

FirstStep Fund

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(FirstStep)

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This document

This document is important.

Called the **Investment Options booklet**, it gives you more detail about the Investment Options available through the FirstStep Fund (**FirstStep**).

We here at OneVue RE Services Limited, the responsible entity (or trustee) of FirstStep, have prepared this booklet together with the FirstStep Product Disclosure Statement (**PDS**) and the Additional Information booklet. Both this booklet and the Additional Information booklet form part of the PDS and you should read all those documents before investing.

We aren't the only ones involved with FirstStep of course. FirstStep Investments Australia Pty Ltd (**FirstStep Investments**) came up with FirstStep, wrote and runs the FirstStep App and website (together, the **App**), and decides which investments are available for you to choose from.

Investment and the Investment Options

FirstStep gives you access to a range of 'Investment Options'. Each represents a different mix of investments and each feels and is different. FirstStep's range of Investment Options allows you to choose what sort of investment portfolio you will have.

The Investment Options may change from time to time. We will update the Investment Options booklet and FirstStep will update the App.

Investing and risk

Always remember: investing and risk go hand in hand. Your FirstStep investment isn't a bank account, and your FirstStep account balance will go up and down as the value of your chosen investments goes up and down. Making money and losing money are both possibilities and the Investment Options are all designed for the long term.

Also remember that past performance (good or bad) does not mean the same thing will happen in the future. You should not rely on past performance when making investment decisions. And no-one knows the future for sure. Remember this too, especially when thinking about what your investments are aiming to achieve – it might not happen!

And: risk happens. Risks can mean that you lose money as investments can go down in value. The risks associated with investing through FirstStep range from low to high – it depends on the particular mix of Investment Options which make up your FirstStep account. Changes in value can be big and can happen quickly. As a general rule, the higher the potential returns, the higher the level of risk. Neither returns nor the money you invest in FirstStep is guaranteed. The significant risks associated with FirstStep include those set out in the PDS. They are detailed more in our Additional Information booklet. It's available free from the App.

Investment Options generally

Each Investment Option represents a mix of investments listed on an exchange, in Australia or elsewhere. Only listed investments are ever available through FirstStep, because listed investments are generally easily bought and sold. FirstStep often chooses investments listed on the Australian Securities Exchange (or ASX).

When an Investment Option has Australian exposure, it is usually to ASX listed 'exchange traded products', a family of lower cost investment vehicles comprising exchange-traded funds, managed funds and structured products. There are over 100 exchange traded products accessible through the ASX alone.

Exchange traded products are not really your end investment. Rather, exchange traded products invest in or give exposure to securities (usually shares of a company or units of a managed fund) or other assets such as commodities.

Many exchange traded products take a lower cost approach to investing, seeking to track the performance of a specified index or benchmark (such as the ASX 200 index) or a currency such as the USD or a commodity such as gold. Single asset products that track the performance of a specific security, bond or debenture are also available.

When exposure is to overseas, it would be more usual that FirstStep Investments chooses a mix of direct listed investments, such as a stock in a global bank.

Investment options can offer exposures across many types of assets including:

- Australian,
- International,
- equities,
- commodities,
- property,
- fixed income,
- currency, and
- cash.

Experts making the decisions

FirstStep decides which particular exchange traded products make up each Investment Option from time to time.

There is an investment committee of senior investment professionals whose job it is to do this.

The mix can be adjusted but for the most part, once the mix is set, it is expected to remain pretty stable. You can find the target mix of each Investment Options in the **Investment Options** booklet and also on the App.

FirstStep can offer or include in any Investment Option other listed investments from time to time. For example, an Australian Banking Investment Option might be offered, comprising a mix of the shares of the 4 big banks.

As new ones are added, we will update the Investment Options booklet and FirstStep will update the App.

If an Investment Option that you invest in is withdrawn, we will let you know. It might mean that no new investors can come in, or that no new money can be invested, or we might close it altogether and if we do we will usually sell out and spread the proceeds proportionally amongst your remaining

Investment Options.

So, what's right for you?

That's up to you.

Neither we nor FirstStep Investments can tell you what Investment Options are right for you.

Mix it up!

You will always have a core mix of Investment Options – the App proposes this based on what risk profile you choose.

You can change the core Investment Option mix if you change your risk profile on the App. It's up to you. We always suggest you get advice on things like that even if it's not about much money: investing is important and good advice is a good thing to have.

But you can add to the core with themes you choose! Are you into tech, or green? Or trends like ageing population? Or regions like Asia?

Choose as many or as few additional Investment Options as you like. Most people start with a two or perhaps three. Think about adding more as your savings grows. Look to mix them up. Investing through FirstStep is real investing, but FirstStep Investments also hopes that it's fun.

You can change your Investment Options through the App and if you do, then your investments will be sold and new ones bought as needed. We suggest you wouldn't do this too often, unless your circumstances change. Patience is a virtue. Changes will be implemented as soon as they can.

No labour standards or environmental, social or ethical considerations are taken into account in selection, retention or realisation of any investment.

Who are the managers?

The exchange traded funds are managed by leading investment managers and advisers, and for example could include:

Vanguard: Vanguard Investments Australia Ltd is a wholly owned subsidiary of The Vanguard Group, Inc. The Vanguard Group, Inc. is one of the world's largest global investment management companies. In Australia, Vanguard has been serving financial advisers, individual investors and institutional investors for more than 17 years.

BetaShares: BetaShares Capital Limited is a leading Australian manager of exchange traded funds that allow investors to track the performance of a range of market indices and asset classes, and gain exposure to a broader range of investment alternatives. BetaShares is part of the Mirae Asset Global Investments Group, one of the largest asset management firms in Asia.

UBS: UBS Asset Management (Australia) Ltd is part of the UBS group. UBS group offers a comprehensive range of active and passive investment styles and capabilities, across both traditional and alternative asset classes. UBS group has around 3,500 employees located in 22 countries. Its main offices are in Chicago, Frankfurt, Hartford, Hong Kong, London, New York, Singapore, Sydney, Tokyo and Zurich.

BlackRock Fund Advisors: BlackRock is trusted to manage more money than any other investment firm. Its business is investing on behalf of its clients. BlackRock has world-class

capabilities designed for its clients' greatest needs, with a comprehensive range of products and services across asset classes, geographies and investment strategies. It has expertise in every region around the world, with 135 investment teams in 30 countries sharing their best thinking in order to seek better returns.

FirstStep Investments can mix and match underlying exchange traded funds and underlying investment managers as it thinks appropriate.

At the core of your portfolio

The Core Investment Options

There are three Core Investment Options:

- the **Defensive** Investment Portfolio - built for the laid-back investor – a lower risk investment,
- the **Balanced** Investment Portfolio - built for the middle of the road warrior – a medium risk investment, and
- the **Growth** Investment Portfolio - built for the long-term adventurer – a higher risk investment.

Each is different and each is explained on the following pages.

Remember, lower, medium and higher risk are relative. Not being too obvious about it, but (usually) higher is higher than medium. Lower is (usually) lower than medium. And medium, well (usually) that's somewhere between them.

What risk feels like (and what it is) for you depends on things neither we nor FirstStep Investments knows - your particular objectives, financial situation or needs.

And just because it's higher risk doesn't mean returns will necessarily be higher. And lower risk doesn't mean returns are always lower. Read the **Risks** section of the PDS for enlightenment on some of the mysteries of investing and the important of patience.

Making your portfolio your own

The thematic Investment Options

If you want, use the App to mix in one or more other 'thematic' Investment Options.

If the core Investment Option is like your ice-cream, then these are like toppings. They let you dress up your portfolio to match your mood, your world view, what you like and dislike, what's important to you.

Are you into tech, or green? Or trends like ageing population? Or regions like Asia?

They're investment add ons which flavour your basic approach so that your investing can be more like you. Or more conservative or more out there. They let you fine tune risk and potential return, and can make you feel you are making a difference – a difference to the world or just to you. You choose.

Each is different and each is explained on the following pages.

Remember: as you add more toppings, you won't taste the ice-cream so much. The core won't be so much just the core anymore. FirstStep Investments' suggestion - no pun intended, but don't go nuts. Not too much anyway.

Help!

Download the App

Apple's App Store

Google Play

The Windows Store.

If the App isn't there, it will be soon!!

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getfirststep.com

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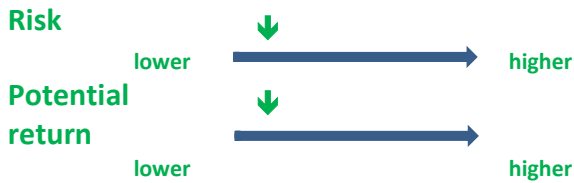
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The Defensive Investment Portfolio

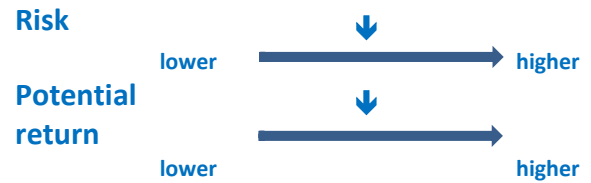
Built for the laid-back investor



Type of Investment Option	Core
Why is it called this?	'Defensive' often describes the approach which more cautious investors have in relation to investing: they want to defend themselves more against risk, and usually this means they give up some potential to earn return.
What investment outcome is being sought?	The primary objective of this investment Option is to give exposure to a diversified investment portfolio focussed on defensive style assets, displaying lower risk and volatility with a view to some capital growth and regular income. But remember: neither your investment or the payment of income is certain. You can lose as well as make money.
How risky is this?	As a general rule, the higher the potential returns, the higher the level of risk. This is designed to be the least risky of the three core investment options. Potential returns are lower.
How up and down could the value of this Investment Option be?	Investments change in value. Sometimes changes in value can be big and can happen quickly. People often call this 'volatility'. This is designed to be the least volatile of the three core investment options.
How long should you invest?	3 years or more.
What does this invest in?	ASX listed 'exchange traded products', a family of lower cost investment vehicles comprising exchange-traded funds, managed funds and structured products.
How many exchange traded products are there in this option?	Usually at least 3, generally managed by Vanguard.
What sorts of investments will you be exposed to?	Typically, you will be exposed 65% to defensive assets, such as: <ul style="list-style-type: none"> ■ cash and term deposits, and ■ fixed and variable interest investments. Other exposure could be to Australian and International shares.
Is there anything tricky going on?	Nope: FirstStep doesn't use borrowing or derivatives. It is possible that the exchange traded products in this Investment Option borrow or use derivatives, but FirstStep Investments looks at this carefully with the goal that this option still remains lower risk.

The Balanced Investment Portfolio

Built for the middle of the road warrior



Type of Investment Option	Core
Why is it called this?	'Balanced' often describes the approach which middle of the road investors have in relation to investing: they don't want too much risk, just enough; they aren't seeking to make lots of money, just enough. They want to balance risk and returns.
What investment outcome is being sought?	The objective of this Investment Option is to give exposure to a diversified investment portfolio balanced between defensive and growth style assets displaying medium risk and volatility, with a view to moderate capital growth and regular income.
How risky is this?	As a general rule, the higher the potential returns, the higher the level of risk. This is designed to be in the middle, risk wise, of the three core investment options. Potential returns are moderate.
How up and down could the value of this Investment Option be?	Investments change in value. Sometimes changes in value can be big and can happen quickly. People often call this 'volatility'. This is designed to be in the middle, volatility wise, of the three core investment options.
How long should you invest?	5 years or more.
What does this invest in?	ASX listed 'exchange traded products', a family of lower cost investment vehicles comprising exchange-traded funds, managed funds and structured products.
How many exchange traded products are there in this option?	Usually at least 3, generally managed by Vanguard.
What sorts of investments will you be exposed to?	Typically, you will be exposed <ul style="list-style-type: none"> ■ 40% to defensive assets, such as: <ul style="list-style-type: none"> ○ cash and term deposits, and ○ fixed and variable interest investments, and ■ 60% to growth assets, such as Australian and International shares:
Is there anything tricky going on?	Nope: FirstStep doesn't use borrowing or derivatives. It is possible that the exchange traded products in this Investment Option borrow or use derivatives, but FirstStep Investments looks at this carefully. Derivatives use and borrowing can be part of the reason why this is more risky than the Defensive Investment Option.

The Growth Investment Portfolio

Built for the long term adventurer



Type of Investment Option	Core
Why is it called this?	'Growth' often describes the approach taken by investors who are more comfortable with risk; they are seeking to make more money, and are prepared to take greater risk in doing so. They are comfortable with the idea they could also lose money.
What investment outcome is being sought?	The objective of this Investment Option is to give exposure to a diversified investment portfolio focussed on growth style assets, displaying higher risk and volatility, with a view to higher capital growth, and less focus on capital preservation and regular income.
How risky is this?	As a general rule, the higher the potential returns, the higher the level of risk. This is designed to generate higher returns, but this also means there is more risk.
How up and down could the value of this Investment Option be?	Investments change in value. Sometimes changes in value can be big and can happen quickly. People often call this 'volatility'. This is at the higher end, volatility wise, of the three core investment options.
How long should you invest?	10 years or more.
What does this invest in?	ASX listed 'exchange traded products', a family of lower cost investment vehicles comprising exchange-traded funds, managed funds and structured products.
How many exchange traded products are there in this option?	Usually at least 3, generally managed by Vanguard
What sorts of investments will you be exposed to?	Typically, you will be exposed <ul style="list-style-type: none"> ■ 5% to defensive assets, such as: <ul style="list-style-type: none"> ○ cash and term deposits, and ○ fixed and variable interest investments, and ■ 95% to growth assets, such as Australian and International shares
Is there anything tricky going on?	Nope: FirstStep doesn't use borrowing or derivatives. It is possible that the exchange traded products in this Investment Option borrow or use derivatives, but FirstStep Investments looks at this carefully. Derivatives use and borrowing can be part of the reason why this is higher risk.

The Tech Investment Portfolio

Give me more tech!

The Ethical Investment Portfolio

Doing the right thing

Risk



Potential return



Risk



Potential return



Type of Investment Option	Optional this is one of the themes you can mix into your Core Investment Option
Why is it called this?	Well, because it gives you exposure to technology investments.
Who is the manager?	BetaShares
	BetaShares' NASDAQ 100 exchange traded fund gives investors the chance to be exposed to many of the world's most innovative companies that continue to revolutionise our everyday lives including Apple, Facebook, Amazon and Google.
How risky is this?	As a general rule, the higher the potential returns, the higher the level of risk. But adding this to your Core Investment Option won't shift you into another risk profile as FirstStep Investments makes other adjustments to reduce the overall risk.
How up and down could the value of this Investment Option be?	Investments change in value. Sometimes changes in value can be big and can happen quickly. People often call this 'volatility'. Adding this to your Core Investment Option will increase the overall volatility.
How long should you invest?	The same as the Core Investment Portfolio which you have chosen

Type of Investment Option	Optional this is one of the themes you can mix into your Core Investment Option
Why is it called this?	Ethical is about doing the right thing.
Who is the manager?	BetaShares
	BetaShares' Global Sustainability Leaders exchange traded fund invests in 100 large global stocks from developed market countries (excluding Australia) that are climate change leaders. In addition, the fund uses a broad set of ethical eligibility screens to remove companies that have exposure to fossil fuels, gambling, tobacco, armaments, human rights concerns and other activities deemed inconsistent with responsible investment best practice.. Phew!
How risky is this?	As a general rule, the higher the potential returns, the higher the level of risk. But adding this to your Core Investment Option won't shift you into another risk profile as FirstStep Investments makes other adjustments to reduce the overall risk.
How up and down could the value of this Investment Option be?	Investments change in value. Sometimes changes in value can be big and can happen quickly. People often call this 'volatility'. Adding this to your Core Investment Option will increase the overall volatility.
How long should you invest?	The same as the Core Investment Portfolio which you have chosen

The Health Investment Portfolio

Make me feel well!

Risk



Potential return



Type of Investment Option	Optional this is one of the themes you can mix into your Core Investment Option
Why is it called this?	It's pretty basic: this Investment Option focusses on health things.
Who is the manager?	BlackRock Fund Advisors
	The iShares Global Healthcare exchange traded fund provides exposure to pharmaceutical, biotechnology, and medical device companies. It targets healthcare stocks from around the world. The fund seeks to track the investment results of an index composed of global equities in the healthcare sector. The index seeks to track, the S&P Global 1200 Healthcare Sector Index™, may include large, mid or small capitalisation companies and components primarily include biotechnology, healthcare, medical equipment and pharmaceuticals companies.
How risky is this?	As a general rule, the higher the potential returns, the higher the level of risk. But adding this to your Core Investment Option won't shift you into another risk profile as FirstStep Investments makes other adjustments to reduce the overall risk.
How up and down could the value of this Investment Option be?	Investments change in value. Sometimes changes in value can be big and can happen quickly. People often call this 'volatility'. Adding this to your Core Investment Option will increase the overall volatility.
How long should you invest?	The same as the Core Investment Portfolio which you have chosen

The Asia Investment Portfolio

I want to invest in the Asian century!

Risk



Potential return



Type of Investment Option	Optional this is one of the themes you can mix into your Core Investment Option
Why is it called this?	The exchange traded funds in this Investment Option look to find the best Asian companies to invest in.
Who is the manager?	BlackRock Fund Advisors
	The iShares Asia 50 exchange traded fund provides exposure to large, established Asian companies. It gives access to 50 of the largest Asian stocks in a single fund. The fund seeks to track the investment results of an index composed of 50 of the largest Asian equities. The index, the S&P Asia 50™, is designed to measure the performance of the 50 leading companies listed in: China, Hong Kong, Macau, Singapore, South Korea and Taiwan.
How risky is this?	As a general rule, the higher the potential returns, the higher the level of risk. But adding this to your Core Investment Option won't shift you into another risk profile as FirstStep Investments makes other adjustments to reduce the overall risk.
How up and down could the value of this Investment Option be?	Investments change in value. Sometimes changes in value can be big and can happen quickly. People often call this 'volatility'. Adding this to your Core Investment Option will increase the overall volatility.
How long should you invest?	The same as the Core Investment Portfolio which you have chosen