



# ***Powerwrap Investment Account***

***Product Disclosure Statement***

Issue Date 31 July 2009



## General Information

This Product Disclosure Statement ('PDS') dated 31 July 2009 is issued by Powerwrap Limited ('Powerwrap') (ABN 67 129 756 850). Powerwrap holds Australian Financial Services Licence No. 329829.

This PDS invites you to invest in the Powerwrap Investment Account (referred to in this PDS as the PIA or 'Scheme'), a registered Managed Investment Scheme ('MIS') under the Corporations Act 2001 (Cth) (ARSN 137 053 073). You can only invest in the PIA if you have a Financial Adviser so that you receive appropriate advice for each investment you are considering to ensure that it is suited to your investment strategy.

Investments in the PIA are offered by Powerwrap Limited as responsible entity of the PIA (referred to in this PDS as 'Powerwrap', 'responsible entity', 'we', 'our', 'us').

Investments in the PIA are not deposits with or other liabilities of Powerwrap and are subject to investment risk, including possible delays in repayment and loss of income and principal invested. Powerwrap does not guarantee the performance of the PIA or the repayment of capital from the PIA or any particular rate of return.

Information in the PDS may change from time to time. We may provide updated information on our website at [www.powerwrap.com.au](http://www.powerwrap.com.au) including information to meet our continuous disclosure obligations. A paper copy of the updated information will be provided without charge on request by calling Client Services on 03 8681 4600. Alternatively, we may also be required to issue a supplementary PDS as a result of certain changes, in particular where the changes are materially adverse from the point of view of a reasonable person deciding as a retail client whether to invest in the PIA.

The information in this PDS is general in nature only and is not personal advice. It does not take into account your individual objectives, financial situation or needs. You should read this PDS carefully and assess whether the information is appropriate for you in light of your objectives, financial situation and needs in conjunction with your Financial Adviser before making an investment decision.

Before investing in the PIA, you must open a cash management account with Adelaide Bank, a division of Bendigo and Adelaide Bank Limited ACN 068 049 178. Before you do, you must read the Product Guide (PG) for the Adelaide Cash Management Account, which will be provided to you by your Financial Adviser. The Product Guide is also available at [www.adelaidebank.com.au](http://www.adelaidebank.com.au)

Your Financial Adviser should also give you a current Product Disclosure Statement for each managed fund in which you choose to invest through the PIA or you can obtain these Product Disclosure Statements from the Powerwrap website. Each Product Disclosure Statement contains important information about the managed fund that you need to consider before making your investment decision.

The Investment List for PIA is available from the Powerwrap website or through your Financial Adviser. We will also provide a paper copy on request. The investment list contains information about the managed funds that are available for selection under the PIA and must be read and used in conjunction with this PDS. The Investment List is taken to be included in this PDS.

This PDS does not constitute an offer or invitation in any place where, or to any person to whom, it would not be lawful to make such an offer or invitation.

# Directory

## **Responsible Entity**

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## **Contact**

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## **Custodian**

Australian Market Automated Quotation (AUSMAQ) System Limited (AFSL No. 230684)  
Level 12, 55 Clarence Street  
Sydney NSW 2000

## **Auditor**

Pitcher Partners  
Level 19, 15 William Street  
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# The Powerwrap Investment Account

## A single investment account

The Powerwrap Investment Account (**PIA**) is a registered Managed Investment Scheme (**MIS**) that provides access to a comprehensive range of wholesale managed funds within a single consolidated investment account (**Account** or **Investment Account**). Powerwrap will manage your Account in accordance with instructions received from your Financial Adviser or you.

Once you have determined your investment strategy in conjunction with your Financial Adviser, you can construct a portfolio of investments from the range of wholesale managed funds in the investment list. The PIA allows you to view the investment portfolio you hold within your Account on line at any time and receive consolidated electronic reporting across all of your portfolio holdings.

You can fund your Account with cash or by transferring any existing holdings of the listed wholesale managed funds to your Account without triggering capital gains tax. This is because with the PIA you have an absolute beneficial ownership in the portfolio of investments held in your Account. You can also choose your preferred method of tax accounting.

You can set up a regular investment facility to invest a regular amount each month into the PIA. You can also set up a regular withdrawal plan to receive monthly payments from your Account.

The PIA is a fully electronic product. When you invest in the PIA you agree to receive all disclosures and reporting electronically via The Powerwrap Interface. You also authorise your Financial Adviser to act as your agent for performing online transactions on your Account. This will include the purchase and sale of investments for the investment portfolio within your Account.

## Linked to a Cash Management Account

Your Account will be linked to an external cash management account (**CMA**) held outside the MIS. This CMA will provide liquidity for the purchase of investments and the payment of fees and costs. You therefore need to maintain a minimum balance of \$1,000 in your CMA. We will also pay the cash proceeds from redeeming your investments, distributions received from your investments and any requested cash withdrawals into this account.

Adelaide Bank, a division of Bendigo and Adelaide Bank Limited ACN 068 049 178 (Adelaide Bank) is the provider of the CMA. When you invest in the PIA, you authorise your Financial Adviser to establish a cash account for you. You also authorise Powerwrap to access your cash account as a Full Access Authorised Operator to acquire investments for your Account (in accordance with instructions) and to pay the fees and costs associated with the PIA as disclosed in this PDS (including by redeeming investments).

## Linked External Asset Reporting

If you personally hold external assets outside of the PIA, Powerwrap can integrate reporting for your external holdings with the consolidated reporting of your Account holdings under the PIA. This can be done if your personal external asset holdings are loaded onto a linked Praemium V-Wrap Account. Your adviser may already be administering your personal holdings on a Praemium V-Wrap Account or, for a fee, we can arrange a linked Praemium V Wrap Account for you.

This facility provides you with access to complete consolidated reporting and tax management across your managed fund investments under the PIA and any personal investments loaded onto your Praemium V-Wrap Account.

The Praemium V-Wrap Account is a non-custodial back office administration and reporting system. Praemium is the provider of the V-Wrap Account.

Where you choose to link a Praemium V-Wrap account with your PIA for consolidated reporting, your financial adviser is responsible for managing the V-Wrap account and ensuring the accuracy of V-Wrap account details included in your consolidated report.

## Key Features

This section contains references to some of the key features of the PIA. You should read this PDS in full before deciding whether to invest.

FEATURE	SUMMARY	PAGE
Choice of managed funds	Choose from a range of wholesale managed funds from leading Australian and International managers.	18
Investment Account Minimums	Initial Investment: \$20,000 Minimum balance: \$20,000 Additional lump sum investment: \$1,000 Additional regular investment: \$100 per month Lump sum withdrawal: \$1,000 per withdrawal Regular withdrawal: \$100 per month	19
Adelaide CMA Minimum	\$1,000	12
Managed fund Minimums	Generally, there is no minimum investment amounts for individual managed funds, however, some managers may impose minimum restrictions – please refer to the managed fund’s PDS	18
Account funding	Accounts can be funded with cash, through the transfer of existing units in managed funds or a combination of both.	19
Regular investment facility	Fixed nominated amounts can be invested each month into your Investment Account holdings from your Adelaide CMA.	19
Regular withdrawal facility	Amounts can be transferred on a monthly basis from your Investment Account to your Adelaide CMA.	20
Distributions	Distributions from managed funds are paid to your Adelaide CMA as they are received from the fund managers.	13
Online reporting	The PIA offers a wide range of online reports: <ul style="list-style-type: none"> <li>• Investment Account holdings</li> <li>• Investment Account valuations</li> <li>• Performance reports</li> <li>• Cash transactions to and from your Adelaide CMA</li> <li>• Investment transactions</li> <li>• Distributions</li> <li>• Asset allocations (by managed fund)</li> <li>• Current tax positions</li> </ul> Further reporting options are available if you have a Praemium V-Wrap account: <ul style="list-style-type: none"> <li>• Across all investments in the PIA and loaded on your V-Wrap account, or</li> <li>• Separately by individual asset loaded on your V-Wrap account</li> </ul>	23
Online transactions	You can transact online through your Financial Adviser: <ul style="list-style-type: none"> <li>• Initial and additional investments</li> <li>• Switches between managed funds</li> <li>• Withdrawals</li> </ul>	19

FEATURE	SUMMARY	PAGE
Quarterly reports	Quarterly reports are available online, providing a summary of all transactions, account valuation, asset allocations (by managed fund) and investment details.	23
Annual reports	A detailed consolidated tax statement will be available each year.	23
Choice of tax accounting method	<ul style="list-style-type: none"> <li>• Minimise gain</li> <li>• Maximise gain</li> <li>• FIFO</li> <li>• Optimise through manual parcel selection</li> </ul>	24
Account closure	<p>If you choose to close your Account, you can elect:</p> <ul style="list-style-type: none"> <li>• To sell holdings and receive payment in cash</li> <li>• To transfer holdings to another custodial arrangement without triggering a CGT event</li> <li>• A combination of the above</li> </ul>	21
Fees and costs	The PIA offers highly competitive and flexible fee and cost options that can be tailored to your circumstances in conjunction with your Financial Adviser.	26

# Key Benefits

## Tax efficiency

Offering advanced tax management functionality that evaluates tax at a global level across managed funds held within the MIS, as well as any external assets loaded onto a linked Praemium V-Wrap account, you can effectively manage your CGT affairs throughout the year. Your Financial Adviser can conduct what-if analysis to assess the impact of recommendations before implementing them.

The PIA lets you choose the tax accounting method that best suits your circumstances. As tax management and reporting operates across both managed fund investments held within the scheme, as well as any personal assets held outside the scheme, your adviser can assist you achieve an optimised tax position, across your entire Investment Account and V-Wrap account (if applicable).

## Transparency

You can view all investments, transactions and fees through secure online access. Keep on top of your investments by accurately monitoring investment account and (if applicable) security performance – compare the performance of managed funds and any external assets loaded onto a linked V-Wrap account in a consistent and correct manner.

## Choice of fund manager and investment strategy

The PIA provides access to a wide range of wholesale managed funds allowing you to tailor your choice of investments to suit your particular needs, providing style, manager and asset class diversification all through the one investment account.

## The ability to include direct equities and other assets within a consolidated reporting facility

By linking a Praemium V-Wrap account to your PIA investment account, you can receive consolidated reports potentially including the full universe of ASX traded securities, as well as fixed interest securities and even direct property.

## Competitive Fees

The PIA provides investors with cost effective access to wholesale managed funds and investment account administration. In many cases, the PIA is more cost effective than similar master trust or wrap account structures. Please see Pages 26 - 31 for a full description of Fees and Costs charged for the PIA.

## Comprehensive reporting

Through the PIA, you can view account holdings and transactions online. You can view your combined portfolio of managed funds held through the Scheme, as well as any external assets held outside the MIS loaded onto a linked V-Wrap account in aggregate, or you can view individual components separately.

With portfolios re-valued every day, the PIA provides up to date information at your finger tips. You will have access to information faster and have improved decision making capability by using PIA accurate portfolio monitoring and reporting functions.

Each quarter, comprehensive reports on the status of your investments will be available online, allowing you to track the performance and activity of your investment account.

After the end of each financial year, we will provide a detailed report containing all the information you need in relation to investments held in the PIA for your tax return, thereby reducing the administrative burden of maintaining records of all investments and transactions yourself.

### **Suitability for Self Managed Superannuation Funds**

The PIA may be useful for SMSF administrators, as it eliminates the record keeping burden associated with holding investments directly.

# How your account works

## Investing in the PIA

To invest in the PIA, your Financial Adviser will complete an online application that will establish an investment account. Your Financial Adviser will also establish your Adelaide Cash Management Account (CMA).

Your CMA is a cash transaction account linked to the PIA. The CMA provides liquidity to fund investment purchases and pay fees associated with the operation of the PIA, as well as receiving distributions from investments held within the PIA, investment sale proceeds and any withdrawals. For full details of how your CMA operates, please refer to page 12.

Once funds are available within your CMA, you simply select managed fund investments from the Investment List, in conjunction with your Financial Adviser.

If you also want to receive consolidated reporting and tax management for your own personal holdings, alongside the managed funds held through the PIA, you simply ask your Financial Adviser to load your existing portfolio details into the V-Wrap reporting system.

The minimum initial amount you can invest into the PIA is \$20,000. Additional investments of \$1,000 or more can be made at any time, or you can elect to set up a regular investment facility to deposit amounts of \$100 or more on a monthly basis from your CMA.

## Investing in managed funds

To purchase units in a managed fund through the PIA, your adviser will submit purchase instructions online, on your behalf. On receipt of instructions from your adviser, Powerwrap will apply for the requested units by drawing on funds held within your CMA. Normally, Powerwrap will apply for units on the same day an instruction is received, where a request is received before 1:00 PM on a business day. You should be aware that the application for units may not be immediate and will be subject to normal transaction processing times of the fund managers with whom you choose to invest. Powerwrap is not responsible for any delays in purchase transactions. Powerwrap will only apply for units in managed funds if there are sufficient cleared funds within your CMA.

Before you invest in any managed fund, you must read the disclosure document or the Product Disclosure Statement for each fund, which your Financial Adviser will give you and which is also available from our website.

You can apply for a new managed fund investment at any time, subject to sufficient cleared funds being available in your CMA to cover your investment instruction. You can ensure sufficient funds are available within your CMA, by making an additional deposit, or through instructing us to sell any of the existing investments held within your PIA.

## Transferring in existing investments

Existing holdings of managed funds that are available on the Investment List can be transferred into the PIA. You will be charged a fee of \$27.50 per unit per transfer, plus any State Revenue Processing Fees and applicable stamp duty. Please refer to Service Requests on page 28 for fees and costs details. Further information about how to transfer existing holdings into the PIA is outlined on page 19.

## How the Adelaide Cash Management Account (CMA) works with your Powerwrap Investment Account (PIA)

When you open a PIA Account, you also open a linked Adelaide CMA and appoint Powerwrap as a Full Access Authorised Operator of your CMA. As a Full Access Authorised Operator of your CMA, you are providing Powerwrap the authority to perform transactions on your CMA that relate to the operation of your PIA Account. Full Access Authorised Operator status for your CMA is essential to the proper operation of your PIA Account. If Powerwrap is removed as a Full Access Authorised Operator of your CMA, Powerwrap will terminate your PIA Account.

Please refer to the Adelaide Cash Management Account Product Guide, available on our website, for full details of the functions that a Full Access Operator Authorised Operator can perform. Please note that Powerwrap will not be permitted to be issued with a cheque book, cash card or access an online banking facility in relation to your CMA and will facilitate transactions on your account via the submission of a daily electronic file to Adelaide Bank.

Before you invest in the PIA, you need to place funds in your CMA. This is normally done within one business day of receipt of a correctly completed Application Form. Part of your cash will always remain in the CMA to maintain the minimum \$1,000 balance requirement. You must (or if you agree, your adviser will) manage your cash balance in the CMA at a level that is appropriate to meet the liquidity requirements of your investment account. Typically, we suggest that you hold an amount, in addition to the minimum balance requirement, that is sufficient to cover three months fees, plus any regular investment amounts that you will be making over the period.

You must retain the minimum balance within your CMA. If there is insufficient cash in your CMA to cover fees associated with your PIA, we are authorised to redeem units from your managed funds holdings, and use the proceeds to restore your CMA cash balance.

The following amounts are credited to your CMA:

- Initial and subsequent deposits for investments you propose making into your PIA Account
- Proceeds from redemptions and the sale of investments held in your PIA Account
- All income earned, including interest on funds held in your CMA and income distributions from managed funds in your PIA Account
- Any amounts that you elect to receive from the PIA Account through the Regular Withdrawal Plan.

When you appoint Powerwrap as a Full Access Authorised Operator on your Adelaide CMA, the following amounts may be debited from your CMA:

- Funds relating to the purchase of investments in your PIA Account
- All fees associated with holding investments through the PIA, including fees payable to Powerwrap, your adviser and their licensee as disclosed in this PDS.

The interest rate on your CMA is determined by Adelaide Bank. Current interest rates for the CMA are available by calling Adelaide Bank on 1800 224 124, or online at [www.adelaidebank.com.au](http://www.adelaidebank.com.au). Interest is calculated daily and paid monthly on the closing balance of the CMA. For more details, please refer to the Adelaide Cash Management Account Product Guide.

## Ownership

Ownership of the various components relating to the PIA are as follows:

- While you have beneficial ownership, wholesale managed funds are legally held by a custodian as part of the PIA
- Cash is managed through a linked Adelaide CMA which you hold directly outside the PIA
- If applicable, CHESS or Issuer sponsored holdings of direct equities (and other external assets) may be held by you personally outside the PIA, but administered through a non-custodial Praemium V-Wrap account.

These components offer a number of efficiencies for the management of investment portfolios. Custodial managed fund holdings provide transactional efficiencies through pooling of trades, without limiting flexibility or investor entitlements. All managed funds investments within the PIA are held for you by the custodian appointed by us, AUSMAQ Limited. We maintain a register of holdings for each investor. You are the beneficial owner of managed fund investments held in the PIA. The Custodian holds the investments by pooling them with the assets of other persons and keeps records in a way that enables the investments to be clearly identified.

An integrated external cash facility offers superior transaction functionality, pricing and transparency to the typical pooled cash arrangements offered by master trust and wrap providers.

Directly held equities gives investors ultimate flexibility in corporate actions decisions relating to their portfolio. Because you are the legal owner of the direct equities, you are entitled to shareholder benefits such as discount cards, and you will be able to vote at shareholder meetings. Where corporate actions may have an entitlement limit determined on a per-holding basis (rather than the size of the holding), you will be eligible to receive your full entitlement, rather than receiving a lesser entitlement as is most commonly the case with the custodial holdings.

## Investment Authority

By opening an Account, you authorise us to act on all instructions received by your Financial Adviser in relation to your account as if those instructions were received directly from you. This includes the buying and selling of managed fund holdings.

Where you hold direct equities administered on a linked V-Wrap account, you, as a direct investor, control all the trading decisions in conjunction with your preferred broker.

## Distributions

Distributions from managed funds are paid in cash, and credited to your CMA. If you want to re-invest distributions, your adviser will need to provide instructions to us.

## Environmental, Social and Ethical Considerations

When assessing the products that are available on our Investment List, Powerwrap does not take into account labour standards, environmental, social or ethical considerations of the underlying managers of those products. We may have certain socially responsible investments available on our Investment List. You must read the underlying PDS for any investments that you are considering.

## Including direct equities and other assets in your consolidated reporting

Through a linked V-Wrap account, you can include direct equities and other assets in your consolidated reporting for the managed funds held in the PIA.

Because V-Wrap is not a custodial service, you don't need to sign any paperwork to report on direct equities or other assets through the PIA. You simply maintain your existing broker relationships, while V-Wrap becomes your back office administration system to report and manage your personal holdings at your convenience.

All asset types are catered for including:

- Listed equities (shares options and short sells)
- Private investments
- Syndicates
- Investment property
- Managed funds (if not available on our Investment List)
- Fixed interest securities
- If your Financial Adviser opens a new linked V-Wrap account to manage your direct equities and other assets, you will be charged a flat fee (currently \$240 per annum plus GST) which will be deducted from your CMA and paid to Praemium, the provider of V-Wrap.

## Risks

The key risks associated with the PIA are described below.

In addition, there are risks associated with investments made under the PIA. These general investment risks are also summarised below, but you also need to refer to the Product Disclosure Statement for each managed fund to understand the particular risks of investing in that fund.

While any investment decision involves an element of risk, it is important that investors understand that these risks cannot be completely eliminated and that the value of investments can rise and fall where risks eventuate.

## Risks associated with the PIA

### Administration risk

Delays in the purchase and sale of investments for your Account can occur. There is some risk that systems failure may cause a delay in the processing of transactions on your Account. There is also some risk that you will experience delays in purchasing investments if there are insufficient funds available within your CMA to fund a purchase order. Delays can also be experienced as a result of transaction processing delays with fund managers, which is outside our control.

### Online disclosure

You are generally reliant on The Powerwrap Interface for information relating to your Account. To keep up to date, you need to regularly access your Account using The Powerwrap Interface. You also need to ensure that you keep your security code confidential and that you only allow trusted individuals to view information relating to your Account.

### Capital erosion risk

There is a risk that where you elect to use the Regular Monthly Withdrawal Facility, that the value of your capital will be eroded over time. This will generally occur where outgoing payments and fees and charges, are greater than the income and capital growth of your investments, particularly if income distributions are not re-invested.

### Scheme risk and investing in underlying managed funds

Risks particular to the MIS structure include that it could terminate, the fees and expenses could change (as described in Fees and Other Costs on page 26), Powerwrap could be replaced as Responsible Entity and the Powerwrap management team could change. Powerwrap aims to keep scheme risks to a minimum by monitoring the scheme and acting in the best interests of unit holders.

Since the PIA enables you to invest in underlying managed funds, there is also a risk that investing in underlying managed funds may give different results than investing directly in the underlying securities because of income, capital gains or losses accrued in the managed funds, and the consequences of investments and withdrawals by other unit holders.

## Concentration risk

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

## Liquidity risk

It is characteristic of security markets throughout the world that some securities trade infrequently. Liquidity risk is where a security trades too infrequently for investors to be able to realise their assets at the current market price in a timely fashion. In particular, while every effort is made for the PIA to be able to satisfy all withdrawal requests promptly, the nature of the underlying investments means that in certain circumstances (for example if trading in a managed fund has been restricted or suspended in the market), we may not be able to fully meet all withdrawal requests when they are received.

## Leverage risk

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

## Regulatory risk

Regulatory risk arises from regulatory or taxation changes introduced by a government or a regulator, which may affect the value of investments available through the PIA. These regulatory or taxation changes may occur in Australia or other countries in which investments available through the PIA are invested.

# General Investment Risks

The managed funds in which you invest will generally be subject to one or more of the following risks:

## Market risk

Market risk generally refers to the risks associated with specific asset markets which cannot be diversified away by holding a broader selection of securities available within the same market. Market risk relates to changes in the price of assets held within an investment portfolio that can result in capital loss or fluctuations in the value of your investment portfolio within short periods of time. Changes in asset prices are generally driven by changing profitability of companies and industry sectors, economic cycles, demand for securities, liquidity of securities, business confidence and government policy.

## Manager risk

Manager risk refers to the likelihood that a fund manager fails to deliver returns that compare favourably with their peers or with the fund's performance benchmarks. The key drivers of manager risk are the effectiveness of fund manager's investment strategy; the means by which implementation of the strategy is effectively governed, and the extent to which a manager is impacted by potential loss of key staff.

## Active Manager risk

Active investment managers aim to outperform by seeking attractive assets as opposed to investing in a pre-determined basket of assets (such as an index). If an active manager uses poor asset selection skills, this could result in underperformance or not producing returns that compare favourably against its peers.

## Currency risk

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

## Volatility risk

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

## Company specific risk

If your managed fund is exposed to shares, the securities of a particular company are subject to risks that are specific to the individual company. Risk, due to specific company factors, can mean that a company's return can be significantly lower than that of the market, which can negatively impact the value of your investments.

## Interest rate risk

If your managed fund is exposed to shares, a rise in the general level of interest rates can have a negative impact on the value of a company, due to higher borrowing costs and a lower valuation of its future earnings.

## Fixed Interest risks

If your managed fund is exposed to fixed interest, you should be aware that fixed interest investment involves credit risk, interest rate risk, and liquidity risk. Credit risk is the risk that a borrower may default on interest or principal repayments. Interest rate risk is the risk of changes in security prices due to changes in interest rates. This risk generally increases the longer the maturity of the instrument. An interest rate increase results in the capital value of fixed interest investments falling.

## Inflation risk

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

## Investment Options

The PIA provides access to wholesale managed funds. The Investment List includes diversified managed funds (providing you with access to a spread of different asset classes within the fund itself) and managed funds focussed predominantly on a specific asset class or sector, such as cash, fixed interest, property, Australian equities, International equities and alternative investments. Within each category, a number of investment managers are included. This allows you to invest in a range of managed funds across different asset classes, investment managers and investment styles in accordance with an investment strategy that you agree with your Financial Adviser.

### Wholesale managed funds

The PIA provides access to a comprehensive range of wholesale managed funds. As wholesale trusts, investors benefit from lower fees than those typically available to retail investors.

For a complete list of the funds available through the PIA, please refer to the Investment List or contact your Financial Adviser, or Powerwrap. The inclusion of a managed fund on the Investment List should not be construed as a recommendation to invest in a particular fund.

Before you invest in any of the funds available through the PDS, you must read a copy of the current PDS for each fund you have chosen to invest in. The PDS will describe the investment objective, investment strategy, risk / return profile, and investment time-frame in detail. Your Financial Adviser will provide you with the current PDS for the funds you are considering or you can obtain a copy of the current PDS for each fund from the Powerwrap website. You should also read a copy of the current PDS before making additional investments into a managed fund, as the PDS may have changed over time.

We have the right to change the managed funds available through the PIA from time to time at our discretion. If you have invested in a managed fund that is removed from the PIA Investment List, Powerwrap may allow you to continue to hold this investment in your Account at Powerwrap's discretion. Alternatively, if Powerwrap considers it necessary, Powerwrap may seek instructions to transfer this investment to another custodial arrangement for you or where this is impracticable, sell the investment on your behalf and pay the sale proceeds to your CMA.

# Operating your account

## Opening an account

When you first invest in the PIA, your Financial Adviser will establish your Account online, and provide a printed Application Form for you to sign and send to us designating your initial investment amount. Initial investments must be for a minimum of \$20,000. We may, at our discretion, reject applications for investment in the PIA. You can fund your Account by investing cash or transferring an existing portfolio of managed fund holdings. You can only transfer existing holdings of wholesale managed funds into the PIA, where the identical holding is available on the Investment List and you will retain beneficial ownership. Generally, identical fund holdings can be identified by funds that have the same APIR code.

## Cash contributions

When you first set-up your Investment Account, you must deposit funds into your Adelaide CMA. You have the option of making deposits into your CMA via cheque, BPay or EFT. Then, once cleared funds are available within your CMA, you can purchase units in managed funds through the PIA. Your investments are normally purchased within 5 days of your application being received. Where you invest in certain managed funds that offer monthly liquidity, the application process will take longer. Please refer to the PDS for each managed fund in which you are investing for full details.

## In-specie Transfers

If you wish to transfer a managed fund to the PIA and it is currently registered in your own name, your financial adviser will ask you to sign an Australian Standard Transfer Form which has been pre-populated with our Custodian's details. You will also be required to complete a Statutory Declaration to confirm that there is no change of beneficial ownership as a result of the transfer. Powerwrap cannot accept transfers where there is a change in beneficial ownership. Your financial adviser will be able to provide you with all relevant documentation.

If you wish to transfer a managed fund to the PIA and it is currently held with another custodial service, such as a master trust or a wrap account provider, they will generally require you to request the transfer of your holdings in writing, however, this will vary by provider. Your financial adviser will be able to assist you with this process. Your financial adviser will also be able to provide you with an Australian Standard Transfer which has been pre-populated with our Custodian's details. Once you have completed the transfer instructions, your financial adviser will send your Australian Standard Transfer and written request to us and we will instruct the outgoing custodian to commence the transfer process.

Generally this will take 5-10 business days to be processed by Powerwrap, although under the Constitution, we have up to 60 days to complete. There may be additional delays as a result of external providers such as Fund Managers, Registries, Custodians and the Office of State Revenue.

It is important to note that no further transactions can occur once the in-specie transfer process has commenced.

## Instructions

Except in the limited situations permitted under the Constitution and disclosed in this PDS, we will act only on instructions received from your Financial Adviser or you. Generally most instructions will be provided by your Financial Adviser under the authority you provide with your application – see 'Providing Instructions to us through your Financial Adviser' on Page 34 for further details. These instructions can be standing instructions. However, we will not accept instructions from your Financial Adviser in relation to a change of personal details and the closure of your Account. These instructions must be provided by you personally.

## Additional investments

You can make additional investments of at least \$1,000 through your Financial Adviser at any time without the need to complete further forms. Where you make additional investments, you simply inform your Financial Adviser which investments you want to purchase with your additional investment amount, via the Investment List. We will then act on instructions from your Financial Adviser. If Instructions include funds that are no longer available on the Investment List, we will hold your funds in your CMA until we receive further instructions from your Financial Adviser.

## Regular investment plan

If you would like to make regular investments into the PIA, you can establish a Regular Investment Plan and invest amounts from \$100 per month out of your CMA. Regular investments are normally processed on the 15<sup>th</sup> day of each month. Where you wish to commence making regular investments in a particular month, your adviser should notify us by the 10<sup>th</sup> day of the month. We will continue to make regular investments from your CMA into the PIA until we receive instructions from you via your Financial Adviser. You can cancel the Regular Investment Plan at any time. Regular investments amounts will be invested pro-rata across your existing PIA holdings.

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

## Funds excluded from Regular Investment Plan

Certain managed funds that may be available through the PIA from time to time will impose minimum purchase amounts in either dollar or unit terms. At the date of this PDS, certain funds from PM Capital and Legg Mason impose a minimum unit purchase of 100 units. Before you commence a Regular Investment Plan, please refer to the underlying PDS for each of the funds to determine their suitability for a regular investment plan.

## Switching between managed funds

If you want to change the managed funds in which your Account is invested, your Financial Adviser can provide us with instructions to sell a managed fund and purchase a different managed fund on the Investment List. Switching between managed funds may be a Capital Gains Tax Event – see page 24 for further information. Also, the fund managers may impose transaction costs (in the form of a buy/sell spread) when units are bought and sold – see Page 28 for further information. Some fund managers may have minimum investment and redemption amounts, which will be disclosed in the managed fund's PDS.

## Consolidated trading

For increased efficiency, the custodian may consolidate orders for the sale and purchase of units in a particular managed fund. This may result in slight delays in the processing of transactions.

## Regular Withdrawal Plan

You can set up a Regular Withdrawal Plan to have a specified amount paid from your PIA into your CMA on a monthly basis. We will process redemptions from the managed funds on the 15<sup>th</sup> of each month, but the receipt of funds to your CMA will be dependent on each fund manager. The minimum allowable payment is \$100 per month per investment account.

Please note that payments under a Regular Withdrawal Plan may lead to erosion of the value of an investment account over time, if outgoing payments and fees and charges are greater than any re-invested income and capital growth of the investment account.

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

## Funds excluded from Regular withdrawal plan

Certain managed funds that may be available through the PIA from time to time will be excluded from the Regular withdrawal plan where they are considered illiquid. During periods of market volatility, funds are commonly deemed 'illiquid' by fund managers. Illiquid funds include funds that are suspended; frozen to redemptions, or subject to transaction delays. The Investment List will be updated if we become aware that certain managed funds are illiquid.

## Withdrawals

You may request to withdraw all or part of your investment in the PIA at any time, subject to a minimum withdrawal amount of \$1,000 and maintaining a minimum balance in your PIA of \$20,000.

Withdrawals will usually be actioned within one business day of receipt of the withdrawal request date, but the receipt of funds to your CMA will be dependent on each fund manager. Please note that sales of investments in your Account may be Capital Gains Tax events. Please see the 'Taxation' section on Page 24 for further details.

When an event outside our control impacts on our ability to transfer assets or realise sufficient assets to satisfy withdrawal requests (for example, where managed funds may become illiquid) we are able to delay transfer or payment for a corresponding period in accordance with our Constitution.

## Tax accounting method

We recommend that you seek advice from a professional tax adviser before selecting or changing your tax accounting method. You can select from the following tax accounting methods:

- Minimise Gain – tax parcels are selected to minimise the capital gain on disposal of an asset
- Maximise Gain – tax parcels are selected to maximise the capital gain on disposal of an asset
- First In First Out (FIFO) – the earliest tax parcel is selected on disposal of an asset
- Manual Selection – tax parcels are selected to optimise a dollar based position on disposal of an asset

The default method is Minimise Gain.

You can change your tax accounting method at any time by notifying us in writing. The new method will apply from the date we process the change, and all transactions from that date will use the new method.

## Maintaining the appropriate balance in your CMA

You are required to maintain a minimum balance of \$1,000 in your CMA. We also suggest that you maintain a balance, in addition to the minimum balance that is sufficient to cover the total of three months fees relating to your PIA, as well as any regular investment amounts that relate to your PIA.

You can invest a higher amount in your CMA, which will earn the standard rate of interest applied to the CMA by Adelaide Bank. Interest is calculated daily and paid to your CMA on a monthly basis.

If the balance of your CMA falls beneath the minimum, and where there are insufficient funds to cover monthly fees, then investments in the PIA will be sold down to meet these obligations. Where investments are sold down to meet liquidity requirements of your account, your holdings will be sold in proportion to existing holdings. Where your holdings include illiquid funds, these funds will be excluded from the sell down process.

## Closing your account

When closing your Account, you can elect to have:

- Assets sold and the proceeds paid by electronic transfer to your CMA;
- Assets transferred to another custodial arrangement (as allowable under law or under the terms of an investment itself); or
- A combination of sell-down and transfer.

To close your Account, please complete the Account Closure Form available from your Financial Adviser. Generally this will take 5-10 business days to be processed by Powerwrap, although under the Constitution, we have up to 60 days to complete. There may be additional delays as a result of external providers such as Fund Managers, Registries, Custodians and the Office of State Revenue.

If you choose cash payment, we will process the payment as a withdrawal (for details see the 'Withdrawals' section on Page 21).

Prior to closing your Account, your CMA balance will be applied to pay all outstanding income, fees and charges prior to sending the final proceeds to you. It may be necessary to keep your Account open for a period of time pending the processing of any transfers and the receipt of any outstanding distributions. During this time, the minimum balance should be retained within your CMA. Please refer to 'Termination of your Account' on page 36.

You will receive your final annual tax report after the end of the Australian financial year in which your Account is closed.

## Changing details

You should notify us as soon as possible of any changes in your personal details relating to the PIA. You can provide notification via the 'Change of Personal Details Form' available from our website.

## Reporting

When you invest in the PIA you agree to receive all communications electronically via The Powerwrap Interface, except as otherwise indicated in this PDS. See page 34 for the terms and conditions of this facility.

### Online reporting

When you open an Account you will be sent a Username via email and password through the post that you can use to access information about your Account via our secure website: [www.powerwrap.com.au](http://www.powerwrap.com.au)

The following reports are available online:

- Investment account valuation
- Investment transactions
- Cash transactions to and from your CMA
- Account details
- Asset allocation (by managed fund)

You can view Account holdings and transactions online, either separately by investment account; or if you have more than one Account in aggregate (all investment accounts combined).

Reports are generally for holdings and transactions up until the previous business day, using market close prices for that day. Reports can be generated for any time period or date, back as far as your initial investment date. You can also download transaction and investment account valuation reports in electronic format, enabling you to open them in a spreadsheet or upload them into some accounting packages.

Quarterly reports and Tax reports (see below for details) are also posted online for your viewing. Please note that by completing and signing the Application Form, you agree that transaction confirmations will be provided to you by online access only.

### Quarterly reports

Each quarter you will receive a report for each investment account containing:

- A summary of the major activity on your investment account
- Investment account performance
- Investment account valuation
- Investment transactions
- Cash transactions to and from your CMA
- Distributions
- Asset allocation (by managed fund)

Where you have more than one investment account, you will also receive a report summarising the investment accounts you hold. These reports will generally be provided within 30 days of the end of the quarter, and will be available online.

## Tax reports

After the end of a tax year we will provide details of any assessable income, capital gains, tax credits and any other relevant items to include in your tax return. This will generally be available by the end of October each year.

If you close your Account, you will receive your annual tax report after the end of the tax year in which your Account is closed. This will generally be available by the end of October each year.

## Continuous Disclosure

Any significant events or material changes in relation to the PIA will be updated on our website.

## Further information

If you require further information about your Account, please contact your Financial Adviser or call us.

# Taxation

Given the complex and changeable nature of the Australian taxation system, and the fact that different investors have different taxation circumstances, investors should seek the advice of a professional taxation adviser. The information in this PDS is for general information only.

## Tax status of holdings in the PIA

As investments in the PIA are held by the custodian and you are the beneficial owner, investments in the PIA are taxed as if they are held by you directly.

## Capital gains tax

You may incur a capital gains tax liability when investments within your Account are sold. Where the investment was held for 12 months or longer, you may be able to claim concessional tax treatment. For managed funds held in your Account, you may also receive a distribution that includes capital gains.

Where capital losses are realised, these may be available to offset capital gains realised elsewhere in your overall tax position, that is, outside of your Account. Capital losses not utilised in a financial year can generally be carried forward and utilised to offset your capital gains in future years. For the purposes of calculating capital gains and losses, the default cost base method applied to your Account is 'Minimise Gain'. You can also choose 'Maximise Gain', 'First in First out (FIFO)' or you can manually select tax parcels. For more information on tax accounting methods, see 'Tax Accounting Method' on Page 21. You should seek the advice of a professional tax adviser in relation to the tax methods available to your account.

## Tax on investment income

Your Account investments can derive income, such as distributions from managed funds. Generally, income is taxable in your hands.

## Tax on foreign investments

Income sourced from overseas investments may be subject to foreign taxes, such as withholding tax.

## **Tax File Number (TFN) and Australian Business Number (ABN)**

It is not compulsory to provide your TFN or ABN and it is not an offence if you decline to provide them. However, Powerwrap reserves the right not to accept applications for investment in the PIA where a TFN or ABN is not provided. Generally, where a TFN or ABN is not provided, tax will be deducted from the income paid to you at the highest marginal rate plus Medicare levy if you do not claim an exemption. Your ABN, TFN or details of an exemption should be provided on the Application Form when making an initial investment to ensure that your application is accepted by Powerwrap.

## **Goods and Services Tax (GST)**

The PIA has registered for GST. This means, for investors, that whilst GST is payable on fees the PIA will generally be able to claim input tax credits and/or reduced input tax credits of at least 75% of the GST paid. Adviser remuneration and other associated payments will be charged on a GST inclusive basis, pursuant to the agreement between you and your financial adviser.

## **Deductibility of Fees**

The management fees you pay in respect of the PIA are generally deductible in the financial year in which they are incurred.

## Fees and other costs

### DID YOU KNOW?

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

For example, total annual fees and costs of 2% of your account balance rather than 1% could reduce your final return by up to 20% over a 30 year period (for example, reduce it from \$100,000 to \$80,000).

You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs.

You may be able to negotiate to pay lower 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.fido.asic.gov.au](http://www.fido.asic.gov.au)) has a managed investment fee calculator to help you check out different fee options.

*\* The fees of the PIA and the managed funds are not negotiable.*

This PDS shows the fees and other costs that you may be charged when investing through the PIA. These fees and costs may be deducted from your CMA, or from the returns on your investments, or from your investments themselves.

The possible tax implications of investing in the PIA are detailed in the Taxation section on Page 24 of this PDS.

### Further information

If you require further information about your Account, please contact your Financial Adviser or call us.

You should read all the information about fees and costs as it is important to understand their impact on your investments. All fee amounts are represented in Australian dollars and are inclusive of the net effect of GST unless otherwise indicated.

Type of fee or cost	Amount	How and when paid																
<b>Fees when your money moves in or out of the PIA</b>																		
Establishment Fee The fee to open your investment	Nil	Not applicable																
Contribution Fee The fee on each amount contributed to your investment	Nil	Not applicable																
Withdrawal Fee The fee on each amount you take out of your investment	Nil	Not applicable																
Termination Fee The fee to close your investment	Nil	Not applicable																
<b>Management Costs</b>																		
Investment Administration Fee The fees for investment administration and custody	<p>A tiered percentage fee of up to 0.472% per annum of your Account holdings (\$4.72 per \$1,000)</p> <table border="1"> <thead> <tr> <th>Tier</th> <th>Rate (Inc. GST Net of RITC)</th> </tr> </thead> <tbody> <tr> <td>\$0.00 - \$100,000</td> <td>0.472%</td> </tr> <tr> <td>\$100,001 - \$250,000</td> <td>0.420%</td> </tr> <tr> <td>\$250,001 - \$500,000</td> <td>0.359%</td> </tr> <tr> <td>\$500,001 - \$750,000</td> <td>0.333%</td> </tr> <tr> <td>\$750,001 - \$1,000,000</td> <td>0.308%</td> </tr> <tr> <td>\$1,000,001 - \$2,000,000</td> <td>0.282%</td> </tr> <tr> <td>Balance over \$2,000,001</td> <td>0.226%</td> </tr> </tbody> </table>	Tier	Rate (Inc. GST Net of RITC)	\$0.00 - \$100,000	0.472%	\$100,001 - \$250,000	0.420%	\$250,001 - \$500,000	0.359%	\$500,001 - \$750,000	0.333%	\$750,001 - \$1,000,000	0.308%	\$1,000,001 - \$2,000,000	0.282%	Balance over \$2,000,001	0.226%	Deducted from your CMA on a monthly basis, based on your average daily Account balance over that month.
Tier	Rate (Inc. GST Net of RITC)																	
\$0.00 - \$100,000	0.472%																	
\$100,001 - \$250,000	0.420%																	
\$250,001 - \$500,000	0.359%																	
\$500,001 - \$750,000	0.333%																	
\$750,001 - \$1,000,000	0.308%																	
\$1,000,001 - \$2,000,000	0.282%																	
Balance over \$2,000,001	0.226%																	
Expense Recovery The costs of audit, legal and other out of pocket expenses in operating the Scheme	A percentage fee up to a maximum of 0.1025% per annum of your Account holdings (\$1.02 per \$1,000).	Deducted from your CMA on a pro-rata basis as they occur.																
Investment costs The amount you pay for specific managed funds is shown in the Investment List as the Investment Management Charge (IMC)	Up to 2.5% per annum of the market value of your managed fund investment (up to \$25 per \$1,000).	<p>Calculated and charged by the individual investment manager and reflected in the unit price or assets of each managed fund.</p> <p>Refer to the product disclosure statement for each managed fund for details on how and when these fees and costs are charged.</p>																
<b>Service Fees</b>																		
Investment Switching Fee The fee for changing managed funds	Nil	Not applicable.																

The total fees and costs that you will pay include the fees and costs of the PIA, the costs of any managed funds you choose, and the fees agreed between you and your Financial Adviser. The costs of the managed funds you choose will generally be set out in a disclosure document or a Product Disclosure Statement (PDS) or Product Guide (PG) for each of the investments you choose.

## Example of annual fees and costs

The tables below provide examples of how the fees and costs for this product can affect your investment returns over a one year period. You should use these tables to compare the PIA with other managed investments products. Fees are inclusive of the net effect of GST.

<b>Example 1: Investment in the Ausbil Australian Active Equity Fund</b>		<b>Balance of \$50,000 with contributions of \$5,000 during the year</b>
Adviser Contribution Fee	0 - 5%	For every additional \$5,000 you put in you will be charged \$0 - \$250.
<b>Plus Management Costs</b>	1.474% p.a.	And for every \$50,000 you have in the fund you will be charged \$737.
(Ongoing Administration Fee + Expense Recovery + Investment Cost)	(0.472% p.a. + 0.1025% p.a. + 0.90% p.a.)	
<b>EQUALS Cost of PIA</b>		<p>If you had an investment of \$50,000 at the start of the year and put in an additional \$5,000 during that year,* you would be charged fees of \$737 - \$987 per annum.</p> <p><b>What it costs you will depend on the managed fund you choose and the fees you negotiate with your fund** or financial adviser.</b></p>

**Additional fees and cost may apply.** Please refer to the Additional Explanation of Fees and Costs.

\*This illustration assumes that the contribution of \$5,000 is made at the end of the period. It does not include the impact of buy / sell spreads charged by fund managers.

\*\* The fees of the PIA and the managed funds are not negotiable.

# Additional explanation of fees and costs

## Investment Administration Fee

The investment administration fee is paid to the Responsible Entity of the PIA, Powerwrap Limited as a tiered percentage fee of up to 0.472% per annum. From the Investment Administration Fee, Powerwrap Limited pays the main costs of operating the PIA including, custody, technology and administration.

The Investment Administration Fee is applied across the total value of managed funds held within your account. It is calculated daily, based on close of day unit prices, and is deducted monthly from your CMA.

## Expense Recovery

Powerwrap as Responsible Entity is entitled to recover certain costs associated with operating the PIA, including audit and regulatory costs. The Expense Recovery is an estimate of costs relating to annual audit, legal fees, and other outgoings relating to the operation of the MIS structure. Expenses recovered from individual accounts will not exceed 0.1025% per annum of managed funds held through PIA, calculated over a 12 month period. These expenses will be deducted from your CMA as they occur, on a pro-rata basis by reference to the proportion of each investor's PIA account balance to the total of all investors' PIA account balances.

## Investment costs

The managed funds in which you invest through the PIA also charge fees, expressed as an Indirect Cost Ratio, or ICR. The funds available through the PIA generally have an ICR of 0.4% to 2.5% per annum. They are included on the Investment List and referred to as each fund's Investment Management Charge, or IMC. These fees are paid out of the assets of the funds, and are reflected in the performance of the funds, and are an indirect cost to you. As new funds are added to the Investment List, the range of ICRs quoted above may be subject to change and will be updated on our website. Refer to the relevant funds Product Disclosure Statement for full details of each managed fund's fees and charges.

## Service Requests

In certain circumstances, Powerwrap Limited will charge fees for additional service requests. These fees are generally charged on the basis of recovering the costs incurred by Powerwrap Limited in providing these services. These fees are:

- Transfer of units into and out of the PIA: \$25 plus GST per holding per transfer (in or out)
- Office of State Revenue in-specie online processing fee \$2.50 per transfer
- Nominal Stamp Duty. Duty payable varies from state to state and currently exists in NSW & ACT only.
- Establishment of Praemium V-Wrap account – currently \$240 per annum plus GST

These fees are deducted from your CMA at the time at which the additional service is provided.

## Investment Switching Fee

We do not charge a fee where you elect to switch between investments through the sale and repurchase of managed funds held within your Account. However, a transaction cost, or a buy / sell spread may be charged by the fund managers when you sell units, or purchase units in a managed fund.

## Managed Funds Transactions Fees

When you purchase or sell units in a managed fund, the investment manager will usually charge a transaction cost or a buy / sell spread. The buy / sell spread is the difference between the purchase price and the sale price of units in a managed fund. This cost is reflected in the unit price at the time of purchase or sale, and is designed to protect investors in the fund from the transaction costs, such as brokerage and stamp duty, incurred by other investors moving in or out of the fund. Generally, the buy sell spread is less than 0.5%.

Please refer to the PDS for the transaction fees for each specific managed fund in which you invest.

## Managed Funds Performance Fees

Certain managed funds will charge performance-based fees when the investment return generated by the managed fund exceeds a certain benchmark or certain specified criteria. These fees should be included in the managed fund's ICR. Please refer to the PDS for the performance fees (if any) of the managed funds in which you invest.

## Adviser Remuneration

Your Financial Adviser may receive payment ('remuneration') in connection with the recommendation and sale of the PIA. The level and the type of Adviser Fee deducted from your CMA for payment to your Financial Adviser are determined as a result of the agreement between you and your Financial Adviser. Payments to your Financial Adviser are made from your CMA on a monthly basis.

The types of adviser remuneration you can agree with your adviser are set out below. Your online account will show the deduction of the agreed amounts.

### Adviser Contribution Fee

You can authorise us to pay your Financial Adviser an Adviser Contribution Fee, which is paid from each investment amount deposited in the PIA. You and your Financial Adviser can negotiate an Adviser Contribution Fee that can be either a flat dollar amount per investment deposit or a percentage amount of each investment deposit. The Adviser Contribution Fee is paid from each investment deposit amount, and has the impact of reducing the investment amount that is invested in the PIA from your CMA. Whether the fee is a flat dollar amount or a percentage of assets charge, the fee will not exceed 5.0% of each investment amount (\$50 per \$1,000) plus GST.

### Ongoing Adviser Fee

You can authorise us to pay your Financial Adviser an Ongoing Adviser Fee from your CMA. You and your Financial Adviser can negotiate an Ongoing Adviser Fee that can be either a flat dollar annual amount or an annual percentage of assets charge. Where you agree a percentage based fee with your adviser, that fee is calculated daily against the end of day value of managed funds held within your account, and deducted from your CMA on a monthly basis. Where you agree a dollar based annual fee with your adviser, the fee will be calculated monthly, at a rate equivalent to 1/12 of the agreed annual fee. Whether the fee is a flat dollar amount or a percentage of assets charge, the fee will not exceed 2.0% per annum (\$20 per \$1,000) plus GST.

### Adviser Review Fee

You can authorise us to pay your Financial Adviser an Adviser Review Fee from your CMA. You and your Financial Adviser can negotiate an Adviser Review Fee that can be either a flat dollar annual amount or an annual percentage of assets charge. Where you agree a percentage based fee with your adviser, that fee is calculated daily against the end of day value of managed funds held within your account, and charged to your CMA on a monthly basis. Where you agree a dollar based annual fee with your adviser, the fee will be calculated monthly, at a rate equivalent to 1/12 of the agreed annual fee. Whether the fee is a flat dollar amount or a percentage of assets charge, the fee will not exceed 2.0% per annum (\$20 per \$1,000) plus GST.

## Other payments

In addition to the remuneration received by your Financial Adviser, we may make other payments to your adviser's licensee. Your online account will show the deduction of any amounts.

### Dealer Group Administration Fee

The Australian Financial Services Licence Holder (AFSL) through which your Financial Adviser is licensed may receive payment ('remuneration') up to a maximum of 1.0% per annum (\$10 per \$1,000) plus GST in connection with the promotion of the PIA through its Authorised Representatives to investors. The level of the Dealer Group Administration Fee (if any) is determined as a result of the agreement between the Responsible Entity and the AFSL holder. The fee is calculated daily against the end of day value of managed funds held within your account, and charged to your CMA on a monthly basis.

### Dealer Group Research Fee

The Australian Financial Services Licence Holder (AFSL) through which your Financial Adviser is licensed may receive payment ('remuneration') up to a maximum of 1.0% per annum (\$10 per \$1,000) in connection with the provision of investment research services to its Authorised Representatives. The level of the Dealer Group Research Fee (if any) is determined as a result of the agreement between the Responsible Entity and the AFSL holder. The fee is calculated daily against the end of day value of managed funds held within your account, and charged to your CMA on a monthly basis.

### Adelaide Bank Cash Management Account (CMA)

Please note that fees apply to your CMA. Please refer to the Product Guide for the CMA for full details.

### Fees for establishing a linked V-Wrap Account

Where you elect to establish a new linked V-Wrap account to administer direct equities and other external assets alongside your PIA, an additional fee (currently \$240 per annum plus GST) will apply and is payable to Praemium, the provider of V-Wrap. The fee will be deducted from your Adelaide CMA at the time the linked V-Wrap account is established, and will be charged to your CMA on an annual basis.

### Government charges

Government taxes and charges such as stamp duties and GST will be deducted from your CMA as applicable.

### Changes to Fees

This PDS will be updated if fees and costs, other than investment costs relating to underlying investment managers, are increased. Costs relating to underlying investment managers may change from time to time and will be updated in the Investment List. The Scheme Constitution imposes maximum limits in relation to fees charged to investors in the PIA but not in relation to costs. These maximums are:

- Investment Administration Fee – up to 1% of the value of your Account
- Special Request Fees – up to \$100 per request
- Withdrawal Fee - up to 5% of the withdrawal amount
- Additional Service Fees – up to \$10,000 (as agreed with the investor)

We do not currently intend to charge the maximum fees. Before any fees are increased, we will give you 30 days notice of the proposed increase.

## Important Additional Information

### Cooling off

A 14 day cooling off period applies if you change your mind about your initial investment in the PIA. The 14 day period starts from the earlier of 5 business days after your Account has been established and the date you receive our Welcome Letter confirming that your Financial Adviser has established your Account. You may exercise your cooling off right by giving us written notice at our address (in the Directory on Page 3). If your initial investment has been deposited from your CMA, we will return it to the CMA, less any reasonable transaction costs incurred in establishing your Account and any movement in the unit price of the managed funds in which your Account was invested.

### PDS and Scheme constitution

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

Each investor should ensure that participating in the PIA is suitable for them, is permitted under applicable law and does not contravene any obligations binding on them. This document can only be used by investors receiving it (electronically or otherwise) in Australia who are Australian Residents for tax purposes.

### Compliance Plan and committee

As a registered scheme, the PIA is required to have a compliance plan. The compliance plan for the PIA describes the procedures we apply in operating the PIA to ensure compliance with the Corporations Act and the Constitution. The compliance plan has been approved by our directors and lodged with the Australian Securities and Investments Commission. The compliance plan is audited annually by an external auditor. Copies of the compliance plan are available free of charge upon request. Please call us to obtain a copy.

The Responsible Entity has also established a compliance committee, of which the majority of members are independent of the Responsible Entity. The committee's role is to monitor compliance and perform the other functions required of it under the Corporations Act.

### Responsible Entity

Powerwrap is the Responsible Entity of the PIA. As the Responsible Entity, Powerwrap is responsible for the administration and management of the PIA. Under the Constitution and the Corporations Act, Powerwrap must:

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

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

Powerwrap holds an Australian financial services licence (AFSL) that authorises it to act as the Responsible Entity of the PIA. Details of Powerwrap's AFSL can be found on ASIC's website at: [www.asic.gov.au](http://www.asic.gov.au)

## Rights and obligations of the Responsible Entity

In relation to our powers, duties and liabilities as responsible entity of the PIA, the Constitution:

- Allows us to refuse applications for investment, in whole or in part, at our discretion and without giving reasons
- Allows us not to act on instructions in certain cases and provides that we are not liable for delays due to failure to act on unclear instructions or for other reasons beyond our control
- Allows us to terminate Accounts, including if an investor does not hold the required minimum balance or breaches the rules governing the Scheme as set out in this PDS
- Allows us to set a minimum investment to be made in the PIA
- Allows us to extend the period for withdrawal in certain circumstances
- Provides that, unless the Corporations Act imposes liability, we are not liable to you except for fraud, negligence or breach of trust.
- Provides that we are entitled to be indemnified from the assets of the PIA for any liability incurred in properly performing or exercising any of our powers or duties in relation to the PIA except to the extent the liability is caused by our negligence, breach of trust or fraud
- Allows us to change the Constitution, but only with investors' approval if the change would adversely affect the rights of investors
- Allows us to charge fees (described on Pages 26 to 31) and recover all expenses we incur in the proper performance of our duties in respect of the PIA
- Gives us the right to terminate the PIA by notice to investors and then transfer cash to investors

Please note that this is not an exhaustive list of our rights under the Constitution.

## Custodian

Powerwrap has appointed Australian Market Automated Quotation (AUSMAQ) System Limited ABN 53 062 527 575 as custodian of the assets of the PIA.

AUSMAQ has not independently verified the information contained in this PDS and, accordingly, accepts no responsibility for the accuracy or completeness of this PDS.

AUSMAQ does not guarantee the performance of investments held within the PIA nor the repayment of capital or any particular rate of capital or income return.

AUSMAQ may only act in accordance with the terms of the custody agreement between Powerwrap and AUSMAQ. Under the Constitution for the PIA, Powerwrap has the discretion to change the custodian at any time, subject to the terms of the custody agreement.

## Differences between investing directly, and investing through an MIS

There are a number of differences between the rights of you as an investor accessing investments through the PIA, and the rights of direct investors in those same investments. The key differences are:

- All investments held in the PIA, are held in the name of the custodian or their appointed sub-custodian. This means that you will not receive direct communications and reporting from investment managers.
- As an indirect investor, you do not have the right to call, attend or vote at a meeting of unit holders of the funds in which you invest.
- If you were a direct investor, you would be able to apply for and withdraw from investments without the minimum investment transaction limitations imposed by us.
- The time taken to process investment transactions may take longer than the time taken for a direct investment. This is due to the nature of the investment account in that we may deal with several investment managers to complete a single investor request. Also, the custodian may delay acting in order to perform a consolidated trade on behalf of multiple investors.
- As an indirect investor, you do not have any cooling off rights or rights to complain directly to the funds in which you invest.

## Underlying PDS and offer documents

Your Financial Adviser must give you and you must read a copy of the relevant PDS for each fund in which you invest through the PIA, before you make any decision to purchase or additional units in a particular fund. A copy of the PDS for each managed fund available through the PIA is also available through the Powerwrap website.

Each managed fund's PDS provides a description of the investments offered, including the investment strategy and objectives; what it invests in; performance information; any level of gearing of the fund's assets; information on the associated fees and costs, risks and other relevant information relating to the specific managed fund.

In addition, your Financial Adviser has access to additional information in relation to each of the investment funds offered that can assist you with your investment decision.

## The role of your adviser

You can only invest in the PIA through a Financial Adviser. Your Financial Adviser is integral to the operation and maintenance of your account. Your Financial Adviser will help you understand your financial position; identify your goals and financial issues; make more informed decisions about your investments; and choose an investment strategy that best suits you.

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

## Providing instructions to us through your Financial Adviser

By completing the Application Form to invest in the PIA, you authorise your Financial Adviser to transact on your investment account. This means that Powerwrap Limited or its agents can accept and act on such instructions given by your Financial Adviser without requiring your signature, additional proof, instructions or further confirmation from you.

The transactions for which this authority applies are:

- Depositing investment amounts from your Adelaide CMA for initial and additional investments in managed funds via the PIA
- Full or partial withdrawals from the PIA to your Adelaide CMA (excluding in specie transfers out to other custodial holdings)
- Switching between managed funds in the PIA
- Changing a regular investment amount
- Starting or stopping a regular investment amount
- Changing a regular withdrawal amount
- Starting or stopping a regular withdrawal amount
- Changing your tax accounting method
- Purchasing and selling investments held within the PIA

We are entitled to rely on the instructions of your Financial Adviser as if they were your instructions.

We will continue to act upon any instructions from your Financial Adviser until we receive a written cancellation of the appointment. If you cancel the appointment of your Financial Adviser, then unless you appoint another Financial Adviser acceptable to us, we may terminate your participation in the PIA by giving you 14 days notice.

You release, discharge, and indemnify us and all of our successors and assigns from and against all losses, actions, liabilities, claims, demands, and proceedings arising from your appointment of a Financial Adviser and all acts matters and things done or purported to be done by a Financial Adviser even if not actually authorised by you and neither you nor any person claiming through you will have any claim or right against us or any of our successors and assigns in relation to any act, matter, or thing done or purported to be done by your Financial Adviser or any person purporting to be your Financial Adviser.

You agree that if a payment is requested, made, or received by your Financial Adviser, such payment shall constitute a discharge of the obligations of us and neither you nor any person claiming through you will have any claim against us.

## Past performance

Performance data for each investment fund may be included in the particular fund's PDS. Performance figures for managed funds are also available from the fund manager's website or through your Financial Adviser. Past performance should not be taken as an indication of future performance of any managed fund.

## Distribution of income

Your entitlement to income from investments held through the PIA is the total of all income, realised and unrealised gains and losses, arising from your investments. Income entitlements are determined on June 30 each year, or otherwise as determined by us, and credited to your CMA.

## Anti Money Laundering and Counter Terrorism Financing Act

Anti-money laundering and counter-terrorism financing legislation requires the providers of financial products and services to conduct customer identification. This may occur on account opening, during the course of the customer relationship and / or upon the withdrawal of funds. Your adviser will ask that you provide copies of appropriate documentation to verify your identity.

By signing the Adviser Declaration in the Application Form, your Financial Adviser is declaring to Powerwrap that they have verified your identity in accordance with the requirements of the Anti Money Laundering and Counter Terrorism Financing Act 2006, and acknowledging that Powerwrap cannot accept the Application without this declaration.

## Your rights and obligations

Generally the Constitution:

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

## Termination of your Account

We can terminate your participation in the PIA by giving you 14 days written notice, and you can terminate your participation in the PIA by providing us 14 days written notice. Generally this will take 5-10 business days to be processed by Powerwrap, although under the Constitution, we have up to 60 days to complete. There may be additional delays as a result of external providers such as Fund Managers, Registries, Custodians and the Office of State Revenue. If your participation in the PIA is terminated we can:

- Finalise any uncompleted part of your instructions up to and including the termination date
- Deduct any outstanding fees and charges from your CMA
- Sell assets in your investment account if there is insufficient cash in your CMA to pay any outstanding fees and charges relating to your PIA account
- Continue to charge your CMA for fees and charges associated with your holdings in the PIA

If you do not provide instructions relating to the sale or transfer of investments, then we can sell your investments and pay the proceeds to you.

## Complaints

We have procedures in place to properly consider and deal with any enquiries and complaints. If you have a complaint, it should be made in writing to:

The Complaints Officer  
Powerwrap Limited  
Level 3, 150 Queen Street Melbourne Vic 3000

We will always acknowledge any complaint in writing and respond within 45 business days. If you are not satisfied with the response from us, you can contact the Financial Ombudsman Service (FOS) ABN 67 131 124 448, an independent external industry complaints resolution scheme on 1300 780 808 or write to:

Financial Ombudsman Service  
GPO Box 3, Melbourne VIC 3001  
Fax: (03) 9613 6399  
Email: [info@fos.org.au](mailto:info@fos.org.au)

## Privacy

By completing the Application Form accompanying this offer document you agree to us collecting, holding and using personal information about you to process your application, and administer and manage the products and services we provide to you. This includes monitoring, auditing and evaluating those products and services, modelling data, data testing, communicating with you and dealing with any complaints or enquiries. You need not give us any personal information requested in the Application Form or in any other document or communication relating to the products or services we supply you. However, without this information, we may not be able to process your application or provide you with an appropriate level of service.

You agree to allow us to provide access to your personal information to external service providers that provide services in connection with our products and services, for example mail houses or professional advisers. When you nominate a Financial Adviser in Section 19 of the Application Form we will supply that Financial Adviser with information about your investments.

We may also disclose your personal information:

- If, acting in good faith, we believe that the law requires or permits us to do so
- If you consent; or
- To any person proposing to acquire an interest in our business

Under the Privacy Act 1988, you may request access to your personal information that we hold. You can contact us to make such a request or for any other reason relating to the privacy of your personal information by telephoning us on 03 8681 4600 or writing to:

The Privacy Officer  
Powerwrap Limited  
Level 3, 150 Queen Street Melbourne

Powerwrap's privacy statement and details on how you may access or update your personal information can also be found at [www.powerwrap.com.au](http://www.powerwrap.com.au)

## Online Terms and Conditions

The PIA provides secure internet access to information about your account. This facility is referred to throughout this section as The Powerwrap Interface. These terms and conditions can be amended from time to time, and you will be bound by these amendments. Please see [www.powerwrap.com.au](http://www.powerwrap.com.au) for the most up to date terms and conditions.

You accept these conditions of use each time The Powerwrap Interface is used in conjunction with your security codes (as defined below).

1. You agree to use The Powerwrap Interface only in accordance with any personalised means of access, security codes and devices as necessary to access The Powerwrap Interface (including the Powerwrap access code, user identifications, passwords and personal identification numbers) which are collectively referred to as security codes, or codes.
2. You agree not to interfere with or damage (or attempt to interfere or damage) any code, data or software associated with The Powerwrap Interface.
3. You agree that anything associated with or available through The Powerwrap Interface belongs to us or our agents and is protected by intellectual property rights and you agree not to access, download or otherwise use such things other than as expressly permitted by these conditions of use. You accept full responsibility and you indemnify us for any expense, loss or liability incurred as a result of any unauthorised use by you of The Powerwrap Interface.
4. You agree to keep confidential and secure any information or data obtained at any time by using The Powerwrap Interface; and to keep each code confidential and on the terms on which it is given to you by Powerwrap and to keep each code secure against any improper or unauthorised use.
5. You will immediately notify us if you suspect that any person has gained access to your codes or is using your codes without your authorisation.
6. We will be entitled to assume that any user has your authority each time The Powerwrap Interface is used in conjunction with your codes, except for any use occurring after you have given us notice to the contrary.
7. You agree that any notice you are required or permitted to give under these conditions of use will be effective only if actually given to a Powerwrap client services employee.
8. We will use reasonable efforts to provide (but do not guarantee that we will provide) reliable data and information, to the extent that is within our control. We take no responsibility for the reliability of data and information outside of our control.
9. Subject to the conditions and warranties implied by legislation, we exclude liability for any delay, interruption or unavailability of The Powerwrap Interface and for any inaccuracy or incompleteness of data provided by any person that is available via The Powerwrap Interface.
10. We will use all reasonable efforts to provide (but do not guarantee we will provide) access to The Powerwrap Interface at all reasonable times.
11. We reserve the right to suspend or terminate The Powerwrap Interface at any time and for any reason.
12. You may terminate use of this facility at any time by giving us written notice. (However, if you do so, we may terminate your participation in the PIA on 14 days' notice.)
13. You may request us to cancel the authority of an authorised user to access your Account using the service at any time. We may require written confirmation of this request.
14. We reserve the right to change any of these terms and conditions of use at any time and you agree to comply with those changes from the time you are notified (which may be by a notice on the Powerwrap website or by any other form of notice).
15. Your right to use The Powerwrap Interface is personal to you and cannot be assigned or transferred.

## Glossary

Account	Your investment account in the PIA.
APIR Code	A unique identifier issued by APIR Systems Limited (APIR) to participants and products within the Financial Services Industry.
CMA or Adelaide CMA	The Adelaide Cash Management Account issued by Bendigo and Adelaide Bank Limited ACN 068 049 178 that acts as the transaction or trading account for your PIA.
Constitution	The legal document that establishes and governs the PIA.
Financial Adviser	The business or person that provides you advice in relation to financial products and who is either an Australian Financial Services (AFS) licence holder (often referred to as an AFS licensee); a director or employee of an AFS licence holder, or an Authorised Representative of an AFS licence holder.
Full Access Authorised Operator	The authority given by you to Powerwrap to perform transactions on your CMA that relate to the operation of your PIA. Please refer to the Powerwrap Authorised Operator Form and the CMA PG for further details.
Investment List	The list of available wholesale managed funds available through the PIA.
Powerwrap Interface	The facility by which secure internet access is provided to information about your account.
Powerwrap Investment Account ('PIA')	A registered Managed Investments Scheme through which you can invest in a range of wholesale unit trusts.
Responsible Entity	Within this PDS, the Responsible Entity refers to Powerwrap Limited, the licensed entity that operates the PIA.
Praemium	Refers to Praemium Limited (ABN 74 098 405 826)
Praemium V-Wrap or V-Wrap	V-Wrap is a non-custodial online portfolio administration service, designed to provide portfolio reporting and tax management functionality for a range of direct securities.

# How to Complete the Application Form

Before you complete the Application Form, you should read this PDS thoroughly, along with the PDS of all managed funds in which you choose to invest.

## Step 1 – Establish an account in the appropriate applicant type

The following types of investors can open an account in the PIA:

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

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

## Step 2 – Complete the Application Form, online with your Financial Adviser

Your Financial Adviser will complete your details online, via our website. This will pre-populate an Application Form for both the PIA, and your CMA. Once your adviser has entered your details, you should check that all sections have been completed, that your Financial Adviser has signed the adviser declaration. When you have checked that all details are correct, you should read and sign the Investor Declaration section of the Adelaide Cash Management Account Application Form, and the Powerwrap Investment Account Application Form. Please note that neither Powerwrap nor Adelaide Bank will be able to process applications for investment where information is either incomplete or missing.

## Step 3 – Complete Investment Details

Please complete details of your investment holdings on the Investment List available from our website, or through your Financial Adviser.

## Step 4 – Return Application Forms and Relevant supporting documentation

Once the Application Forms are signed and completed, original copies must be returned to your Financial Adviser.

## Account names and designations for different types of investors

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

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



# Powerwrap Investment Account Application Form

**Australian Financial Services Licence No. 329829  
ARSN 137 053 073**

Where required, please complete this form in BLACK PEN and print in CAPITAL LETTERS within the boxes provided. Refer to "How to complete the Application Form" on page 41 of the Product Disclosure Statement for help in completing this Application Form. This Application Form forms part of the Product Disclosure Statement dated July 31 2009. Please ensure that you have read and understood the Product Disclosure Statement dated July 31 2009 before signing this Application Form. Powerwrap Limited ("Powerwrap") will only accept Applications from Investors who are Australian Residents for tax purposes and who invest in the Powerwrap Investment Account through a licensed Financial Adviser. Powerwrap will only accept Applications from Investors who quote a TFN or provide a relevant TFN exemption.

**Please note that fields marked with an asterisk (\*) are mandatory**

## 1. Existing customer details (ALL TO COMPLETE)

\*Are you an existing Investor with Powerwrap?  No;  Yes

If you are an existing Investor, what is your account number?

## 2. Account Name and Designation (Refer to examples in "How to Complete the Application Form")

\*Account name: .....

Account designation (if applicable): .....

## 3. Individual and Joint Investors – First Investor / First Beneficiary / First Director / First Partner / First Shareholder in Proprietary Company with 25% or more equity

Tick this box if you are the First Director who is also First Shareholder with 25% or more equity

Title:  Mr  Mrs  Miss  Ms  Dr  Prof

\*Given Names: .....

\*Surname: .....

\*Date of Birth: .....

\*Residential Address (PO Box is NOT acceptable):

\*Street Address: .....

Street Address: .....

\*Suburb or town: .....

\*State: ..... \*Postcode: ..... \*Country: .....

\*Tax File Number (TFN): ..... ; or

If TFN is not provided, please state the reason for exemption.....

.....

**4. Individual and Joint Investors – Second Investor / Second Beneficiary / Second Director / Second Partner / Second Shareholder with 25% or more equity in Proprietary Company**

Tick this box if you are the Second Director who is also Second Shareholder with 25% or more equity

\*Title:  Mr  Mrs  Miss  Ms  Dr  Prof

\*Given Names: .....

\*Surname: .....

\*Date of Birth: .....

Residential Address (PO Box is not acceptable):

\*Street Address: .....

Street Address: .....

\*Suburb or town: .....

\*State: .....\*Postcode: ..... \*Country: .....

\*Tax File Number (TFN): ..... or

If TFN is not provided, please state the reason for exemption.....

.....

**5. Third Beneficiary (complete this section where you are a Trustee Investor and where there are more than two beneficiaries, or if you are a Company Investor where you are the third shareholder with more than 25% equity in a Proprietary Company)**

\*Title:  Mr  Mrs  Miss  Ms  Dr  Prof

\*Given Names: .....

\*Surname: .....

\*Date of Birth: .....

Residential Address (PO Box is not acceptable):

\*Street Address: .....

Street Address: .....

\*Suburb or town: .....

\*State: .....\*Postcode: ..... \*Country: .....

**6. Fourth Beneficiary (complete this section where you are a Trustee Investor and where there are more than three beneficiaries or if you are a Company Investor where you are the fourth shareholder with more than 25% equity in a Proprietary Company)**

\*Title:  Mr  Mrs  Miss  Ms  Dr  Prof

\*Given Names: .....

\*Surname: .....

\*Date of Birth: .....

Residential Address (PO Box is not acceptable):

\*Street Address: .....

Street Address: .....

\*Suburb or town: .....

\*State: .....\*Postcode: ..... \*Country: .....

**7. Fifth Beneficiary (complete this section where you are a Trustee Investor and where there are more than four beneficiaries)**

\*Title:  Mr  Mrs  Miss  Ms  Dr  Prof

\*Given Names: .....

\*Surname: .....

\*Date of Birth: .....

Residential Address (PO Box is not acceptable):

\*Street Address: .....

Street Address: .....

\*Suburb or town: .....

\*State: .....\*Postcode: ..... \*Country: .....

**8. Sixth Beneficiary (complete this section where you are a Trustee Investor and where there are more than five beneficiaries)**

\*Title:  Mr  Mrs  Miss  Ms  Dr  Prof

\*Given Names: .....

\*Surname: .....

\*Date of Birth: .....

Residential Address (PO Box is not acceptable):

\*Street Address: .....

Street Address: .....

\*Suburb or town: .....

\*State: .....\*Postcode: ..... \*Country: .....

## 9. Company, Incorporated Association, or Body

\*Name of Company, Incorporated Association or Body (as registered with ASIC):

.....

\*ABN / ACN / ARBN .....

Tax File Number (TFN): .....

### Nominated Contact / First Authorised Signatory:

\*Title:  Mr  Mrs  Miss  Ms  Dr  Prof

\*First-name: .....

\*Surname: .....

\*Job title: .....

\*Corporate Title (tick)  Sole Director,  Director,  Secretary,  Trustee, Other (specify)

### Nominated Contact / Second Authorised Signatory:

\*Title:  Mr  Mrs  Miss  Ms  Dr  Prof

First-name: .....

Surname: .....

Job title: .....

Corporate Title (tick)  Sole Director,  Director,  Secretary,  Trustee, Other (specify)

### Registered Office Address (PO Box is NOT acceptable):

\*Street Address: .....

Street Address: .....

\*Suburb or town: .....

\*State: .....

\*Postcode: .....

\*Country: .....

### Principal Place of Business if different from Registered Office Address (PO Box is NOT acceptable):

Street Address: .....

Street Address: .....

Suburb or town: .....

State: .....

Postcode: .....

Country: .....

**10. Trust or other entity (Trustee Investors must also provide details of beneficiaries in “Individual and Joint Investors - First Investor”, “Individual and Joint Investors – Second Investor” “Third Beneficiary” and “Fourth Beneficiary” as appropriate)**

\*Name of superannuation fund, trust, partnership, unincorporated business, unincorporated association or deceased estate:

.....

\*ABN / ACN / ARBN .....

\*Tax File Number (TFN): ..... or

If TFN is not provided, please state the reason for exemption.....

.....

**If you are a trust, please indicate what type of trust you are by selecting one of the following options and provide the required information:**

Registered Managed Investments Scheme

Provide Australian Registered Scheme Number (ARSN).....

Regulated Trust (ie: an SMSF)

Name of Regulator (eg: ASIC, APRA, ATO).....

ABN / registration / licensing details: .....

Government Superannuation Fund

Provide the name of the legislation establishing the fund: .....

.....

Other trust type

Describe the Trust (eg: Family, Unit, Charitable, Estate).....

.....

**If you are a Trustee Company, which of the following are you?**

Public; or

Proprietary

What is the business name of the Trustee, if any?

.....

**If you are an Incorporated Trustee, please select the following category that applies to the Trustee Company and provide the required information.**

Regulated Company (licensed by an Australian Commonwealth, State or Territory statutory regulator)

Regulator Name: .....

Licence Details: .....

Australian Listed Company

Name of market exchange: .....

Majority owned subsidiary of an Australian listed company

Australian Listed Company Name: .....

Name of market exchange: .....

**Individual Trustee Details (only complete if you are not an Incorporated Trustee)**

How many Trustees are there: .....

(Provide full name and address of each trustee below)

**Trustee 1**

\*Title:  Mr  Mrs  Miss  Ms  Dr  Prof

\*Given Names: .....

\*Surname: .....

Residential Address (PO Box is not acceptable):

\*Street Address: .....

Street Address: .....

\*Suburb or town: .....

\*State: ..... \*Postcode: ..... \*Country: .....

**Trustee 2**

\*Title:  Mr  Mrs  Miss  Ms  Dr  Prof

\*Given Names: .....

\*Surname: .....

Residential Address (PO Box is not acceptable):

\*Street Address: .....

Street Address: .....

\*Suburb or town: .....

\*State: ..... \*Postcode: ..... \*Country: .....

**Trustee 3**

\*Title:  Mr  Mrs  Miss  Ms  Dr  Prof

\*Given Names: .....

\*Surname: .....

Residential Address (PO Box is not acceptable):

\*Street Address: .....

Street Address: .....

\*Suburb or town: .....

\*State: ..... \*Postcode: ..... \*Country: .....

**Trustee 4**

\*Title:  Mr  Mrs  Miss  Ms  Dr  Prof

\*Given Names: .....

\*Surname: .....

Residential Address (PO Box is not acceptable):

\*Street Address: .....

Street Address: .....

\*Suburb or town: .....

\*State: ..... \*Postcode: ..... \*Country: .....

**Trustee 5**

\*Title:  Mr  Mrs  Miss  Ms  Dr  Prof

\*Given Names: .....

\*Surname: .....

Residential Address (PO Box is not acceptable):

\*Street Address: .....

Street Address: .....

\*Suburb or town: .....

\*State: ..... \*Postcode: ..... \*Country: .....

**Trustee 6**

\*Title:  Mr  Mrs  Miss  Ms  Dr  Prof

\*Given Names: .....

\*Surname: .....

Residential Address (PO Box is not acceptable):

\*Street Address: .....

Street Address: .....

\*Suburb or town: .....

\*State: ..... \*Postcode: ..... \*Country: .....

**First Authorised Signatory:**

\*Title:  Mr  Mrs  Miss  Ms  Dr  Prof

\*First-name: .....

\*Surname: .....

\*Job title: .....

\*Corporate Title (tick)  Sole Director,  Director,  Secretary,  Trustee, Other (specify)

**Second Authorised Signatory:**

\*Title:  Mr  Mrs  Miss  Ms  Dr  Prof

\*First-name: .....

\*Surname: .....

\*Job title: .....

\*Corporate Title (tick)  Sole Director,  Director,  Secretary,  Trustee, Other (specify)

**Registered Office Address (PO Box is NOT acceptable):**

\*Street Address: .....

Street Address: .....

\*Suburb or town: .....

\*State: ..... \*Postcode: ..... \*Country: .....

**Principal Place of Business if different from Registered Office Address (PO Box is NOT acceptable):**

\*Street Address: .....

Street Address: .....

\*Suburb or town: .....

\*State: ..... \*Postcode: ..... \*Country: .....

**11. Contact details for correspondence (ALL TO COMPLETE)**

The following contact details will be used for all communications (including single and joint accounts)

\*Contact Name: .....

\*Email Address: .....

\*Home Phone: .....

Mobile Phone: .....

\*Business Phone: .....

Fax Number: .....

Mailing details (if different from residential or registered office address):

Street Address or PO Box: .....

Suburb or town: .....

State: ..... Postcode: ..... Country: .....

## 12. Tax status (ALL TO COMPLETE)

\*Select:  Individual;  Joint Investors;  Partnership;  Super Fund;  Trust;  Company;

\*Please select the Capital Gains Tax Optimisation method to be applied. Please refer to Page 21 for more details on tax accounting methods. If you do not select a tax accounting method, 'Minimise gain' will be applied:

Minimise gain (default);  Maximise gain;  First in first out (FIFO);  Manual

## 13. Adelaide Bank Cash Management Account Details (ALL TO COMPLETE)

(This section to be completed by the Financial Adviser on receipt of the Investor's account details from Adelaide Bank)

\*Account Name: .....

\*Account Number: .....

**BSB: 610 - 101**

## 14. Initial Investment Amount (ALL TO COMPLETE)

\*Initial Investment Amount: \$

The minimum initial investment is \$20,000. Please also ensure that you retain the \$1,000 minimum balance in your linked Adelaide CMA following your initial investment – ie: if you wish to invest \$20,000 in the Powerwrap Investment Account, you require a minimum cash balance of at least \$21,000 in your Adelaide CMA prior to investing in the Powerwrap Investment Account.

If you are funding your account through the transfer of units in managed fund(s), please complete the Transfer Form and Statutory Declaration Form available from your Financial Adviser. You can only transfer units in managed funds, where those managed funds are available on the Investment List.

## 15. Regular Monthly Investment facility (OPTIONAL)

How much do you wish to invest each month? \$

When do you want to commence regular investment?

(Regular investments are normally processed on the 15<sup>th</sup> of each month, or where this is a non-business day, they will be processed on the following business day). You must have sufficient funds in your Adelaide CMA.

## 16. Regular monthly withdrawal facility (OPTIONAL)

How much do you wish to withdraw each month? \$

When do you want to commence regular withdrawals?

(Regular monthly withdrawals are normally processed on the 20<sup>th</sup> day of each month, or where this is a non-business day, they will be processed on the following business day. Funds availability will be subject to individual fund manager transaction turn-around times.)

## 17. Adviser Fees (ALL TO COMPLETE)

Contribution Fee:  % (maximum 5% of each deposit amount ex-GST)

Ongoing Adviser Fee:  %, OR \$  per annum (maximum 2.0% per annum ex-GST)

Adviser Review Fee:  %, OR \$  per annum (maximum 2.0% per annum ex-GST)

### 18. Financial Adviser Transaction Authority (ALL INVESTORS TO COMPLETE)

\*  Yes. My Financial Adviser is authorised to transact on my portfolio and I agree to the terms set out in this section and the Investor Declaration (Section 18.d.) Powerwrap Limited cannot accept an Application without this Authority.

I hereby authorise my Financial Adviser to carry out instructions regarding the operation of my Powerwrap Investment Account as set out below.

Powerwrap Limited or its agents can accept and act on such instructions given by my Financial Adviser without requiring my signature, additional proof, instructions or further confirmation from me.

The transactions for which this authority applies are:

- a. Depositing the initial investment amount into the Powerwrap Investment Account from my Adelaide Cash Management Account (CMA)
- b. Full or partial withdrawals from the PIA to my Adelaide CMA (excluding in specie transfers out).
- c. Changing a regular investment amount.
- d. Starting or stopping a regular investment amount.
- e. Changing a regular withdrawal amount.
- f. Starting or stopping a regular withdrawal amount.
- g. Making elections on distribution re-investment where applicable.
- h. Changing my tax accounting method.
- i. Purchasing and selling investments held within the PIA

### 19. Adviser declaration (ALL TO COMPLETE)

\*  Yes. I have verified the Investor's identity in accordance with the requirements of the Anti Money Laundering and Counter Terrorism Financing Act 2006. Powerwrap cannot accept the Application without this declaration.

\*  Yes. I have retained copies of the relevant Customer Identify Verification documents within the client file and will provide access to Powerwrap on request. Powerwrap cannot accept the Application without this declaration.

\*  Yes. I accept the terms of the Financial Adviser Transaction Authority in Section 16 and agree to act in accordance with this authority and any written instructions I receive from the Investor. I agree to provide the Investor with any information or documents that they request in relation to any transactions generated under this Authority. Powerwrap cannot accept the Application without this declaration.

- a. I confirm that all information provided in section 15 of this Application Form is true and correct and records my agreement with the Investor.
- b. I acknowledge that Powerwrap will rely on the verification of the Investor's identify that I have conducted.
- c. I acknowledge that Powerwrap may request additional information from me from time to time to verify my records for the purpose of meeting the Anti Money Laundering and Counter Terrorism Financing Act 2006
- d. I hold an Australian Financial Service Licence, or I am authorised through a holder of a current Australian Financial Service Licence.
- e. I confirm that I am authorised to deal in and advise on the Powerwrap Investment Account.
- f. I have provided the Investor with a current Product Disclosure Statement for each of their selected investments as outlined in the Investment List.
- g. I have provided the Investor with a current written recommendation to acquire the selected investments by investment through the Powerwrap Investment Account and disclosed all remuneration and payments that may be received by my licensee and me.
- h. I have fully disclosed all fees and costs associated with investing in the Powerwrap Investment Account.
- i. Any changes to agreed adviser fees in Section 15 will be signed off by the Investor prior to making any such change.
- j. I will not convey any instructions to Powerwrap relating to the Investor without receiving such instructions from the Investor.

\*Adviser Given Names: .....

\*Adviser Surname: .....

\*Adviser Practice Name: .....

\*Adviser email: .....

\*Adviser code: .....

\*Dealer Group AFSL No: .....

\*Dealer Group ABN: .....

\*Adviser Signature: .....

\*Date:

## 20. Investor declaration (ALL TO COMPLETE)

\*  Yes. My Financial Adviser is authorised to transact on my account (Powerwrap Limited cannot accept the Application without this declaration).

Yes. Please send me a copy of the Powerwrap Annual Report (if you don't select this option, you will be able to obtain a copy of the Powerwrap Annual Report online).

I / we hereby declare:

- a. I / we have received, read and understood the Product Disclosure Statement to which this Application relates and am / are able to make these declarations.
- b. I / we agree to be bound by the terms of the Product Disclosure Statement and the Scheme Constitution.
- c. I / we agree to receive all transaction confirmations, reports and significant event notices via online access or the Powerwrap website and accept the terms and conditions of the Powerwrap Interface.
- d. I / we have elected to provide my / our Financial Adviser with an Adviser Transaction Authority at Section 16. In doing so:
  - i. I / we authorise my / our Financial Adviser to communicate my instructions and act in relation to my investments in the Powerwrap Investment Account.
  - ii. I / we authorise Powerwrap to accept and act on instructions received from my Financial Adviser without requiring my signature, additional proof, instructions or further confirmation from me / us.
  - iii. I / we authorise my / our Financial Adviser to insert account details of my / our Adelaide CMA on my behalf within this Application Form and understand that Powerwrap must be a Full Access Authorised Operator on the CMA.
  - iv. I / we acknowledge that Powerwrap will act on instructions received in relation to my / our account as if they were instructions received direct from me / us.
  - v. I / we indemnify and agree to keep Powerwrap indemnified against any loss, liabilities, costs and other charges and expenses arising from carrying out those instructions.
- e. If I am / we are an individual Investor(s), I am / we are 18 years of age or over.
- f. If I am / we are investing under a delegation of authority, I / we confirm that I am / we are investing in accordance with my / our designated powers and authority.
- g. I / we will notify Powerwrap of any change of my / our personal details as soon as possible.
- h. The statements and answers provided in this Application Form are true and complete.
- i. I / we authorise Tax File Numbers provided to be used in conjunction with the account to which this Application Form relates.
- j. I / we authorise Powerwrap to use my / our personal information for the purposes outlined in the "Privacy" section on Page 36 of the PDS.
- k. I / we authorise Powerwrap to provide and /or allow access to information on the status of my / our account to my / our nominated Financial Adviser and their licensee.
- l. I / we confirm that I/we are eligible to invest in the Powerwrap Investment Account and that my / our investment in the Powerwrap Investment Account does not breach any law or ruling or other binding obligation.
- m. I / we understand the risks associated with investing through the Powerwrap Investment Account as described in the Product Disclosure Statement.
- n. I / we understand that the value of investments may rise or fall from time to time.
- o. I / we confirm acceptance of the fees and costs detailed in the Product Disclosure Statement, including those agreed between me / us and my / our Financial Adviser, and authorise Powerwrap to deduct these fees and costs from my / our Adelaide CMA on a monthly basis or as otherwise set out in the Product Disclosure Statement.
- p. I / we acknowledge that Powerwrap has no knowledge of my / our personal circumstances or the advice I /we receive from my / our Financial Adviser and that Powerwrap has no basis on which to form a view as to the reasonableness or appropriateness of the advice, fees or investment recommendation in relation to my / our personal situation.
- q. I / we understand that neither investment performance nor the repayment of capital is guaranteed by Powerwrap.
- r. I / we acknowledge that where I / we fail to provide any required information or documentation that Powerwrap may require, that Powerwrap has the right not to accept an Application for investment or not to act on a request for transfer or sale of any investments that I / we may hold and that Powerwrap will not be liable for any loss that may arise.
- s. I/we understand that Powerwrap may terminate my/our participation in the Powerwrap Investment Account if I/we do not comply with its terms and conditions.
- t. I/we understand that I / we must read the Product Disclosure Statement for each managed fund in which my / our account is invested and I / we undertake to obtain a current Product Disclosure Statement from the Powerwrap website if a Product Disclosure Statement is not provided to me / us by my / our Financial Adviser.

**Signed by Individual Investor – First Investor / or Company officer / Trustee**

\*Given Names: .....

\*Surname: .....

\*Signature: .....

\*Date:

If Company Officer or Trustee, specify Corporate Title:

Sole Director,  Director,  Secretary,  Trustee, Other (specify)

**Signed by Individual Investor – Second Investor / or Company officer / Trustee**

Given Names: .....

Surname: .....

Signature: .....

Date:

If Company Officer or Trustee, specify Corporate Title:

Sole Director,  Director,  Secretary,  Trustee, Other (specify)

**Signed by additional Company Officer or Trustee**

Given Names: .....

Surname: .....

Signature: .....

Date:

If Company Officer or Trustee, specify Corporate Title:

Sole Director,  Director,  Secretary,  Trustee, Other (specify)

**Signed by additional Company Officer or Trustee**

Given Names: .....

Surname: .....

Signature: .....

Date:

If Company Officer or Trustee, specify Corporate Title:

Sole Director,  Director,  Secretary,  Trustee, Other (specify)

**Companies may execute in any way allowable by law.  
Affix a Common Seal if required:**

**21. Checklist**

Before submitting this application, please ensure that:

- a. The Application Form is complete and signed by all applicants.
- b. You have provided (any) required supporting documentation outlined in "How to complete the Application Form".
- c. If you are funding your account through transfer of existing unitholdings, that you have completed the Transfer Form and Statutory Declaration Form available through your Financial Adviser.



Register your interest:  
[info@powerwrap.com.au](mailto:info@powerwrap.com.au)

**Powerwrap Limited**

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[www.powerwrap.com.au](http://www.powerwrap.com.au)

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