



**Mutual Limited**

# MCTDF PRODUCT DISCLOSURE STATEMENT

ARSN 152 623 106

Issued by Mutual Limited ABN 42 010 338 324, Australian Financial Services Licence No: 230347 as Responsible Entity of the MCTDF registered managed investment scheme ("the Fund")

Date of Issue: 15 December 2016

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## IMPORTANT INFORMATION

Mutual Limited, ABN 42 010 338 324 ("Mutual"), is the issuer of this Product Disclosure Statement ("the PDS") and the Responsible Entity ("RE") of the Fund. Mutual is referred to as "Mutual", "we", "us" or "the RE" in this PDS dated 15 December 2016.

The offer made in the PDS is available to investors in Australia. The PDS does not make offers or invitations in circumstances where it would not be lawful to do so. Any distribution of the PDS outside Australia may be subject to local laws so investors outside Australia should comply with the local laws and any restrictions that apply outside Australia. The failure to do so may breach those laws.

The PDS provides general information and advice. The PDS does not provide personal advice and does not take your objectives, financial situation or needs into account. You should read this PDS carefully and assess whether the investment is suitable for you. You should also consider consulting a financial adviser before making an investment decision.

Mutual may change the terms and conditions of the offer in the PDS. All information updates will be on our website at [www.mutualld.com.au](http://www.mutualld.com.au). To check for updates see the website, contact Mutual, contact the Fund Administrator or contact your financial adviser.

## 1. ABOUT MUTUAL LIMITED

Mutual is an Australian, independently owned investment management company and holder of Australian Financial Services Licence ("AFSL") No: 230347. Mutual specialises in operations covering short-term securities, fixed interest and ASX listed securities.

Mutual currently manages in excess of AUD\$2.5 billion.

Mutual is the RE and investment manager of the Fund and is responsible for the operation, investment, management and administration of the Fund.

Mutual specialises in managing retail funds and advising wholesale clients that are prudentially supervised, are conservative and who operate subject to regulated investment regimes.

Mutual's investment strategy aims to provide positive outcomes for investors and its main focus is to provide security with performance.

Mutual is an experienced investment manager, is well resourced in all asset classes invested in, and has an executive team comprising members who each have over 20 years' finance and investment industry experience.



Mutual Limited

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AFSL 230347

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## Fund summary

|                                      |  |
|--------------------------------------|--|
| <b>Fund investments</b>              | The Fund's primary investments are term deposits offered by the main Australian banks                                    |
| <b>Benchmark</b>                     | Bloomberg AusBond Bank Bill Index  |
| <b>Investment objectives</b>         | To outperform the Bloomberg AusBond Bank Bill Index and other similar cash management trusts                             |
| <b>Asset classes</b>                 | Term deposits, Negotiable Certificates of Deposits ("NCDs") and cash   |
| <b>Risk level</b>                    | Low  |
| <b>Fund performance</b>              | Fund performance information is available on our website at <a href="http://www.mutualld.com.au">www.mutualld.com.au</a> |
| <b>Recommended investment period</b> | > 5 days   |
| <b>Unit price</b>                    | Calculated daily   |
| <b>Access to funds</b>               | Within 5 days  |
| <b>Distributions</b>                 | Quarterly  |
| <b>Reinvestment option</b>           | Yes  |
| <b>Transaction costs</b>             | See Fees section   |
| <b>Entry fee</b>                     | Nil  |
| <b>Exit fee</b>                      | Nil  |
| <b>Minimum investment</b>            | \$20,000 for C Class investors (A & B Class investors should consult their IDPS operator)                                |
| <b>Minimum additional investment</b> | \$5,000 for C Class investors (A & B Class investors should consult their IDPS operator)                                 |
| <b>Minimum redemption</b>            | \$5,000 for C Class investors (A & B Class investors should consult their IDPS operator)                                 |
| <b>Price of units</b>                | These vary as the market value of the assets rises or falls.   |

## 2. HOW THE FUND WORKS

The Fund is a managed investment scheme established by the MCTDF constitution and registered with ASIC on 25 August 2011. The Fund constitution establishes the Fund as a trust, appoints and sets out the powers of the RE, how Fund interests are divided into units, the rights of investors, applying for and redeeming units, calculating unit issue and redemption prices, the entitlement to and calculation of distributions, fees and expenses, custody and valuation of assets, and other matters including liability, audit, meetings, registers and amending the constitution.

Once it receives and approves investors' subscriptions, the RE issues units which entitle investors to a share in the income and assets of the Fund, in proportion to their holdings.

The Fund is designed for investors in Investor Directed Portfolio Schemes ("IDPS") and IDPS-like schemes as well as wholesale and retail investors. The Fund is suitable for investors seeking an investment that has the following features:

- underlying assets primarily consisting primarily of deposits with ANZ, CBA, NAB and WPAC;
- regular income distributions;
- liquidity;
- a distribution reinvestment option; and
- capital stability.

Mutual's objective is to source and actively manage a portfolio of the best term deposits offered by the major Australian banks with small cash and NCD holdings to provide Fund liquidity. The Fund capitalises on the increasing competition and changed market dynamics for term deposit business for (and as between) Australia's major banks. Mutual's performance benchmark is to outperform the Bloomberg AusBond Bank Bill Index and returns from other cash management trusts.

The Fund offers three classes of units; Class A Units, Class B Units and Class C Units. The main differences between them are the range of investments, management fees, minimum initial and additional investments, minimum holdings and redemption amounts.

Austock Financial Services Pty Ltd ("Austock") ABN 51 053 513 438, is the Administrator of the Fund appointed by the RE to provide:

- investment and fund accounting;
- unit pricing fund administration services;
- the services of an administration manager; and
- a supporting accounting and administration team.

Sandhurst Trustees Limited ("Sandhurst") ABN 16 004 030 737, AFSL 237906 is the custodian of the Fund appointed by the RE to hold Fund assets.

### Income distributions

The income of the Fund consists of interest earned plus the profits, or minus the losses, from the sale of investments less management costs (inclusive of GST). This distribution is paid to each investor in proportion to their unit holdings as at the end of the distribution period. Capital gains from the sale of investments, if applicable, will be paid in the 30 June distribution. Distributions can be paid as cash or additional units through the reinvestment option. If you have elected to reinvest your distributions, they will be automatically reinvested at the application price on the next business day after the RE calculates the distributions.

Income is accrued on a daily basis and distributed on a quarterly basis or on full redemption of the investment, based on the number and class of units held at the end of the distribution period. Income from the Fund is usually paid within 5 days, and in any event within 30 days, after the end of the distribution period. Income is distributed to all investors holding units at the end of each distribution period.

If you elect to receive cash distributions, these will be paid into the bank account nominated in your application form.



## Calculation of your distributions

Distributions are calculated on the basis of your per unit share of distributed Fund income for the distribution period, not just for the period that you held your investment. If you invest close to the end of a distribution period, you may receive an immediate return of some of your investment capital as income and this may, depending on your individual circumstances, give rise to a tax liability. Therefore, you should consider the timing of your investment carefully. Similarly, if you redeem your investment before the last day of the distribution period, you will receive your share of any accrued income as capital.

Please seek independent advice from a financial or tax adviser to address your own situation. The RE will send a distribution statement to all investors detailing the taxable income and available credits as soon as possible after the financial year-end.

## Unit price and valuations

The Fund unit price is calculated daily by taking the total value of all the Fund's assets each day, adjusting for any liabilities and the amount of any distributable income payable and then dividing the net value by the total number of units held by investors on that day. The unit price for each class of units in the Fund is calculated in the same way, taking into account the assets, liabilities and distributable income for each class, divided by the total number of units on issue for that class on the day.

Adjustments to the unit price may be made for transaction costs and if costs relate to more than one class, the adjustment is made for those classes. The number of units held in the Fund by each investor will stay constant unless there is a transaction but the unit price will rise or fall depending on the market value of the Fund's assets.

Mutual will value the Fund each business day based on the best available current information. Mutual may also be assisted in this task by an independent qualified valuer. Mutual's valuation methods are consistent with best industry practice.

## Additional investments

To make an additional investment:

- Class A and Class B unit holders should contact their IDPS Operator;
- Class C unit holders may:
  - complete and return an Additional Investment Form available from Mutual's website; or
  - write an investment instruction letter signed by the appropriate signatories; or
- as otherwise agreed with the RE.

The Administrator accepts and processes valid applications for additional units on the same basis as the initial investment.

The minimum additional investment is \$5,000 for Class C units. For Class A or Class B units, investors should contact their IDPS Operator. Additional investments are made on the basis of the PDS that is current at the date of the application.

## Redemptions

The minimum Redemption Amounts are:

- Class A Units - \$1.00;
- Class B Units - \$1.00; and
- Class C Units - \$5,000.

You may redeem all or part of your investment in the Fund at any time (after your Application Monies have cleared). Class A and Class B unit holders should contact their IDPS Operator in relation to redemptions and Class C unit holders must complete and return a Redemption Request Form (available from Mutual's website), to the Administrator.

Where the Administrator receives, and accepts a valid redemption request (signed by the necessary investors) prior to 3 pm Melbourne time on a business day, the Administrator will process the redemption request using the unit price for that day. The unit price of the Fund is the net asset value for that day less the buy/sell spread. Payment will be made within 5 days (although the Fund's constitution allows up to 12 months).

You may only redeem an amount that leaves you with a minimum holding of \$20,000 or as otherwise specified by your IDPS operator. If a redemption request causes your minimum balance to fall below \$20,000 you must withdraw your entire balance (unless otherwise agreed with Mutual).

The Administrator does not accept telephone requests for redemptions from the Fund.

If events outside the RE's control impact on its ability to calculate the unit price properly or fairly, the RE can delay payment. The Fund constitution provides that the RE has up to 12 months to meet redemption requests and can delay payment for up to 30 days or such other period as may be reasonable. The RE is entitled to deduct from any moneys payable to an investor any fees or other moneys unpaid by them and the total amount to be paid can be rounded down to the nearest cent.

## Complaints

If you are a retail investor and have any concerns or complaints regarding this Fund, please contact us on (03) 8681 1900. IDPS retail investors should direct any concerns or complaints through their IDPS operator. The RE has an established complaints handling process and we aim to properly consider and resolve all complaints within 30 days even though ASIC allows us 45 days to respond to complaints. If you have a complaint about your investment, please contact us in writing, by telephone or by email using the details on page 1. If you are not satisfied with our response to your complaint, you may lodge a complaint with the Financial Ombudsman Service for an independent review of the matter.

Financial Ombudsman Service ("FOS")

GPO Box 3

Melbourne Vic 3001

Telephone: 1300 780 808

Facsimile: + 61 3 9613 6399

Email: [info@fos.org.au](mailto:info@fos.org.au)

Web: [www.fos.org.au](http://www.fos.org.au)



FOS is a free external dispute resolution body established to assist retail investors to resolve any complaints they may have. However, it is important that you contact us in the first instance so we can address your concerns.

### 3. BENEFITS OF INVESTING

The benefits of investing in the Fund include:

|                     |   |
|---------------------|---|
| Security            | The Fund only invests in authorised investments.  |
| Diversification     | The Fund will invest in a diversified range of issuers and maturities.  |
| Income              | Income is accrued on a daily basis, paid quarterly, and distributed within 5 days of quarter end (September, December, March and June) either by reinvestment in additional units or payment in cash. |
| Access & liquidity  | Redemptions are usually paid within 5 days.   |
| Income reinvestment | Income can be reinvested automatically.   |

### 4. RISKS

All investments carry risk. Different strategies carry different levels of risk depending on the assets that make up the strategy. Assets with the highest long term returns, may carry the highest level of short term risk. Returns are not guaranteed and investors may lose their capital. The level of risk for each investor varies depending on, among other matters, age, investment timeframes and risk tolerance. Risks associated with investing in the Fund include:

|                    |  |
|--------------------|--|
| General            | The value of investments and level of returns may vary and future returns may differ from past returns.  |
| Interest rate risk | The risk that arises with changes in market yields that change the value of interest rate investments. An increase in interest rates leads to a reduction in the value of a fixed interest investment and vice versa. This risk is usually greater for fixed interest investments that have longer maturities. |
| Credit risk        | The risk of suffering loss due to another party defaulting in its financial obligations. To mitigate this risk, the Fund only invests with the main Australian banks.  |
| Liquidity risk     | The risk that the RE will be unable to sell assets in a timely manner or at a reasonable price. This risk is greater if a large number of investors redeem their funds at the same time. This should not affect the Fund's capital value but may affect accrued income for that period.                        |

|                         |  |
|-------------------------|--|
| Market risk             | Economic, technological, political or legal conditions, and even market sentiments, can, and do, change and this can result in the investments made in those markets decreasing in value.  |
| Regulatory risk         | The risk that laws, including tax laws, change to the detriment of the Fund.   |
| Investment Manager risk | The risk that Mutual, the RE, fails to anticipate market movements, manage risks or execute the Fund's investment strategy effectively. Mutual aims to manage this risk by ensuring that its investment policies, procedures and Fund objectives are met at all times. |

### 5. HOW WE INVEST YOUR MONEY

Cash and deposits are generally considered as low risk when compared with other asset classes.

The Fund constitution allows the following authorised investments:

| Authorised Investments       | Target Investment Ranges |         |            |
|------------------------------|--------------------------|---------|------------|
|                              | Minimum                  | Maximum | Target %   |
| <u>Class A Units</u>         |                          |         |            |
| Cash                         | 0%                       | 100%    | 0% - 20%   |
| Term Deposits                | 0%                       | 100%    | 0% - 80%   |
| NCDs                         | 0%                       | 100%    | 0% - 20%   |
| <u>Classes B and C Units</u> |                          |         |            |
| Cash                         | 0%                       | 100%    | 0% - 5%    |
| Class A units                | 0%                       | 100%    | 95% - 100% |

The current range and target allocations may change at the RE's discretion. Fund investments comprise a diversified mix (by issuer and duration) of term deposits with the following banks:

- ANZ
- Bankwest
- CBA
- NAB
- St George Bank (operating Bank of Melbourne in Victoria)
- Westpac

For each of the above, counterparty exposure guideline is a maximum of 40% of the Fund assets. The Fund may also invest in at-call deposits (cash) and NCDs to provide liquidity. Class B and Class C units may also invest in Class A units.

The Fund invests in term deposits with a range of maturities to a maximum of 365 days. The Fund may hold cash and NCDs which in normal market conditions will comprise less than 20% of the Fund.

Labour standards, environmental, social and ethical considerations are not considered when Mutual implements investment strategies or decisions in relation to the Fund.

## 6. FEES AND 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's 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 investor 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 Investment Commission ("ASIC") website ([www.moneysmart.gov.au](http://www.moneysmart.gov.au)) has a managed funds fee calculator to help you check out different fee options.

The table below shows the fees and other costs that you may be charged. These fees and costs may be deducted from your money, from the returns on your investment or from the

assets of the Fund as a whole. Taxes are set out in Section 7 of this PDS.

You should read all the information about fees and costs because it is important to understand their impact on your investment. If you consult a financial adviser, additional fees may be payable to them so you should refer to your adviser for details. The management cost is calculated on the gross value of the class of units that you have invested in and is deducted from that class' income quarterly in arrears. The fees and costs for Class B and Class C Units include the costs of Class B and Class C Units being invested in Class A Units. This means Class B and Class C Units do not incur additional management costs if they are invested in Class A Units. You should read all of the information about fees and costs because it is important to understand their impact on your investment.

You may also use this information to compare the fees and costs between different simple managed investment schemes.

| Fees and Other Costs  |                               |                               |                               |
|-----------------------|-------------------------------|-------------------------------|-------------------------------|
| Units                 | Class A                       | Class B                       | Class C                       |
| Entry fee             | Nil                           | Nil                           | Nil                           |
| Exit fee              | Nil                           | Nil                           | Nil                           |
| Total Management Cost | 0.25% p.a. (inclusive of GST) | 0.25% p.a. (inclusive of GST) | 0.50% p.a. (exclusive of GST) |
| Buy/Sell spread       | Nil                           | Nil                           | Nil                           |

| Type of fee or cost <sup>1,2</sup>   | Amount   |  |  | How and when paid   |
|--|--|--|--|---|
|  | Class A Units  | Class B Units  | Class C Units  |   |
| <b>Fees when your investment moves in or out of the Fund</b>   |  |  |  |   |
| <b>Establishment Fee</b> (fee to open your investment)   | Nil  | Nil  | Nil  | Not applicable  |
| <b>Contribution Fee</b> (fee on each amount contributed to your investment)  | Nil  | Nil  | Nil  | Not applicable  |
| <b>Withdrawal Fee</b> (fee on each amount you take out of your investment)   | Nil  | Nil  | Nil  | Not applicable  |
| <b>Exit Fee</b> (fee to close your investment)   | Nil  | Nil  | Nil  | Not applicable  |
| <b>Management Costs</b>  |  |  |  |   |
| <b>Fees and other costs for managing your investment<sup>3</sup></b> (the fees and costs for managing your investment) | Total RE fee of 0.25% p.a. (inclusive of GST) of the gross asset value relating to Class A Units of the Fund | Total RE fee of 0.25% p.a. (inclusive of GST) of the gross asset value relating to Class B Units of the Fund | Total RE fee of 0.50% p.a. (exclusive of GST) of the gross asset value relating to Class C Units of the Fund | This fee is calculated daily and paid quarterly in arrears out of the Fund's assets |
| <b>Service Fees</b>  |  |  |  |   |
| <b>Investment Switching Fee</b> (fee for changing investment options)  | Nil  | Nil  | Nil  | Not applicable  |
| <b>Buy/Sell spread</b>   | Nil/Nil  | Nil/Nil  | Nil/Nil  | Not applicable  |

<sup>1</sup> Unless otherwise stated, all fees quoted in this PDS are quoted on a GST inclusive basis and net of any applicable Reduced Input Tax Credits

<sup>2</sup> Fees in this PDS can be individually negotiated if you are a wholesale client under the Corporations Act. For more details, contact the Responsible Entity.

<sup>3</sup> The management cost is paid from the assets of the Fund and is reflected in the unit price of your investment.



### Example of annual fees and other costs

The following table provides an example of how the fees and other costs in the Fund can affect your investment over a one year period. You should use these to compare this product with other managed investment products. The examples assume that \$100,000 remains constant over one (1) year and includes a \$5,000 contribution during the year. Please note the amounts below are estimates only and may not reflect the actual cost of investing in Units.

| EXAMPLE CLASS A & CLASS B UNITS |                                | Balance of \$100,000 with a contribution of \$5,000 during the year  |
|---------------------------------|--------------------------------|--|
| Contribution fee                | Nil                            | For every additional \$5,000 you put in, you will be charged \$0.  |
| PLUS Management Costs           | 0.25% pa<br>(Inclusive of GST) | For every \$100,000 you have in the Fund, you will be charged \$250 p.a.   |
| EQUALS costs of the Fund        |                                | If you had an investment of \$100,000 at the beginning of the year and you put in an additional \$5,000 during that year, you would be charged a fee ranging from \$250 to \$262.50.<br>What it costs you will depend on the fees you negotiate with your financial advisor.           |
| EXAMPLE CLASS C UNITS           |                                | Balance of \$100,000 with a contribution of \$5,000 during the year  |
| Contribution fee                | Nil                            | For every additional \$5,000 you put in, you will be charged \$0.  |
| PLUS Management Costs           | 0.50% pa<br>(Exclusive of GST) | For every \$100,000 you have in the Fund, you will be charged \$500 plus GST p.a.  |
| EQUALS costs of the Fund        |                                | If you had an investment of \$100,000 at the beginning of the year and you put in an additional \$5,000 during that year, you would be charged a fee ranging from \$500 to \$550 plus GST p.a.<br>What it costs you will depend on the fees you negotiate with your financial advisor. |

We may change our fees and costs subject to any limitations under the constitution, the Corporations Act and other applicable laws. If the RE increases the fees or costs (other than government charges), you will be notified at least 30 days' notice.

Different fees apply to units in different classes. Fees may be individually negotiated with wholesale and institutional clients.

#### Management costs and Fund expenses

The management cost for the Fund is referred to as the "RE Fee" and incorporates the RE's remuneration. The RE is entitled to be paid from the Fund assets for the performance of its duties (including the management fee). The RE fee for Class A and Class B units is 0.25% p.a. (inclusive of GST) or \$250 annually for a \$100,000 investment. For Class C Units, the RE fee is 0.50% p.a. (exclusive of GST) or \$500 plus GST annually for a \$100,000 investment.

The Fund constitution allows the RE to be reimbursed for properly incurred expenses paid on behalf of investors. These include custodian, audit, legal, printing, postage and regulatory expenses. The RE fee includes an estimate of the out of pocket expenses that Mutual is entitled to recover and is calculated daily. These expenses are paid as they fall due. They are deducted from the value of the Fund when calculating the unit price. Mutual estimates that these fees should not exceed 0.03% p.a. gross asset value or \$30 annually for a \$100,000 investment.

During the currency of the PDS or until further notice, whichever is later, Mutual will absorb and pay all other Fund expenses from its RE fee. If it requires reimbursement of any other Fund expenses, it will notify investors.

All fees and costs are inclusive of GST unless otherwise noted. The RE fee for Class C Units is exclusive of GST. The Fund may claim a reduced input tax credit ("RITC") for any GST cost that forms part of these fees and costs.

This has the effect of reducing the cost of such charges to the Fund. Under current GST laws, the general RITC rate for GST recovery purposes is either 55% or 75% depending upon the charge.

#### Buy/Sell Spread

When you invest or withdraw all or part of your investment, the RE is entitled to recover a "buy/sell" spread to pay for transaction costs associated with buying and selling Fund assets. The buy/sell spread directs costs to transacting investors rather than investors remaining in the Fund. The amounts recovered for the buy/sell spreads are not paid to the RE. There is currently no buy/sell spread charged to the Fund but if the RE decides to recover a buy/sell spread we will notify investors.

#### Other fee information

If you pay by cheque or electronic funds transfer ("EFT") and there are insufficient cleared funds in your account, your bank may charge us a fee. By signing the application form, you authorise us to recover these fees from your investments.

Under the constitution, the RE may waive or defer part or all of its fees for a financial year and claim them over subsequent years. The RE also has the discretion to negotiate its fees with certain investors so that it charges reduced fees or allows rebates. The RE may pay marketing allowances or other bonuses to financial advisers but these costs will be met by the RE.

#### 7. HOW THE FUND IS TAXED

Investing in the Fund is likely to have tax consequences for investors. You are strongly advised to seek professional tax advice.

#### Australian residents

Mutual as the RE of the Fund should not be liable for income tax on income of the Fund as it is intended that investors will be presently entitled to all of the Fund income

under Australian taxation laws (i.e. whether it is paid or reinvested). For Australian tax return reporting purposes, investors will need to report their Fund income in the same year that the Fund earned the income, even if the income has not been received yet or has been reinvested.

Distributions from the Fund may also include a capital gains tax ("CGT") component. Generally, capital gains that have been realised throughout the financial year from the disposal of the Fund's assets will be distributed to investors. Distributions by the Fund that include a CGT component should be included in each investor's calculation of their total net capital gains. Units in the Fund are CGT assets so any gain on the disposal of a unit by an investor may also be assessable under the CGT provisions of Australian income tax law.

### **Tax File Numbers ("TFNs") and Australian Business Numbers ("ABNs")**

Where resident investors have provided their Tax File Number, Australian Business Number or proof of a relevant exemption, Mutual will not withhold tax. For non-resident investors, tax may be withheld on income entitlements depending on the investor's country of residence.

You are not required to give Mutual your TFN but we are required to deduct tax from your distributions at the highest marginal rate of personal income tax plus the Medicare and Budget Repair Levy, (currently 49.0%), if you do not quote your TFN or claim an exemption. By quoting your TFN, you authorise us to apply it to your investment and disclose it to the Australian Taxation Office ("ATO"). If you have an ABN, you may quote your ABN as an alternative to your TFN.

## **8. HOW TO INVEST**

To invest in the Fund, please read this PDS and then complete and sign the application form, which forms part of this PDS, and return it to the Administrator at the address shown on the application form, along with the required supporting documentation, ("AML identification documents") and your payment.

You need the following minimum for your initial investment:

|               |  |
|---------------|--|
| Class A units | \$1.00 (please contact the IDPS Operator for this information) |
| Class B units | \$1.00 (please contact the IDPS Operator for this information) |
| Class C units | \$20,000.00  |

Mutual has the discretion to vary the minimum amount.

There are two options for payment:

### **1. Cheque**

You should send the completed application form with a cheque, payable in Australian dollars endorsed as Not Negotiable and made out to the Fund and relevant class of units, as noted in the application form, to the Administrator at the address shown on the application form.

### **2. Direct deposit/EFT**

Application money should be deposited directly into the account of the relevant class of units as noted in the application form.

Where funds are electronically transferred into the above account as a direct deposit you must also send a faxed or scanned copy of the application form to the Administrator with details of the deposit.

You must also send the original application form to the Administrator.

The Administrator processes applications each business day. Where a valid application (inclusive of application form, AML identification documents and payment) is received and accepted prior to 3.00 pm Melbourne time on a business day, the Administrator will process the application using the unit price for that day inclusive of any buy/sell spread.

Where the Administrator receives an application after 3.00 pm, the application will be deemed to have been received before 3.00 pm on the following business day.

The market value and net asset value of the Fund are calculated using the market prices of the Fund's assets. The unit price used for applications on any business day is the net asset value of the Fund at close of business on that day divided by the number of units on issue plus the Buy/Sell spread.

The number of units in the Fund allotted following the receipt of a valid application and cleared funds, will be calculated by dividing the application amount by the unit price for the Fund. The number of units may be rounded up or down to a whole number or to a fraction of a unit to six (6) decimal places.

By applying for units, you agree to be bound by the terms of the Fund constitution and the PDS, both as amended from time to time, while you hold units in the Fund.

The Administrator has the right to accept or reject an application and is not required to give reasons for rejecting an application. Where an application is rejected, all application monies (excluding any interest earned) will be returned to you. Any interest earned is credited to the Fund.

### **Cooling off**

Under the Corporations Act, retail investors have cooling off rights and may withdraw their application for units in the Fund and have their money repaid subject to an adjustment for market movements (both positive and negative) during the cooling off period and a reasonable charge for Mutual's costs. The cooling off right lasts for 14 days from the earlier of the time the transaction is confirmed or the end of the fifth day after units have been issued to an investor.

## **9. OTHER INFORMATION**

### **Reporting**

You will have access to (or may opt to receive) regular reports, including:

- investment and performance reports;
- an income distribution statement after each distribution;
- annual taxation statement;
- annual financial statement and annual report of the Fund; and



- a transaction statement each time you make any additional investment or withdrawal.

The RE will prepare an annual report for the Fund (including Fund accounts). The RE will send this to you, free of charge, by email (PDF file attachment) or by post (printed copy).

Updated information about the Fund is available to you from Mutual by email or post.

When reading Fund performance information, please note that past performance is not a reliable indicator of future performance. Fund performance may vary over time and should not be relied on when deciding to invest in the Fund.

### Your privacy

The RE respects the importance of maintaining the privacy of any personal information that you are required to provide as part of your application to invest in the Fund. The application form requires you to provide personal information. This information is required so that the RE can provide the investment to you. Additionally, the RE may use this information in order to administer, manage and generally service your investment in the Fund including any requirement to comply with Australian taxation laws, the Corporations Act and other laws and regulations.

The RE may disclose your personal information for permitted purposes to its agents and third party service providers and government authorities when required by law. If you notify the RE that you have a financial adviser, either on your application form or in writing (at a later date), you agree that details of your investment will be provided to them.

The RE takes reasonable steps to ensure that your personal information is accurate, complete and up to date. Under the Privacy Act 1988 (Cth) you may request access to the personal information the RE and its service providers hold about you. You can request access to your personal information or a copy of the RE's Privacy Policy by telephone or writing to Mutual at the address on page 1 of this PDS.

### Anti-money laundering and counter terrorism financing

The RE is required to comply with all applicable anti-money laundering legislation that applies to its operations including those laws implemented under the *Anti-Money Laundering and Counter Terrorism Financing Act 2006* ("AML/CTF"). These laws require the RE to take all reasonable steps to identify and verify all investors, including requesting of relevant identification documents. By applying to invest in the Fund you are taken to have agreed to the following terms:

- a) you warrant that you comply with all applicable anti-money laundering laws and regulations, including but not limited to the anti-money laundering laws and regulations of Australia (as amended from time to time);
- b) you are not aware and have no reason to suspect that:
  - (i) the monies used to fund your investment in the Fund have been or will be derived from or related to any money laundering and other activities deemed illegal under applicable laws

or regulations or otherwise prohibited under any international convention or agreement (illegal activity);

- (ii) the proceeds of your investment in the Fund will be used to finance illegal activities;
- c) you agree to provide the RE with all information that it reasonably requests promptly so that it can comply with its anti-money laundering legal obligations. Any failure to provide such information may result in your application for units being delayed or rejected, and in such circumstances, the RE will not be liable to you for any resulting loss; and
  - d) you understand that the RE or its agents are able to disclose your personal details to law enforcement agencies, including AUSTRAC, if the RE or its agents believe it is necessary to do so in order to comply with their obligations under the anti-money laundering laws of Australia and that the RE or its agents may be required to keep such disclosure confidential.

### AML/CTF requirements

As noted above the RE must conduct due diligence on you before issuing units to you. The due diligence includes verifying your identity. The RE cannot process applications that do not provide the required information. As part of these obligations the RE is required to collect and verify identification information before it can issue units. The RE may ask you to provide information that is reasonably required to verify your identity, the identity of any underlying beneficial owner or the source or destination of any payment to or from the Fund.

The RE may also require you to provide updated or additional information from time to time.

### Changing your details

To change your details (such as your address, contact details, nominated financial adviser and bank account) write to the RE stating your investment account number and name, and the details of the change. The instruction must be signed by an authorised signatory (or signatories where more than one is required) to the account.

### FATCA and US investors

The Foreign Account Tax Compliance Act ("FATCA") is an anti-tax evasion regime enacted by the United States government to identify U.S. taxpayers using off shore accounts. In June 2014, the Australian government passed legislation giving effect to Australia's commitment to FATCA. From 1 July 2014, the RE is required to ask investors whether they are U.S. citizens or U.S. residents and provide information on those that answer "yes" to the Australian Taxation Office.

### Consents

As at the date of the PDS, all parties have given, and not withdrawn their consent to the inclusion of their name and material in the PDS in the form and context in which it appears. Other than Mutual, each of the parties named in this PDS has not authorised or caused the issue of the PDS and is not responsible for any part of the PDS other than their own statements.