrawal proceeds and distributions to an accessible Australian bank account.

The dispute resolution process described in this offer document is only available in Australia and is not available in New Zealand.

## Contact details for New Zealand investors

Investor Services team +61 2 9994 7000  
8.00am to 6.00pm  
Monday to Friday (Sydney time)  
Fax +612 9994 6666  
Website [www.fidante.com.au](http://www.fidante.com.au)



## Bentham Asset Management

Level 15  
255 Pitt Street  
Sydney NSW 2000

T 02 9994 7921  
F 02 9994 6666

Bentham Asset Management Pty Limited (ABN 92 140 833 674, AFSL 356199) is authorised to provide financial services to wholesale clients only. The information in this document is provided for use by such wholesale clients, is general in nature and does not take into account the personal circumstances, financial needs or objectives of any person. You should seek independent financial advice and read any relevant Product Disclosure Statement or other offer document prior to acquiring a financial product.