

# LDI Connect 3 Portfolio

## Product Disclosure Statement

ARSN 154 532 402  
APIR SLT0032AU  
Issue Date 1 March 2022



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### Investment Manager

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### Asset Consultant

Towers Watson Australia Pty Ltd

This Product Disclosure Statement ("PDS") was issued on 1 March 2022. This PDS is for the offer of interests in the LDI Connect 3 Portfolio ARSN 154 532 402, APIR SLT0032AU (referred throughout this PDS as the "Fund").

The PDS has been prepared and issued by Equity Trustees Limited (ABN 46 004 031 298, Australian Financial Services Licence ("AFSL") No. 240975) in its capacity as the responsible entity of the Fund (referred throughout this PDS as the "Responsible Entity", "Equity Trustees", "us" or "we"). The Investment Manager is LDI Connect Asset Management Pty Ltd (referred to throughout this PDS as the "Investment Manager", "LDI Connect" or "LDI Connect Asset Management"). LDI Connect Asset Management is part of the MGD Wealth group of companies.

The Responsible Entity has authorised the use of this PDS as disclosure to investors and prospective investors who invest directly in the Fund, as well as investors and prospective investors of an investor directed portfolio service, master trust, wrap account or an investor directed portfolio service-like scheme ("IDPS"). This PDS is available for use by persons applying for units through an IDPS ("Indirect Investors").

The operator of an IDPS is referred to in this PDS as the "IDPS Operator" and the disclosure document for an IDPS is referred to as the "IDPS Guide". If you invest through an IDPS, your rights and liabilities will be governed by the terms and conditions of the IDPS Guide. Indirect Investors should carefully read these terms and conditions before investing in the Fund. Indirect Investors should note that they are directing the IDPS Operator to arrange for their money to be invested in the Fund on their behalf. Indirect Investors do not become unitholders in the Fund or have rights of unitholders. The IDPS Operator becomes the unitholder in the Fund and acquires these rights. Indirect Investors should refer to their IDPS Guide for information relating to their rights and responsibilities as an Indirect Investor, including information on any fees and charges applicable to their investment. Information regarding how Indirect Investors can apply for units in the Fund (including an application form where applicable) will also be contained in the IDPS Guide. Equity Trustees accepts no responsibility for IDPS Operators or any failure by an IDPS Operator to provide Indirect Investors with a current version of this PDS as provided by Equity Trustees or to withdraw the PDS from circulation if required by Equity Trustees.

Please ask your adviser if you have any questions about investing in the Fund (either directly or indirectly through an IDPS).

This PDS is prepared for your general information only. It is not intended to be a recommendation by the Responsible Entity, Investment Manager, any associate, employee, agent or officer of the Responsible Entity, Investment Manager or any other person to invest in the Fund. This PDS does not take into account the investment objectives, financial situation or needs of any particular investor. You should not base your decision to invest in the Fund solely on the information in this PDS. You should consider whether the information in this PDS is appropriate for you, having regard to your objectives, financial

situation and needs and you may want to seek professional financial advice before making an investment decision.

Equity Trustees, the Investment Manager and their employees, associates, agents or officers do not guarantee the success, repayment of capital or any rate of return on income or capital or the investment performance of the Fund. Past performance is no indication of future performance. An investment in the Fund does not represent a deposit with or a liability of Equity Trustees, the Investment Manager or any of their associates. An investment is subject to investment risk, including possible delays in repayment and loss of income or capital invested. Units in the Fund are offered and issued by the Responsible Entity on the terms and conditions described in this PDS. You should read this PDS in its entirety because you will become bound by it if you become a direct investor in the Fund.

In considering whether to invest in the Fund, investors should consider the risk factors that could affect the financial performance of the Fund. Some of the risk factors affecting the Fund are summarised in Section 7.

The offer to which this PDS relates is only available to persons receiving this PDS (electronically or otherwise) in Australia.

This PDS does not constitute a direct or indirect offer of securities in the US or to any US Person as defined in Regulation S under the US Securities Act of 1933 as amended ("US Securities Act"). Equity Trustees may vary its position and offers may be accepted on merit at Equity Trustees' discretion. The units in the Fund have not been, and will not be, registered under the US Securities Act unless otherwise determined by Equity Trustees and may not be offered or sold in the US to, or for, the account of any US Person (as defined) except in a transaction that is exempt from the registration requirements of the US Securities Act and applicable US state securities laws.

If you received this PDS electronically, you will need to print and read this document in its entirety. We will provide a paper copy free upon request during the life of this PDS.

Certain information in this PDS is subject to change. We may update this information. You can obtain any updated information:

- by contacting LDI Connect Asset Management on +61 7 3391 5055; or
- by visiting the LDI Connect Asset Management website at [www.ldiconnect.com.au](http://www.ldiconnect.com.au)

A paper copy of the updated information will be provided free of charge on request.

You may also contact Equity Trustees:

- by writing to GPO Box 2307 Melbourne VIC 3001; or
- by calling +613 8623 5000

Unless otherwise stated, all fees quoted in the PDS are inclusive of GST, after allowing for an estimate for Reduced Input Tax Credits ("RITC"). All amounts are in Australian dollars unless otherwise specified. All references to legislation are to Australian law unless otherwise specified.

## 1. The Fund at a glance

LDI Connect 3 Portfolio ARSN 154 532 402 APIR SLT0032AU	
Snapshot	A globally diversified portfolio, with a significant focus on defensive investments that attempts to reduce the level of capital volatility experienced by investors. To achieve this the Fund includes equities, property, infrastructure, fixed interest and alternative investments, as well as cash
What we invest in (see section 5 for details)	<ul style="list-style-type: none"> <li>• Cash &amp; fixed interest: 25% to 75%</li> <li>• Property and Infrastructure: 0% to 30%</li> <li>• Equities: 10% to 50%</li> <li>• Alternatives: 0% to 40%</li> </ul>
Performance objectives	An after fees and expenses investment performance greater than Cash plus 2% p.a. (Cash is measured by the Bloomberg AusBond Bank Bill Index) over rolling 3 year periods, and 4% p.a. target volatility
Level of risk	Low to medium
Suggested investment timeframe	Minimum 3 years
Fund inception	3 January 2012
Management fees and costs	1.40% p.a. of the Net Asset Value ("NAV") (including GST less RITCs)
Minimum initial investment and account balance	\$25,000 for direct investors
Minimum withdrawal and additional investment	\$1,000 for direct investors
Applications	Weekly and monthly
Withdrawals	Weekly and monthly
Distributions	30 June and 31 December *
Entry/exit fee	None
Buy and Sell spread	Both 0.25%, but zero for reinvested distributions
Unit prices	Weekly and monthly

\* Distribution amounts will vary and there may be occasions when there is no distribution paid.

## 2. Your checklist

This section summarises some important information, consistent with ASIC policy. You should however read the entire PDS and seek professional advice before making your investment decision.

Hedge fund disclosure	Summary	Satisfied?	For more information
<b>Benchmarks</b>			
1. How we value assets	Listed assets → quoted prices Unlisted assets → independent valuations (wherever possible)	Yes	Section 4
2. Periodic reporting	Annual Report, Monthly and Quarterly updates are available from the LDI Connect website and other Fund reporting including allocation to asset type, liquidity profile and leverage ratio.	Yes	Section 8
<b>Disclosure Principles</b>			
3. Investment Strategy	This Fund is diversified with a significant focus on conservative Australian and international investments (including equities, property, infrastructure, credit, fixed interest and alternative investments, as well as cash) many of which are themselves further diversified. Various techniques including research, monitoring and financial instruments are used to manage risk.	Yes	Section 5 and 7
4. Investment manager	Investment Manager → LDI Connect Asset Management, part of the MGD Wealth group of companies Asset Consultant → Towers Watson Australia Pty Ltd (“Willis Towers Watson”) There have been no adverse findings (significant or otherwise) against us or the Investment Manager or Asset Consultant, or any of the senior investment professionals at these organisations. It is the Asset Consultant and the members of the Investment Committee that play a key role in investment decisions.	Yes	Section 3 and 4
5. Fund Structure	Unlisted Australian unit trust, registered with ASIC, can invest into other Australian and international investments.	Yes	Section 4

Hedge fund disclosure	Summary	Satisfied?	For more information
6. Valuation, location and custody of assets	Valuation is independent of Equity Trustees and LDI Connect Asset Management (where possible), assets are held by a professional custodian.	Yes	Section 4
7. Liquidity	Withdrawals are usually processed weekly and monthly, some underlying investments can be illiquid, but the Fund is expected to be liquid for the purposes of the Corporations Act.	Yes	Section 4
8. Leverage	Direct borrowing is limited, some underlying investments can be leveraged.	Yes	Section 4
9. Derivatives and structures products	Derivatives are used where considered appropriate, both for risk management and to gain investment exposures.	Yes	Section 4
10. Short Selling	Some underlying investments can use short selling.	Yes	Section 8
11. Withdrawals	Weekly and monthly.	Yes	Section 11

### 3. Who is managing the Fund?

LDI Connect Asset Management has partnered with Equity Trustees and Towers Watson Australia Pty Ltd (“Willis Towers Watson” or “Asset Consultant”), to assist with the management of the LDI Connect 3 Portfolio.

#### The Responsible Entity

##### Equity Trustees Limited

Equity Trustees Limited ABN 46 004 031 298 AFSL 240975, a subsidiary of EQT Holdings Limited ABN 22 607 797 615, which is a public company listed on the Australian Securities Exchange (ASX: EQT), is the Fund’s responsible entity and issuer of this PDS. Established as a trustee and executorial service provider by a special Act of the Victorian Parliament in 1888, today Equity Trustees is a dynamic financial services institution which continues to grow the breadth and quality of products and services on offer.

Equity Trustees’ responsibilities and obligations as the Fund’s responsible entity are governed by the Fund’s constitution (“Constitution”), the Corporations Act and general trust law. Equity Trustees has appointed LDI Connect Asset Management as the investment manager of the Fund. Equity Trustees has appointed a custodian to hold the assets of the Fund. The custodian has no supervisory role in relation to the operation of the Fund and is not responsible for protecting your interests.

#### The Investment Manager

##### LDI Connect Asset Management Pty Ltd

LDI Connect is a special purpose investment management vehicle, wholly owned by the MGD Wealth group of companies. LDI Connect was established in 2011.

None of the MGD group companies, including LDI Connect, have any ownership links to financial institutions. LDI Connect operates under MGD Capital Advisors Pty Ltd Australian Financial Services Licence (AFSL 508677).

LDI Connect’s primary purpose is to provide best of breed portfolio solutions for clients of the MGD Wealth group. LDI Connect does this through prudent selection and appropriate use of specialist, actively managed investment funds. Portfolio solutions combine asset allocation, manager selection and risk management services that aim to deliver the Fund’s objectives.

The LDI Connect portfolios offer low maintenance, core exposures for investors looking to outsource the difficult task of creating well diversified exposures across both mainstream and alternative investments, and access to what LDI Connect believe are some of the best investment managers available. The LDI Connect portfolios may also assist investors with smaller amounts of capital who are seeking one all-encompassing and well diversified portfolio solution.

#### The Asset Consultant

##### Willis Towers Watson

Towers Watson Australia Pty Ltd is part of the Willis Towers Watson group of companies. Willis Towers Watson is one of the largest investment, actuarial, insurance broking and human resource consulting companies. With roots dating to 1828, Willis Towers Watson has 45,000 employees in more than 140 countries.

Willis Towers Watson Investment Consulting is a line of business within Willis Towers Watson’s Investment, Risk and Reinsurance business segment. Globally they advise more than 1,200 pension funds and institutional investors with total assets in excess of A\$3.2 trillion.

Their Australian and New Zealand investment consulting practice was established in January 1999 with the strategy to position themselves as the premier institutional investment consultant. In so doing, they have sought to leverage off their global strength, and to align themselves and their business model with the success of their clients and stakeholders.

## 4. Introduction to the Fund

### Ready-made portfolio solutions

LDI Connect Asset Management's philosophy is the implementation of portfolio management strategies and activities that aim to ensure that cash reserves are available to meet portfolio liabilities, as and when they fall due, by achieving regular compounding rates of return above the Cash Rate, whilst limiting major losses of capital in difficult market conditions. The aim of the LDI Connect 3 Portfolio is to provide a Cash Rate plus style of return for investors over rolling 3 year periods.

See Section 5 for more information about the investment objectives of the Fund. There is no guarantee that the objectives will be achieved.

In its investment decision making, the LDI Connect Asset Management Investment Committee is focused on delivering investment returns in line with the objectives of the Fund.

### The types of investment used

The Fund is multi-manager and multi-asset class, employing a flexible approach to asset allocation and a broad range of potential investments.

In pursuit of Fund objectives, the LDI Connect 3 Portfolio is able to access investment opportunities, markets and diversity which individual investors may not be able to access directly themselves.

Additionally, the Fund has the flexibility to minimise exposure to investments believed to have a high risk of delivering disappointing returns, operating within wide asset allocation ranges rather than being tied to rigid strategic asset allocation benchmarks.

The LDI Connect 3 Portfolio can also often gain access to investments for less cost than individual investors could achieve, and use highly efficient portfolio construction and risk management techniques that are often not available to retail investors such as using derivatives selectively to help reduce the impact of currency fluctuations.

The Fund can use "alternative" investments, which can provide useful diversification benefits in difficult market conditions. See section 5 for a description of what "alternative" investments can include. Although some alternative investments can be less liquid than mainstream assets, overall portfolio liquidity is managed with the goal of providing acceptable withdrawal periods to investors.

We would give at least 4 weeks' notice of any material change in investment strategy.

### LDI Connect Asset Management Investment Committee and Advisers

The LDI Connect Asset Management Investment Committee (IC) is comprised of experienced investment professionals, which can include members from MGD Wealth, LDI Connect Asset Management and other professionals.

This IC is LDI Connect Asset Management's principal investment body.

The IC is responsible for setting the investment objectives and the investment strategy of the Fund. It is also responsible for the oversight of the Asset Consultant.

LDI Connect Asset Management has appointed Willis Towers Watson as the Asset Consultant. The Asset Consultant is responsible for the day to day management of the Fund. This involves asset allocation decisions, manager appointments and terminations, cash flow management, currency hedging, and rebalancing.

Willis Towers Watson is a globally renowned asset consultant with approximately 900 investment staff. It has deep resources to cover all aspects of its role from investment operations through to manager research and selection.

*The current members of the IC are:*

#### Stephen Furness

**Director, MGD Wealth, Head of Investment, MGD Private, Director, LDI Connect Asset Management, and Chairman, LDI Connect Asset Management Investment Committee**

Stephen has more than 30 years of experience in banking and financial services and has spent the last 18 years in private practice. Throughout this time, Stephen has built an outstanding reputation for delivering high-level strategic wealth management solutions for his clients, including high net worth individuals, professionals, and executives.

Joining MGD in 2008, Stephen has been a driving force behind the vision for the group's investment portfolio offering and total wealth management philosophy.

Stephen works closely with investment partners and researchers to develop leading-edge investment strategies. He also works closely with other MGD Directors and client advisers to deliver robust investment portfolio solutions to clients.

Stephen is a Certified Financial Planner<sup>®</sup> and Life Risk Specialist<sup>®</sup> with the Financial Planning Association of Australia and Designee, Accredited Investment Fiduciary<sup>®</sup>.

#### Dr Michael Drew

**Director, Drew, Walk & Co. and Independent Member, LDI Connect Asset Management Investment Committee**

Michael is a financial economist specialising in investment governance, pension plan design, and outcome-oriented investing. In addition to his role as Director and co-founder Drew, Walk & Co., Michael is a Professor of Finance at Griffith University.

Michael's research has been published in leading practitioner journals, including the Financial Analysts Journal and the Journal of Portfolio Management. With his colleague Dr Adam Walk, Michael co-authored the monograph Investment Governance for Fiduciaries that was released by the CFA Institute Research Foundation in April 2019. He has been invited to make submissions and to testify before numerous committees, including the US Department of Labor and the SEC joint hearing on target-date funds.

Michael received his PhD in economics from the University of Queensland, is an Accredited Investment Fiduciary Analyst<sup>®</sup>, a Life Member of FINSIA, and a Fellow of the Australian Institute of Company Directors and the Governance Institute of Australia. Michael is a trustee director and member of the Investment Committee at QSuper, a member of the Investment Advisory Board of the Petroleum Fund of Timor-Leste (East Timor), and a trustee (and member of the Finance, Audit, and Risk Committee) of Mary Aikenhead Ministries.

#### Michael Furey

**Principal, Delta Research & Advisory and Independent Member, LDI Connect Asset Management Investment Committee**

Michael Furey is Principal of Delta Research & Advisory, one of Australia's leading independent quantitative research and investment consulting firms. He has worked in the financial services industry since 1999 and is a former Head of Research at Suncorp. Michael started Delta in 2012 to provide investment advice and services to professional investment committees. He

is a frequent presenter at some of Australia's leading investment conferences and is also regular author on investment matters for Portfolio Construction Forum.

### Dr Adam Walk

#### Director, Drew, Walk & Co. and Independent Member, LDI Connect Asset Management Investment Committee

A financial economist by training, Adam is a Director and co-founder of Drew, Walk & Co., a boutique firm of consulting financial economists and advisors. He has previously held appointments at organisations such as Myer Family Company, QIC, and QSuper.

Adam's current governance roles include being a trustee director at Rest, an advisor to the Group Strategic Capital Committee at RACQ, and the chairman of the Investment Committee at RSL Queensland. Adam earned his PhD in financial economics from Griffith University, is an Accredited Investment Fiduciary Analyst<sup>®</sup>, a Certified Investment Management Analyst<sup>®</sup> designee, and a Fellow of the Australian Institute of Company Directors.

Having previously held research appointments at Griffith University and taught at QUT and Macquarie University, Adam is currently an Adjunct Professor at the University of Notre Dame Australia. His research has been published in journals including the Journal of Portfolio Management and the Journal of Retirement and, with his colleague Dr Michael Drew, he co-authored the monograph Investment Governance for Fiduciaries which was released by the CFA Institute Research Foundation in April 2019.

It should be noted that the investment professionals involved in the provision of management and advice in respect of the Fund are not exclusively dedicated to portfolio management or advice as they have additional responsibilities outside of managing the Fund. These responsibilities include other business activities, including the management of other portfolios for other clients which may reduce the time that LDI Connect Asset Management and Willis Towers Watson and its officers and personnel spend managing the Fund.

The officers and employees of LDI Connect Asset Management and Willis Towers Watson will devote as much time to the Fund as deemed appropriate. Typically IC meetings are held on a quarterly basis, whilst the Fund is managed on a daily basis by the Asset Consultant.

### Investment process

The investment process is a dynamic one that aims to ensure that the investment objectives of the LDI Connect 3 Portfolio are met.

In short, the aim is to help investors create wealth carefully over time by building portfolios that are designed to do well in rising markets, but to also limit major losses to capital in difficult market conditions.

LDI Connect Asset Management and the Asset Consultant do this by:

- positioning the Fund with the appropriate asset mix to achieve the investment objectives based on forward looking scenarios, including asset class valuation models, and economic forecasting
- investing in value creating opportunities across different markets, investment managers and strategies through its rigorous due diligence process,
- focusing on preserving capital by aiming to limit major capital losses during difficult market conditions, through its use of diversification, alternative investments, and portfolio protection strategies, and
- taking a medium to long term approach.

### Due Diligence

All investments selected by the Asset Consultant, are subject to its due diligence process. Due diligence is the process of asking questions and undertaking research to gain a sufficient level of comfort prior to giving advice or making an investment. The due diligence process includes a review of the underlying investment strategy, the investment manager and in-depth operational due diligence.

The Fund can invest globally including into international fund domiciles such as Luxembourg, Ireland, the Cayman Islands and the British Virgin Islands. The Asset Consultant and Equity Trustees have experience in investing in these jurisdictions and others. However, if necessary, the Asset Consultant and Equity Trustees reserves the right to seek external legal advice in those jurisdictions.

Equity Trustees also conducts due diligence on the Fund's service providers including the custodian and its registry provider - these can include service reviews and service level meetings. Such reviews are conducted at least annually.

### Valuation of Assets

Equity Trustees maintains a unit pricing policy for the valuation of the Fund's assets. A copy is available to unit holders on request. The way in which assets are valued can impact on the value Equity Trustees gives to the Fund and this impacts on the value of units. The Constitution of the Fund generally allows Equity Trustees to determine the methods by which it calculates the value of the assets.

Generally, the valuation of assets occurs as frequently as issue prices are determined.

In general:

- Equity Trustees uses independent valuations (i.e. unrelated to us), administrators or valuation service providers it considers reliable,
- in the case of securities quoted on any stock exchange, Equity Trustees uses the last sale price on the day that the value is calculated, and if there was no sale on that day, the last sale price,
- for unlisted managed funds, Equity Trustees uses the issue or redemption price most recently quoted by the underlying investment manager, including estimate prices issued by the underlying investment manager if a final price is not available in a timely way, and
- in the case of a cash deposit, Equity Trustees uses the amount of such deposit.

In calculating Net Asset Value, Equity Trustees may rely on estimates of the value of unlisted funds in which the Fund invests, which will be supplied, directly or indirectly, by the underlying investment managers or the administrators of those funds. Such valuations may not be considered independent, may be subject to potential conflicts of interest, may be unaudited or subject to little verification or other due diligence, and may not comply with generally accepted accounting practices or other valuation principles.

None of Equity Trustees, LDI Connect Asset Management, the Asset Consultant or MGD Wealth, nor any person who assists any of them, may have sufficient information to confirm or review the completeness or accuracy of such information.

In addition, the value of unlisted funds in which the Fund invests may not be provided on a regular or timely basis, with the result that the values of such investments may need to be estimated. The Fund's value may be based on a valuation for an unlisted fund provided as of a significantly earlier date, and the published final valuations of such investments may differ materially.

Certain unlisted funds in which the Fund invests may themselves invest in assets which are difficult to value and may face conflicts of interest in valuing them.

In the event that a valuation estimate subsequently proves to be incorrect, no adjustment to any previously published Net Asset Value of a Fund is made nor would any compensation be payable in respect of such an error.

In practice, Equity Trustees outsources the calculation of the unit price to the Custodian.

### Liquidity

Alternative investments, as well as property and infrastructure, can at times be illiquid. This means that at times the Fund may have difficulties in liquidating the underlying investments in accordance with stated liquidity objectives.

As at the date of this PDS the Fund has an exposure greater than 10% of their Net Asset Value to these types of investments, some of which cannot be reasonably expected to be realised within 10 days.

Whilst the Asset Consultant conducts research and due diligence on the underlying investment liquidity, underlying investments may not be able to be realised in a timely way.

The Asset Consultant aims to manage this risk as far as is practicable by carrying out research on underlying investment funds, monitoring the Fund's liquidity levels and seeking to ensure they have, or anticipate having access to, enough liquid assets for when it is anticipated they would normally be needed.

### Leverage

Any direct borrowing (or leverage) in the Fund is limited. From time to time amounts may be borrowed on an interim basis to fund short term portfolio obligations, and then only if the

borrowing is considered to be prudent and in the best interests of all investors. Such borrowing is only from leading banks. Security may be granted over the Fund's assets.

Whilst some investment strategies use very little or no leverage, others can utilise leverage, and at times the Fund will have exposure to underlying investment funds which are leveraged.

Please see the Risks section for further explanation of risk associated with borrowing or leverage.

### Derivatives

The Fund may use derivatives where considered appropriate to reduce portfolio risk, such as currency and interest rate risk, or to gain exposures to certain types of assets.

The Fund mainly employs "over the counter" foreign exchange contracts and exchange-listed futures.

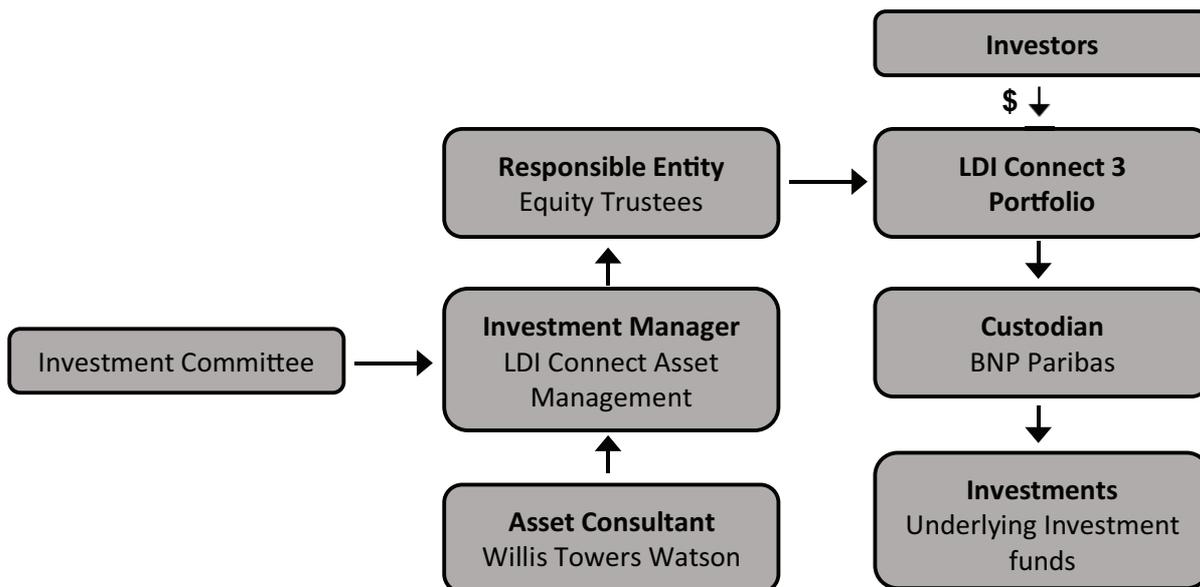
Derivative counterparties are highly rated Australian and global financial institutions. Collateral requirements are small and the Fund is not expected to use derivatives to create an exposure to markets greater than 25% of the Fund's Net Asset Value. The use of derivatives can result in leverage (or gearing) in the Fund.

The underlying investments made by the Fund will include some funds that use derivatives as part of their investment strategy. The Fund does not impose any limits on the use of derivatives by those funds as to do so would preclude investments into certain underlying investment managers. To the extent considered appropriate and practicable the Asset Consultant aims to ensure that underlying investment managers have derivatives strategies which are considered acceptable.

Please see the Risks section for further explanation of risk associated with financial instruments.

### Who does what?

The main organisations involved with the Fund are shown here:



## 5. How the LDI Connect 3 Portfolio is managed

### Multi-manager, multi-asset class

The LDI Connect 3 Portfolio is multi-manager and multi-asset class.

This is an investment approach that combines asset allocation advice, investment manager selection, risk management services, administration and reporting into convenient portfolios.

Having these services combined can save investors time, money and stress, as these important tasks are undertaken by a dedicated team of experienced investment professionals.

### Active management

The LDI Connect 3 Portfolio is actively managed to reflect core views on the way markets are expected to develop over the medium to long term.

### Comprehensive research and portfolio construction.

The underlying investments are blended to target the appropriate portfolio outcome and access some of the world's premier global mainstream and alternatives managers.

The Asset Consultant's proprietary research and investment models, together with selected research from respected providers, are employed in the management of the Fund.

Allocation of assets is made to carefully selected investment managers who are considered to be specialists within their asset class or sector. The Fund will also invest directly into asset classes when considered appropriate to do so.

### Why diversification is important

The aim is to ensure that the Fund is truly diversified. True diversification is key to minimising the impact of unexpected risk and return outcomes.

There is flexibility to invest across wide asset allocation ranges, ranges not constrained by strategic asset allocation benchmarks.

The focus of LDI Connect 3 Portfolio is on investment outcomes according to the investment objectives of the Fund. Investment decisions do not take into account labour standards or environmental, social or ethical considerations in the selection, retention or realisation of investments.

### Why alternative investments are important

Alternative investments are those other than long only shares, property, infrastructure, credit, cash and fixed interest.

Alternative investments are important because they can provide different sources of returns, returns that can be lowly correlated to those investments that make up mainstream markets, so that when a market correlated investment falls in value, an alternative investment that is lowly correlated with that mainstream investment may fall far less or may even increase in value.

Alternative investments can include:

- hedge funds,
- managed futures,
- private equity,
- commodities,
- alternative credit,
- alternative risk premia strategies, and
- gold and other precious metals.

Investing alternatively also includes investing in traditional markets, but in non-traditional ways. For example, an investment manager may "short" equities, allowing them to profit when traditional shares fall in value.

### Why use this Fund?

Investing in the LDI Connect 3 Portfolio is designed to provide a source of conservatively invested capital for the funding of specific long term portfolio liabilities that fall due within the next 3 to 6 years where access to ready capital is not a high priority in the short term.

It is a diversified portfolio but with a significant focus on conservative investing, thereby attempting to reduce the level of capital volatility experiences by the investor (as compared to equity market volatility generally).

Designed for the more cautious investor, many investors use this Fund to diversify their existing mainstream investments, and some as a conservative focused investment solution.

### Benefits

The Fund can help investors by:

- actively managing asset allocation and manager selection in one convenient portfolio,
- offering a stable core portfolio to complement satellite investments,
- helping to meet long term portfolio liabilities,
- providing an all-in-one portfolio management solution, and
- providing access to specialist investment opportunities.

### What the Fund invests in

The Fund is diversified, with exposure to a broad range of Australian and international investments, many of which are themselves further diversified, and seeks opportunities across various assets, sectors, styles and strategies.

The Fund offers exposure to local and international equities, infrastructure, property, credit, fixed interest and alternative investments, as well as some cash.

The Fund is generally managed within the following asset allocation ranges:

Asset class	% of Net Asset Value
Cash & fixed interest	25% to 75%
Property and infrastructure	0% to 30%
Equities	10% to 50%
Alternatives	0% to 40%

Alternative investments may include private equity, credit, hedge funds, alternative risk premia strategies and commodities. Some of these alternative investments may exhibit low risk, incremental return characteristics.

The actual investment mix can change significantly and quickly as markets move, and occasionally we may move outside a specified range by up to 10% of Net Asset Value (and at times exposures may remain outside their range, for example where risk is being reduced or to plan for upcoming redemptions or distributions).

### Performance objectives

The Fund aims to produce returns above the prevailing Cash Rate after fees, over the long term with medium to high risk.

Particularly, the objectives are to achieve, over rolling 3 year periods:

- an after fee and expense investment performance greater than Cash plus 2% p.a. (Cash is measured by the Bloomberg AusBond Bank Bill Index) and
- volatility of 4% p.a.

but remember that neither of these are guaranteed, forecast or promised.

For performance and asset exposure of the LDI Connect 3 Portfolio, please speak to your investment adviser or visit [www.lidconnect.com.au](http://www.lidconnect.com.au).

## 6. Fees and other costs

### DID YOU KNOW?

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

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

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

You may be able to negotiate to pay lower fees. Ask the fund or your financial adviser.

### TO FIND OUT MORE

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

### Fees and other costs

This section shows fees and other costs that you may be charged. These fees and costs may be deducted from your money, from the returns on your investment or from the assets of the managed investment scheme as a whole.

Taxes are set out in another part of this document. You should read all the information about fees and costs because it is important to understand their impact on your investment.

### Fees and Costs Summary

LDI Connect 3 Portfolio		
Type of fee or cost	Amount	How and when paid
<b>Ongoing annual fees and costs<sup>1</sup></b>		
<i>Management fees and costs</i> The fees and costs for managing your investment	1.40% of the NAV of the Class	The management fees component of management fees and costs are accrued weekly and paid from the Class monthly in arrears and reflected in the unit price. Otherwise, the fees and costs are variable and deducted and reflected in the unit price of the Class as they are incurred. The management fees component of management fees and costs can be negotiated. Please see "Differential fees" in the "Additional Explanation of Fees and Costs" for further information.
<i>Performance fees</i> Amounts deducted from your investment in relation to the performance of the product	0.02% of the NAV of the Class <sup>2</sup>	Any performance fees at the interposed vehicle level are reflected in the value of the Class's investment in the relevant interposed vehicle, and therefore reflected in the unit price.
<i>Transaction costs</i> The costs incurred by the scheme when buying or selling assets	0.16% of the NAV of the Class	Transaction costs are variable and deducted from the Class as they are incurred and reflected in the unit price. They are disclosed net of amounts recovered by the buy-sell spread. Any transaction costs at the interposed vehicle level are reflected in the value of the Class's investment in the relevant interposed vehicle, and therefore reflected in the unit price.
<b>Member activity related fees and costs (fees for services or when your money moves in or out of the scheme)</b>		
<i>Establishment fee</i> The fee to open your investment	Not applicable	Not applicable
<i>Contribution fee</i> The fee on each amount contributed to your investment	Not applicable	Not applicable

## LDI Connect 3 Portfolio

<p><i>Buy-sell spread</i></p> <p>An amount deducted from your investment representing costs incurred in transactions by the scheme</p>	0.25% upon entry and 0.25% upon exit	These costs are an additional cost to the investor but are incorporated into the unit price and arise when investing application monies and funding withdrawals from the Class and are not separately charged to the investor. The Buy Spread is paid into the Class as part of an application and the Sell Spread is left in the Class as part of a redemption.
<p><i>Withdrawal fee</i></p> <p>The fee on each amount you take out of your investment</p>	Not applicable	Not applicable
<p><i>Exit fee</i></p> <p>The fee to close your investment</p>	Not applicable	Not applicable
<p><i>Switching fee</i></p> <p>The fee for changing investment options</p>	Not applicable	Not applicable

<sup>1</sup> All fees quoted above are inclusive of Goods and Services Tax (GST) and net of any Reduced Input Tax Credits (RITC). See below for more details as to how the relevant fees and costs are calculated.

<sup>2</sup> This represents the performance fee in respect of interposed vehicles in which the Fund invests. See "Performance fees" below for more information.

## Additional Explanation of Fees and Costs

### Management fees and costs

The management fees and costs include amounts payable for administering and operating the Fund, investing the assets of the Fund, expenses and reimbursements in relation to the Fund and indirect costs if applicable.

Management fees and costs do not include performance fees or transaction costs, which are disclosed separately.

The management fees component of management fees and costs of 0.94% p.a. of the NAV of the Class is payable to the Responsible Entity of the Fund for managing the assets and overseeing the operations of the Fund. The management fees component is accrued weekly and paid from the Class monthly in arrears and reflected in the unit price. As at the date of this PDS, the management fees component covers certain ordinary expenses such as Responsible Entity fees, investment management fees, asset consultant fees, custodian fees, and administration and audit fees.

The remaining indirect costs and other expenses component of 0.46% p.a. of the NAV of the Class may include other ordinary expenses of operating the Fund, as well as management fees and costs (if any) arising from interposed vehicles in or through which the Fund invests. The indirect costs and other expenses component is variable and reflected in the unit price of the Class as the relevant fees and costs are incurred. They are borne by investors, but they are not paid to the Responsible Entity or Investment Manager. The indirect costs and other expenses component is based on the relevant costs incurred during the financial year ended 30 June 2021.

Actual indirect costs for the current and future years may differ. If in future there is an increase to indirect costs disclosed in this PDS, updates will be provided on Equity Trustees' website at [www.eqt.com.au/insto](http://www.eqt.com.au/insto) where they are not otherwise required to be disclosed to investors under law.

### Performance fees

The performance fees for the Class are 0.02% of the NAV of the Class. Performance fees include amounts that are calculated by reference to performance of interposed vehicles through which the Fund invests.

The performance fee figure that is disclosed in the Fees and Costs Summary is generally based on an average of the

performance fees over the previous five financial years, where each performance fee relevant to the Class is averaged and totalled to give the performance fees for the Class.

Please note that the performance fees disclosed in the Fees and Costs Summary is not a forecast as the actual performance fee for the current and future financial years may differ. The Responsible Entity cannot guarantee that performance fees will remain at their previous level or that the performance of the Fund will outperform the Benchmark.

It is not possible to estimate the actual performance fee payable in any given period, as we cannot forecast what the performance of the Class will be. Information on current performance fees will be updated from time to time and available at [www.eqt.com.au/insto](http://www.eqt.com.au/insto).

### Transaction costs

In managing the assets of the Fund, the Fund may incur transaction costs such as brokerage, buy-sell spreads in respect of the underlying investments of the Fund, settlement costs, clearing costs and applicable stamp duty when assets are bought and sold, and the costs of over-the-counter derivatives that reflect transaction costs that would arise if the Fund held the ultimate reference assets, as well as the costs of over-the-counter derivatives used for hedging purposes. Transaction costs also include costs incurred by interposed vehicles in which the Fund invests (if any), that would have been transaction costs if they had been incurred by the Fund itself. Transaction costs are an additional cost to the investor where they are not recovered by the Buy/Sell Spread, and are generally incurred when the assets of the Fund are changed in connection with day-to-day trading or when there are applications or withdrawals which cause net cash flows into or out of the Fund.

The Buy/Sell Spread that is disclosed in the Fees and Costs Summary is a reasonable estimate of transaction costs that the Class will incur when buying or selling assets of the Class. These costs are an additional cost to the investor but are incorporated into the unit price and arise when investing application monies and funding withdrawals from the Class and are not separately charged to the investor. The Buy Spread is paid into the Class as part of an application and the Sell Spread is left in the Class as part of a redemption and not paid to Equity Trustees or the Investment Manager. The estimated Buy/Sell Spread is 0.25% upon entry and 0.25% upon exit. The dollar value of these costs

based on an application or a withdrawal of \$25,000 is \$62.50 for each individual transaction. The Buy/Sell Spread can be altered by the Responsible Entity at any time and [www.lidconnect.com.au](http://www.lidconnect.com.au) will be updated as soon as practicable to reflect any change. The Responsible Entity may also waive the Buy/Sell Spread in part or in full at its discretion. The transaction costs figure in the Fees and Costs Summary is shown net of any amount recovered by the Buy/Sell Spread charged by the Responsible Entity.

Transaction costs generally arise through the day-to-day trading of the Class's assets and are reflected in the Class's unit price as an additional cost to the investor, as and when they are incurred.

The gross transaction costs for the Class are 0.20% p.a. of the NAV of the Class, which is based on the relevant costs incurred during the financial year ended 30 June 2021.

However, actual transaction costs for future years may differ.

### Can the fees change?

Yes, all fees can change without investor consent, subject to the maximum fee amounts specified in the Constitution. The current maximum management fee to which Equity Trustees is entitled is 3.00% of the GAV of the Class. However, Equity Trustees does not intend to charge that amount and will generally provide investors with at least 30 days' notice of any proposed increase

### Example of annual fees and costs for an investment option

This table gives an example of how the ongoing annual fees and costs in the investment option for this product can affect your investment over a 1-year period. You should use this table to compare this product with other products offered by managed investment schemes.

EXAMPLE – LDI Connect 3 Portfolio		
BALANCE OF \$50,000 WITH A CONTRIBUTION OF \$5,000 DURING THE YEAR		
Contribution Fees	Nil	For every additional \$5,000 you put in, you will be charged \$0
<b>Plus</b> Management fees and costs	1.40% p.a.	<b>And</b> , for every \$50,000 you have in the LDI Connect 3 Portfolio you will be charged or have deducted from your investment \$700 each year
<b>Plus</b> Performance fees	0.02% p.a.	<b>And</b> , you will be charged or have deducted from your investment \$10 in performance fees each year
<b>Plus</b> Transaction costs	0.16% p.a.	<b>And</b> , you will be charged or have deducted from your investment \$80 in transaction costs
<b>Equals</b> Cost of LDI Connect 3 Portfolio		If you had an investment of \$50,000 at the beginning of the year and you put in an additional \$5,000 during that year, you would be charged fees and costs of: \$790* <b>What it costs you will depend on the investment option you choose and the fees you negotiate.</b>

\* Additional fees may apply. Please note that this example does not capture all the fees and costs that may apply to you such as the Buy/Sell Spread.

This example assumes the \$5,000 contribution occurs at the end of the first year, therefore the fees and costs are calculated using the \$50,000 balance only.

**Warning: If you have consulted a financial adviser, you may pay additional fees. You should refer to the Statement of Advice or Financial Services Guide provided by your financial adviser in which details of the fees are set out.**

ASIC provides a fee calculator on [www.moneysmart.gov.au](http://www.moneysmart.gov.au), which you may use to calculate the effects of fees and costs on account balances. The performance fees stated in this table are based on the average performance fee for interposed vehicles through which the Fund invests, over the previous five financial years. The performance of the Class for this financial year, and the performance fees, may be higher or lower or not payable in the future. It is not a forecast of the performance of the Class or the amount of the performance fees in the future. The indirect costs and other expenses component of management fees and costs and transaction costs may also be based on estimates. As a result, the total fees and costs that you are charged may differ from the figures shown in the table.

to the management fees component of management fees and costs. In most circumstances, the Constitution defines the maximum level that can be charged for fees described in this PDS. Equity Trustees also has the right to recover all reasonable expenses incurred in relation to the proper performance of its duties in managing the Fund and as such these expenses may increase or decrease accordingly, without notice.

### Payments to IDPS Operators

Subject to the law, annual payments may be made to some IDPS Operators because they offer the Fund on their investment menus. Product access is paid by the Investment Manager out of its investment management fee and is not an additional cost to the investor.

### Differential fees

The Investment Manager may from time to time negotiate a different fee arrangement (by way of a rebate or waiver of fees) with certain investors who are Australian Wholesale Clients. Please contact the Investment Manager on + 61 7 3391 5055 for further information.

### Taxation

Please refer to Section 9 of the Product Disclosure Statement for further information on taxation.

## 7. Risks and risk management

### Risk is a part of investing

All investments are subject to varying risks, and the value of your investment will rise and fall over time. Changes in value can be significant and they can happen quickly – the greater and faster the changes the greater the volatility. As a general rule, the higher the potential returns, the higher the level of risk.

Different types of investments have different risk characteristics which will affect investment performance. Neither the performance of your investment, nor capital invested in the LDI Connect 3 Portfolio, is guaranteed. As risk cannot be entirely avoided when investing, the philosophy employed for the LDI Connect 3 Portfolio is to identify and manage risk as far as is practicable. We cannot promise that the ways in which we aim to manage risk will always be successful and, if certain risks transpire, your distributions and the value of your investment could be adversely affected.

A comprehensive and disciplined risk management framework is used to monitor and manage risk, consistent with international standard AS/NZS ISO31000:2009 Risk Management – Principles and Guidelines.

### The risks associated with the LDI Connect 3 Portfolio

Significant risks associated with investments in the LDI Connect 3 Portfolio and how the LDI Connect Asset Management Investment Committee (IC) addresses those risks are discussed below.

Investment	<p><b>What is investment risk?</b></p> <p>This is the risk that the value of an individual investment in the Fund may change in value or become more volatile, potentially causing a reduction in the value of the fund and increasing its volatility.</p> <p>Reasons can be many, and include changes in an investment's operations, management or business environment, or what people think of the investment.</p> <p><b>How is this addressed?</b></p> <p>The IC chooses and monitors the chosen underlying investments and managers carefully, and changes them when it thinks it appropriate. The Fund is diversified, including by setting limits such as at the individual investment level, although the Fund has higher expected risk characteristics.</p>
Market	<p><b>What is market risk?</b></p> <p>This is the risk that an entire market or economy changes in value or becomes more volatile, including the risk that the purchasing power of the currency changes (either through inflation or deflation), potentially causing a reduction in the value of the portfolio and increasing its volatility.</p> <p>Reasons can be many, and include changes in economic, climate, health, financial, technological, political or legal conditions, natural and man-made disasters, conflicts and changes in market sentiment.</p> <p><b>How is this addressed?</b></p> <p>The IC and its Asset Consultant, monitor markets globally, undertaking research as well as analysing leading market research, and using sophisticated tools to model portfolio behaviour under various conditions. The LDI Connect 3 Portfolio is diversified across markets and repositioned strategically as considered appropriate.</p>

Financial instruments	<p><b>What is financial instruments risk?</b></p> <p>This is the risk associated with using sophisticated financial instruments such as derivatives, including swaps and options. Risks associated with using these tools include the value of a derivative failing to move in line with the underlying asset, potential illiquidity of a derivative, the Fund (or the underlying investment) not being able to meet payment obligations as they arise, potential leverage (or gearing) resulting from the position and counterparty risk (counterparty risk is where the other party to the derivative cannot meet its obligations).</p> <p><b>How is this addressed?</b></p> <p>The IC may use derivatives where it considers it appropriate to reduce Fund risk or to gain exposures to certain types of assets.</p> <p>We employ leading professionals and have a thorough understanding of the financial instruments used. We deal with issuers and counterparties we consider to be reputable. If using a financial instrument brings with it the potential to pay more money, the IC makes sure it has the money or assets set aside.</p> <p>Collateral requirements are small and the Fund is not expected to use derivatives to create an exposure to markets greater than 25% of the Fund's Net Asset Value.</p> <p>The market exposures created by individual derivatives positions are monitored frequently and they may be adjusted to maintain appropriate exposures. To the extent considered appropriate and practicable we aim to ensure that underlying investment managers have derivatives strategies which are considered acceptable.</p> <p>Unfortunately, using derivatives to reduce Fund risk is not always successful, is not always used to offset all Fund risk and is sometimes not cost effective or practical to use.</p>
Interest rates	<p><b>What is interest rate risk?</b></p> <p>This is the risk that changes in interest rates can have a negative impact on certain investment values or returns.</p> <p>Reasons for interest rates changes are many and include changes in inflation, economic activity and central bank policies.</p> <p><b>How is this addressed?</b></p> <p>The IC monitors interest rate impact on the LDI Connect 3 Portfolio and adjusts them as it considers appropriate. It may also seek to offset (or hedge) some interest rate exposure where practicable and cost effective.</p>
Inflation	<p><b>What is inflation risk?</b></p> <p>This is the risk that increases in inflation will undermine the performance of the various investment markets in which the Fund invest. As noted above inflation can also have an effect on Central Bank policies.</p> <p>Reasons for inflation are varied. Some reasons can include (but are not limited to) growth of the money supply and the rising costs of raw materials, labour and/or production.</p> <p><b>How is this addressed?</b></p> <p>The IC monitors inflation rates in key economies that could impact on the Fund. The Fund can invest in diversified assets whose goal is to partly or fully reduce the risk of inflation on the Fund. Such investments can have anti-inflationary characteristics such as inflation linked bonds, gold and products linked to the price of gold.</p>
Currency	<p><b>What is currency risk?</b></p> <p>This is the risk that changes in the value of currencies can have a negative impact on returns.</p> <p>This risk arises because investments which are based overseas, or which are exposed to other countries are often denominated in other currencies. When currencies change in value relative to one another, the value of investments based on those currencies can change as well.</p> <p>Investment managers sometimes aim to "hedge" some of this risk. This involves some financial arrangement designed to offset changes in currencies. Sometimes derivatives can be used for this purpose.</p> <p>Unfortunately hedging is not perfect. It is not always successful, is not always used to offset all Fund currency risk and is sometimes not cost effective or practical to use.</p> <p><b>How is this addressed?</b></p> <p>To the extent it is considered appropriate and practicable, the IC may hedge some foreign currency risk or use investment managers which do so from time to time.</p> <p>But in spite of some potential hedging from time to time, currency risk remains, and currency movements will have both a positive and negative impact on the Fund.</p>

Liquidity	<p><b>What is liquidity risk?</b></p> <p>This is the risk that your withdrawal requests cannot be met when you expect.</p> <p>Cash is paid to your account when you withdraw, and as such investments in the Fund may need to be sold to pay you. Depending on factors such as the state of the markets, selling investments is not always possible, practicable or consistent with the best interests of investors.</p> <p>Alternative investments, as well as property and infrastructure, can at times be illiquid. This means that at times the Fund may have difficulties in liquidating the underlying investments in accordance with stated liquidity objectives.</p> <p>This is also one of the reasons why the constitution for the Fund specifies limited circumstances where there could be a delay in meeting your withdrawal requests. The law sometimes restricts withdrawals.</p> <p>The Fund is not listed on any stock exchange, so selling your units through a stockbroker is not possible and, although you may sell your units, you may not find a buyer or a buyer at the price you want.</p> <p><b>How is this addressed?</b></p> <p>Equity Trustees seeks to meet withdrawal requests soon after the Fund receive them. The Asset Consultant aims to manage this risk as far as is practicable by carrying out research on underlying investment funds, monitoring Fund liquidity levels and seeking to ensure it has, or anticipates having access to, enough liquid assets for when it is anticipated they would normally be needed.</p>
Structure	<p><b>What is structure risk?</b></p> <p>This is the risk associated with having someone invest for you.</p> <p>Risks associated with investing in the LDI Connect 3 Portfolio include that they could be terminated, there can be changes in the responsible entity or chosen investment managers or investment advisers or asset consultants (or in investment, management and advisory teams or key relationships), someone involved with your investment (even remotely) does not meet their obligations or perform as expected, assets may be lost, not recorded properly or misappropriated, laws may adversely change, insurers may not pay when expected or insurance may be inadequate.</p> <p>Investment decisions, although taken carefully, are not always successful.</p> <p>Investing through an IDPS also brings some risks that the IDPS Operator may not perform its obligations properly.</p> <p>And investing in the LDI Connect 3 Portfolio may give inferior results compared to investing directly (for example you avoid the impact of others coming and going and may be able to manage your tax situation better).</p> <p><b>How is this addressed?</b></p> <p>The Responsible Entity and the Investment Manager only deal with people who we believe are of the highest reputation. We diligently comply with laws. We have, and regularly test, disaster recovery systems and procedures. We maintain insurance as law requires. We employ a range of people we trust, who are ethical, experienced and professional.</p>

Borrowing	<p><b>What is borrowing or leverage risk?</b></p> <p>This is the risk associated with borrowing (or gearing or leverage), particularly that borrowing (both direct borrowing or indirect borrowing using derivatives) magnifies both good and bad returns. Also the inability to borrow as and when needed, and a lender who suffers financial problems, can adversely affect the Fund.</p> <p><b>How is this addressed?</b></p> <p>The Fund does not borrow to enhance investment returns. Any direct borrowing in the Fund is limited: from time to time amounts may be borrowed on a short term basis to meet redemptions, distributions, or short term Fund obligations and then only if the borrowing is considered to be prudent and in the best interests of all investors of the Fund. Such borrowing is only from leading banks. Security may be granted over the Fund's assets. The Fund is not expected to use derivatives to create an exposure to markets greater than 25% of the Fund's Net Asset Value.</p> <p>Whilst some alternative investment strategies use very little or no leverage, others can utilise leverage, and at times the Fund will have exposure to underlying investment funds which are leveraged. We do not impose limits on leverage of its underlying investments. Rather, the Asset Consultant uses its knowledge of investing in alternative investments to evaluate what it considers to be an appropriate approach to leverage for the underlying investment funds.</p> <p>Example: The thing to remember is that borrowing in any form increases the potential return and also the potential loss. In a little more detail, borrowing magnifies profits when the returns from the asset more than offset the costs of borrowing, but losses are magnified when the opposite is true when the costs of borrowing more than offset returns from the asset.</p> <p>For example, if the Fund has assets of \$100 and it borrows \$10 to satisfy a payment request pending return of \$10 from an underlying redemption then the Fund has borrowed 10% of its assets. If the underlying redemption is not paid then the Fund still has to repay the \$10 (plus interest) that it borrowed. This would mean the Fund has made a loss of \$10 (plus interest). It is important to note that the Fund does not intend to borrow to speculate on investments.</p>
Short Sale risk	<p><b>What is short sale risk?</b></p> <p>Some of the underlying investment funds included in the Fund will use short sales. Short sales are important as they can generate performance in declining markets or provide a hedge to long market exposure. Short sales involve selling a security an underlying investment fund does not own in anticipation that the security's price will decline. Short sales may help hedge against general market risk to the securities held in the Fund but theoretically present unlimited risk on an individual stock basis, since the underlying investment fund may be required to buy back the security sold short at a time when the security has appreciated in value.</p> <p><b>How is this addressed?</b></p> <p>The Asset Consultant uses its knowledge of investing in alternative investments to evaluate what it considers to be an appropriate approach to short sales for the underlying investment funds.</p>

## Risk generally

The significant risks of investing in managed investment schemes generally include the risks that:

- the value of investments will vary,
- the level of returns will vary, and future returns will differ from past returns,
- returns are not guaranteed, and investors may lose some or all of their money, and
- laws change.

The level of risk for you particularly will vary depending on a range of other factors, including age, investment time frame, how other parts of your wealth are invested, and your risk tolerance. If you are unsure whether this investment is suitable for you, we recommend you consult a professional financial adviser.

Further information about the risks of investing in managed investment schemes can be found on the ASIC's MoneySmart website at [www.moneysmart.gov.au](http://www.moneysmart.gov.au).

## How risks are managed

Whenever investments are made, the IC carefully assesses the potential for returns in light of the likely risks involved.

Risk is considered at every stage and level of the investment process. As far as is practicable, risk is managed at both the individual investment and the Fund level, both pre-investment and post-investment, and equal emphasis is placed on the portfolio construction and the portfolio management processes.

This disciplined approach includes:

- the careful selection and monitoring of underlying investments and investment managers, including monitoring their key risks and expected behaviour to quickly identify and address any exceptions,
- applying a rigorous portfolio construction process using sophisticated proprietary risk modelling systems,
- ensuring appropriate diversification across investment managers, investment sectors and geographic locations,
- using sophisticated financial tools to offset specific risks,

- conducting comprehensive investment and compliance monitoring and reporting,
- employing straight-through-processing for many operations via central databases and automated systems, and
- maintaining a comprehensive business continuity plan including a remote site, fully tested at least annually.

However, many risks are difficult or impracticable to manage effectively and some risks are beyond our control altogether. If you have any concerns regarding risks, you should contact your investment adviser.

## 8. Keeping you informed

### Regular reporting

Reporting to you is regular, for example:

- every transaction you make is confirmed, reporting to you is at least monthly (if you want an update at any time, just ask),
- you are sent a tax report as soon as possible after the end of each financial year, and
- the accounts of the Fund are available on the LDI Connect website as soon as possible after the end of each financial year.

If you have any questions, contact your investment adviser or Equity Trustees. If you provide your email address, we will use that to stay in touch with you.

Remember, however, that if you are investing through an IDPS then reports on your investment will come from the IDPS Operator.

Information that we are required to disclose to satisfy any continuous disclosure obligations will be available on the LDI Connect website at [www.ldiconnect.com.au](http://www.ldiconnect.com.au) and you can request a paper copy free of charge from LDI Connect or by contacting Equity Trustees.

If a change is not of such a nature that you would be materially adversely affected by not receiving notice of it, the PDS may be updated by notice at [www.ldiconnect.com.au](http://www.ldiconnect.com.au) and you can request a paper copy free of charge from us or your financial planner. Otherwise, this PDS will be replaced or a supplementary PDS issued, and we would give you reasonable advance notice.

### Additional Annual Reporting

We will report to you at least annually on key investment matters, including:

- allocation to asset type,
- liquidity profile, and
- leverage ratio.

We will make available on the LDI Connect website at [www.ldiconnect.com.au](http://www.ldiconnect.com.au) a monthly report on investment matters. This reporting will include:

- Net Asset Value,
- key service providers if they have changed,
- net return,
- any material change in risk profile,
- any material change in strategy, and any change in the individuals playing a key role in investment decisions for the Fund.

We will also make available on the LDI Connect website, at least annually, a report on key strategic investment matters, including:

- allocation to asset type,
- liquidity profile,
- leverage ratio,
- derivative counterparties,
- investment returns, and
- key service providers if they have changed.

We will also inform investors of new underlying investment funds or structures that represent 10% or more of the Fund's Net Asset Value.

### How to find out more

It is suggested that you first direct enquiries to your investment adviser or to LDI Connect Asset Management at [connect@ldiconnect.com.au](mailto:connect@ldiconnect.com.au) or on +61 7 3391 5055.

LDI Connect's website has further information about the LDI Connect 3 Portfolio, including the latest:

- unit prices,
- performance figures,
- investment reports, and
- press releases and media.

You can contact ASIC or us to obtain copies of any documents Equity Trustees has lodged with the ASIC, for example, the accounts of the LDI Connect 3 Portfolio.

From time to time updated information such as a new PDS will be available at [www.ldiconnect.com.au](http://www.ldiconnect.com.au)

### Complaints resolution

Equity Trustees has an established complaints handling process and is committed to properly considering and resolving all complaints. If you have a complaint about your investment, please contact us on:

Phone: 1300 133 472  
Post: Equity Trustees Limited  
GPO Box 2307, Melbourne VIC 3001  
Email: [compliance@eqt.com.au](mailto:compliance@eqt.com.au)

We will acknowledge receipt of the complaint within 1 Business Day or as soon as possible after receiving the complaint. We will seek to resolve your complaint as soon as practicable but not more than 30 calendar days after receiving the complaint.

If you are not satisfied with our response to your complaint, you may be able to lodge a complaint with the Australian Financial Complaints Authority ("AFCA").

Contact details are:  
Online: [www.afca.org.au](http://www.afca.org.au)  
Phone: 1800 931 678  
Email: [info@afca.org.au](mailto:info@afca.org.au)  
Post: GPO Box 3, Melbourne VIC 3001.

The external dispute resolution body is established to assist you in resolving your complaint where you have been unable to do so with us. However, it's important that you contact us first.

### Your privacy

The Privacy Act 1988 (Cth) ("Privacy Act") and the Australian Privacy Principles regulate the way organisations collect, use, disclose, keep, secure and give people access to their personal information. At Equity Trustees we are committed to respecting the privacy of your personal information throughout the information lifecycle and our Privacy Policy details how we do this.

Equity Trustees may collect personal information about you and individuals associated with you in order to provide products and services to you, and to ensure compliance with legal and regulatory obligations (including under the Corporations Act, the AML/CTF Act and tax related legislation). You must ensure that all personal information which you provide to Equity Trustees is true and correct in every detail, and should those personal details change it is your responsibility to ensure that you promptly advise Equity Trustees of the changes in writing. If you do not provide the information requested, we may not be able to process your application, administer, manage, invest,

pay or transfer your investment(s). We may also obtain or confirm information about you from publicly available sources in order to meet regulatory obligations.

Equity Trustees may disclose your information to other members of our corporate group or to third parties, where it is necessary, in order to provide you with the products or services. Those third parties may be situated in Australia or offshore, and we take reasonable steps to ensure that all third parties with whom we have a contractual relationship or other influence comply with the Australian Privacy Principles.

The third parties that we may disclose your information to include, but are not limited to:

- stockbrokers, financial advisers or adviser dealer groups, their service providers and/or any joint holder of an investment;
- those providing services for administering or managing the Fund, including the Investment Manager, Custodian and Administrator, auditors, or those that provide mailing or printing services;

- those where you have consented to the disclosure and as required by law; and
- regulatory bodies such as ASIC, ATO, APRA and AUSTRAC.

Equity Trustees or the Investment Manager may from time to time provide you with direct marketing and/or educational material about products and services they believe may be of interest to you. You have the right to “opt out” by contacting Equity Trustees.

Equity Trustees’ Privacy Policy contains information about how you can access information held about you, seek a correction if necessary, make a complaint if you think there has been a breach of your privacy and about how Equity Trustees will deal with your complaint.

Full details of Equity Trustees’ Privacy Policy are available at [www.eqt.com.au](http://www.eqt.com.au). You can contact Equity Trustees’ Privacy Officer on +61 3 8623 5000, or email to [privacy@eqt.com.au](mailto:privacy@eqt.com.au) to request a copy.

## 9. Tax

### Tax implications

This information is a general guide only for Australian resident investors who hold their investment on capital account for income tax purposes and is based on our interpretation of the Australian taxation laws and Australian Taxation Office (ATO) administrative practices as at the date of the publication of this PDS.

Tax can be complex and this guide is not intended to be a complete statement of all relevant tax laws. Investing through a trust can also mean different things for you from a tax perspective. It is important that you seek timely professional tax advice concerning the particular tax implications before making investment decisions.

### Distributions

The Fund usually distributes income twice annually effective at the end of December and June each year, however distribution frequency can be changed by the Responsible Entity without notice. Distributions are calculated effective the last day of the distribution period and are normally paid to investors as soon as practicable after the distribution calculation date. The Fund's policy is to distribute all cash income of the Fund unless we consider it in the best interests of investors as a whole to do otherwise.

The Australian Government has enacted a regime for the taxation of managed investment trusts (MITs), referred to as the Attribution Managed Investment Trust (AMIT) rules which may impact how the Fund's tax calculations are prepared (refer below). Where the Fund is a MIT it will make/rely on an election to apply deemed capital account treatment for gains and losses on disposal of eligible investments (including equities and units in trust).

#### *Attribution Managed Investment Trusts (AMITs)*

Where the Fund is subject to the new AMIT tax regime:

- The taxable income of the Fund is attributed to you by the Responsible Entity (RE) on a fair and reasonable basis and in accordance with the Fund's constitution. You have rights in limited circumstances to object to any such decision however, we expect that for the most part, all investors of each class will be treated the same.
- Subsequent to its annual distribution, the Fund may discover that it under or over distributed its determined trust components (e.g. where actual amounts differ to the estimates of income used in the distribution calculation). If the amount distributed to an investor exceeds the taxable income attributed to the investor, investors should be entitled to a decrease in the tax cost base of their units. Estimates of these net cost base increase or decrease amounts will also be provided to investors through the AMIT Member Annual Statement ("AMMA Statement").
- Unders and overs of trust components will generally be carried forward and included as an adjustment in the calculation of distributions in the year of discovery.

#### *Non – Attribution Managed Investment Trusts (non-AMIT)*

Where the Fund does not qualify or elect to be an AMIT, it will be subject to ordinary trust taxation provisions in the tax legislation.

Investors in the Fund will be made 'presently entitled' to and distributed all of the income of the Fund each year, and will be assessed on their proportionate share of the taxable income of the Fund each year.

### Taxation of Australian resident investors

Australian resident investors will be required each year to include in their own tax calculations and tax return filings the assessable income, exempt income, non-assessable income and tax offsets allocated to them by the Fund.

The Australian tax law may impact the time that income is brought to account as assessable and included in an investors taxable income. Broadly, the Taxation of Financial Arrangements (TOFA) rules may affect the time at which gains and losses from financial arrangements held by the Fund are recognised for income tax purposes, including whether the gains and losses are recognised on an accruals or realisation basis. Certain foreign income may also be recognised on an accruals basis.

You may be entitled to tax offsets (such as franking credits attached to dividend income and credits for tax paid on foreign income) which may reduce the tax payable by you, and concessional rates of tax may apply to certain forms of taxable income such as capital gains. The ability to utilise these tax offsets and concessional rates of tax may be subject to certain requirements being satisfied.

### Withdrawals

Australian investors may be liable for tax on any gains realised on the disposal of units when they make a withdrawal from the Fund or when ownership of their units' changes. In calculating any capital gain or capital loss under the Capital Gains Tax (CGT) provisions, any taxable capital gain arising on disposal of your units may form part of your assessable income. Some investors may be eligible for the CGT discount upon disposal of their units if the units are held for a period of more than 12 months, and certain other requirements are satisfied. You should always obtain professional tax advice about the availability of the CGT discount provisions.

### Offshore tax rules

The Australian tax treatment of offshore investments is complex. The type of offshore investment held by the Fund may impact the nature of the income and gains derived, as well as the timing of when these amounts are recognised. For example, gains in respect of certain offshore investments may be treated as deemed dividends for Australian tax purposes and capital account treatment not available.

Under Australia's offshore tax rules, the ATO also expects that tax be paid by Australian investors on some gains made on an accruals basis even though those gains realised offshore are not yet received by investors in Australia. This can mean there could be a cash flow issue for investors where there is a liability with no matching payment to fund the liability. If Fund distributions are insufficient, you will need to independently fund any such tax liability.

The Fund's offshore investments may also be subject to foreign income and withholding taxes. Investors may be eligible for tax offsets in respect of these foreign taxes where certain requirements are satisfied.

### Foreign investors

If you are a non-resident of Australia for tax purposes, the Responsible Entity may be required to withhold tax from taxable income distributions allocated to you.

Additionally, certain laws focus on investors who are not Australian residents for tax purposes. These laws include the US based 'FATCA' laws, and also the 'Common Reporting Standard' which is designed to be a global standard for collection and reporting of tax information. Generally, we report this to the ATO, who then shares this with relevant foreign authorities.

## **TFNs and ABNs**

You do not have to disclose your tax file number (TFN) or any Australian Business Number (ABN) you may have, but most investors do. If you choose not to and you do not have an exemption, we must deduct tax at the highest personal rate, plus the Medicare levy, before paying any distribution to you.

## **What else should you know?**

We will send you information after the end of each financial year (June) to help you complete your tax return, including details of taxable income allocated to you for the year and any net cost base adjustment amount by which the cost base of your units in the Fund should be increased or decreased.

At the time of your initial or additional investment in the Fund there may be accrued income or unrealised capital gains included in the unit price which, if later realised, may be included in the taxable income of the Fund allocated to you. There may also be realised but undistributed income or capital gains in the Fund which may be included in the taxable income allocated to you.

Sometimes when we are administering the Fund we learn new things about past tax matters and need to make adjustments. Where these matters cannot be treated as under and over distributions, it is possible that we will ask you to adjust your own tax records, or the Fund may pay tax or receive a refund and it can be the investors at the time that are subject to this.

## **Indirect investors**

Tax outcomes can be different for indirect investors. We strongly encourage you to seek timely professional advice before making investment decisions.

## **Tax reform**

Tax laws change, often substantially. You should monitor reforms to the taxation of trusts in particular and seek your own professional advice that is specific to your circumstances.

## 10. How to invest

### Applying for units

You can acquire units by completing the Application Form that accompanies this PDS. The minimum initial investment amount for the Fund is \$25,000.

Completed Application Forms should be sent along with your identification documents (if applicable) to:

LDI Connect  
PO Box 7074  
East Brisbane QLD 4169

Please note that cash and cheques cannot be accepted.

We reserve the right to accept or reject applications in whole or in part at our discretion. We have the discretion to delay processing applications where we believe this to be in the best interest of the Fund's investors.

The price at which units are acquired is determined in accordance with the Constitution ("Application Price"). The Application Price on a Business Day is, in general terms, equal to the Net Asset Value ("NAV") of the Fund, divided by the number of units on issue and adjusted for transaction costs ("Buy Spread"). At the date of this PDS, the Buy Spread is 0.25%.

### How quickly do we process applications?

Equity Trustees generally processes applications weekly (on a Monday or next business day) and on the first business day of the month, so usually your completed application and cleared application monies needs to be received by 5 pm the business day before (usually this is the Friday before).

For applications, the unit price next calculated after 5 pm Sydney time on a processing day is used.

Please note that Equity Trustees does not pay applicants any interest on monies received prior to processing days (any interest is credited to the Fund).

LDI Connect's website contains a timetable for processing days relating to the Fund: visit [www.lidiconnect.com.au](http://www.lidiconnect.com.au).

### Additional applications

You can make additional investments into the Fund at any time by sending us your additional investment amount together with a completed Application Form. The minimum additional investment amount is \$1,000.

### What is the latest application price?

Ask your investment adviser or IDPS Operator, visit the LDI Connect website at [www.lidiconnect.com.au](http://www.lidiconnect.com.au) or contact us for the latest unit prices.

The unit price of the Fund is determined at least each week based on the information most recently available.

Unit prices are calculated in three steps:

- the value of the relevant investments of the Fund is calculated and from this, the value of the relevant liabilities is taken away – this gives the Net Asset Value,
- this is divided by the number of units on issue in the relevant class, and

- an adjustment is generally made for the Buy Spread.

### Terms and conditions for applications

Applications can be made at any time. Application cut-off times and unit pricing are set out in the initial applications section above.

Please note that we do not pay interest on application monies (any interest is credited to the Fund).

Equity Trustees reserves the right to refuse any application without giving a reason. If for any reason Equity Trustees refuses or is unable to process your application to invest in the Fund, Equity Trustees will return your application money to you, subject to regulatory considerations, less any taxes or bank fees in connection with the application. You will not be entitled to any interest on your application money in this circumstance.

Under the Anti-Money Laundering and Counter-Terrorism Financing Act 2006, applications made without providing all the information and supporting identification documentation requested on the Application Form cannot be processed until all the necessary information has been provided. As a result, delays in processing your application may occur.

### Cooling off period

If you are a Retail Client who has invested directly in the Fund, you may have a right to a 'cooling off' period in relation to your investment in the Fund for 14 days from the earlier of:

- confirmation of the investment being received; and
- the end of the fifth business day after the units are issued.

A Retail Client may exercise this right by notifying Equity Trustees in writing. A Retail Client is entitled to a refund of their investment adjusted for any increase or decrease in the relevant Application Price between the time we process your application and the time we receive the notification from you, as well as any other tax and other reasonable administrative expenses and transaction costs associated with the acquisition and termination of the investment.

The right of a Retail Client to cool off does not apply in certain limited situations, such as if the issue is made under a distribution reinvestment plan, switching facility or represents additional contributions required under an existing agreement. Also, the right to cool off does not apply to you if you choose to exercise your rights or powers as a unit holder in the Fund during the 14 day period. This could include selling part of your investment or switching it to another product.

Indirect Investors should seek advice from their IDPS Operator as to whether cooling off rights apply to an investment in the Fund by the IDPS. The right to cool off in relation to the Fund is not directly available to an Indirect Investor. This is because an Indirect Investor does not acquire the rights of a unit holder in the Fund. Rather, an Indirect Investor directs the IDPS Operator to arrange for their monies to be invested in the Fund on their behalf. The terms and conditions of the IDPS Guide or similar type document will govern an Indirect Investor's investment in relation to the Fund and any rights an Indirect Investor may have in this regard.

# 11. How to withdraw

## Payments we make from the LDI Connect 3 Portfolio

Distributions are automatically reinvested, unless you specifically request otherwise.

Distributions are reinvested into the Fund at the price equivalent to the Net Asset Value per unit on the processing day, following the end of June and December. You should be aware that depending on your personal circumstances you may need to make a cash payment to the Australian Taxation Office for tax on your distribution, regardless of whether your distribution is reinvested or paid in cash. If your distribution is reinvested you will need to independently fund any such tax liability.

Any distributions payable are usually paid within 6 weeks after the end of June and December each year.

Indirect Investors should review their IDPS Guide for information on how and when they receive any income distribution.

## Making a withdrawal

Investors in the Fund can generally withdraw their investment by completing a written request to withdraw from the Fund and mailing it to:

LDI Connect  
PO Box 7074  
East Brisbane QLD 4169  
F: +61 7 3391 1711  
E: connect@ldiconnect.com.au

The minimum withdrawal amount is \$1,000. Once we receive your withdrawal request, we may act on your instruction without further enquiry if the instruction bears your account number or investor details and your (apparent) signature(s), or your authorised signatory's (apparent) signature(s).

Equity Trustees will generally allow an investor to access their investment within 10 Business Days of receipt of a withdrawal request by transferring the withdrawal proceeds to such investors' nominated bank account. However, the Constitution allows Equity Trustees to reject withdrawal requests and also to make payment up to 180 Business Days after the relevant time that the NAV of the Fund is calculated (which may be extended in certain circumstances).

The price at which units are withdrawn is determined in accordance with the Constitution ("Withdrawal Price"). The Withdrawal Price on a Business Day is, in general terms, equal to the NAV of the Fund, divided by the number of units on issue and adjusted for transaction costs ("Sell Spread"). At the date of this PDS, the Sell Spread is 0.25%. The Withdrawal Price will vary as the market value of assets in the Fund rises or falls.

Equity Trustees reserves the right to fully redeem your investment if your investment balance in the Fund falls below \$25,000 as a result of processing your withdrawal request. Equity Trustees can deny a withdrawal request or suspend consideration of a withdrawal request in certain circumstances, including where accepting the request is not in the best interests of investors in the Fund or where the Fund is not liquid (as defined in the Corporations Act). When the Fund is not liquid, an investor can only withdraw when Equity Trustees makes a withdrawal offer to investors in accordance with the Corporations Act. Equity Trustees is not obliged to make such offers.

If you are an Indirect Investor, you need to provide your withdrawal request directly to your IDPS Operator. The time to process a withdrawal request will depend on the particular IDPS Operator and the terms of the IDPS.

## How quickly do we process withdrawals?

Equity Trustees generally processes withdrawals each week on a Monday (or the next business day) and on the first business day of the month.

In all cases Equity Trustees usually needs to have your completed withdrawal request by 5 pm the business day before (usually this is the Friday before).

For withdrawals, the unit price next calculated on a processing day is used.

Processing after the end of June can take longer – up to 6 weeks.

## What is the current value of your investment?

Ask your investment adviser or IDPS Operator, visit the LDI Connect website at [www.ldiconnect.com.au](http://www.ldiconnect.com.au) or contact Equity Trustees for the latest unit prices.

The unit price of the Fund is determined at least each week based on the information most recently available.

Unit prices are calculated in three steps:

- the value of the relevant investments of the Fund is calculated and from this, the value of the relevant liabilities is taken away – this gives the Net Asset Value,
- this is divided by the number of units of the class on issue, and
- an adjustment is generally made for the Sell Spread.

LDI Connect's website contains a timetable for processing days relating to the Fund: visit [www.ldiconnect.com.au](http://www.ldiconnect.com.au).

There can be delays in accessing your investment.

An investor may ask to exit the Fund any time, but there is no obligation for Equity Trustees to satisfy the request.

Equity Trustees can delay access to money invested in the Fund including:

- if the Fund (or the underlying funds in which they invest) become illiquid (the law and the constitution dictates this) (the Fund will stay liquid so long as at least 80% of the assets comprise assets which the law prescribes (such as cash, shares and interests in managed investment schemes unless it is proved that Equity Trustees cannot reasonably expect to realise them within the period specified in the constitution for satisfying withdrawal requests while the scheme is liquid, that period being 180 business days), and if the Fund becomes illiquid Equity Trustees can, if it wishes, make some money available and the law requires Equity Trustees to allocate this on a pro rata basis among those wanting to exit),
- if something outside Equity Trustees' control impacts on its ability to properly or fairly calculate the unit price (for example, if the investments are subject to restrictions or if there is material market uncertainty) (then Equity Trustees can delay payment for so long as this goes on, or in order to balance the access to your investment with the potential illiquidity of some of the underlying investments), and
- if the Fund receives requests in respect of any withdrawal processing day, which if paid, would result in 10% or more of the Net Asset Value of the Fund calculated on that day having been withdrawn over the previous 4 weeks (then Equity Trustees can stagger those withdrawal payments over a longer period as Equity Trustees considers in the best interests of investors and payments to investors must be in the proportion that their withdrawal monies bear to all other withdrawal monies which were payable at that processing day).

- Unit prices are generally calculated at the time the delay ends.

### **Can you be forced to leave the Fund?**

Yes, but only in very limited circumstances. Sometimes Equity Trustees can redeem your investment without asking you first: if

you breach your legal obligations to Equity Trustees, to satisfy money you owe Equity Trustees or anyone else, you fail to meet any minimum holding we may set from time to time (currently generally \$25,000), or where law allows, or stops you from legally being an investor.

## 12. Your rights and other important issues

### Regulatory and contractual information

There have been no adverse findings (significant or otherwise) against Willis Towers Watson, Equity Trustees, LDI Connect Asset Management or any of the senior investment professionals at those organisations.

Equity Trustees has appointed LDI Connect Asset Management via an arm's length investment management agreement. In turn, LDI Connect Asset Management has appointed Willis Towers Watson as its asset consultant. There are no unusual or materially onerous provisions in those agreements. Each can be terminated in appropriate circumstances, for example insolvency and material unremedied breach. There are no termination fees payable, although the agreements do have minimum terms.

### The Constitution

The Fund is governed by a constitution that sets out the Fund's operation (the "Constitution"). The Constitution, together with the Fund's PDS, the Corporations Act and other laws, regulate our legal relationship with investors in the Fund. If you invest in the Fund, you agree to be bound by the terms of the Fund's PDS and the Fund's Constitution. You can request a copy of the Constitution free of charge from Equity Trustees. Please read these documents carefully before investing in the Fund.

We may amend the Constitution from time to time in accordance with the provisions in the Constitution and the Corporations Act.

### Who holds the assets as custodian?

Equity Trustees has appointed BNP Paribas Fund Services Australasia Pty Ltd ACN 002 655 674 trading as BNP Paribas Securities Services as custodian of and to provide fund administration services for the Fund (the Custodian).

The Custodian has overall responsibility for custody of the assets of the Fund, although it may appoint sub-custodians from time to time.

The Custodian is not responsible for the investment management of the Fund and has not caused the issue of this PDS.

Equity Trustees maintains a service level agreement with the Custodian which has certain limits on its liability. Equity Trustees periodically reviews the Custodian's compliance with the service level agreement which includes meeting at least annually with the Custodian.

### Who is the registry provider?

Equity Trustees has appointed Iress as the provider of investor services (including registry services) for the Fund. They are not responsible for the investment management of the Fund and have not caused the issue of this PDS.

### Who is the auditor?

Equity Trustees has appointed Ernst & Young (EY) as the auditor of the Fund. EY is not responsible for the investment management of the Fund and has not caused the issue of this PDS.

### Terminating the Fund

Equity Trustees can decide to terminate the Fund anytime, and if it does, they will generally sell all the investments, pay all monies owing (including fees and expenses) and distribute the net proceeds to direct investors as soon as they consider practicable. It can take some time to finalise this process.

### Limits on our responsibility

The constitution has some limits on when Equity Trustees is liable to direct investors for example, it may take and may act (or not act, as relevant) on any advice, information and documents which it has no reason to doubt is authentic, accurate or genuine and subject to any liability which the Corporations Act might impose which cannot be excluded, is not liable for so acting or not acting.

Subject always to any liability which the Corporations Act might impose on Equity Trustees, if it acts in good faith and without gross negligence, it is not liable to direct investors for any loss suffered in any way relating to an investment in the Fund. The constitutions also contain a provision that the relevant constitution is the source of Equity Trustees' relationship with direct investors and not any other laws, except those laws they cannot exclude.

### Limits on your responsibility

Equity Trustees has included provisions in the constitution designed to protect direct investors. The constitution limits each investor's liability to the value of their investment in the Fund and provides that they will not, by reason of being an investor alone, be personally liable to indemnify the responsible entity and/ or any creditor in the event that the liabilities of the Fund exceed the assets of the Fund. But an absolute assurance cannot be given about these things – the issue has not been finally determined by Australian courts.

### Keep your details up to date

It's important to keep your details with us up to date – please contact the registry provider to correct them when required.

You must in a timely way and in such way as we require give us all information that we reasonably request or which you suspect we should know to perform our functions, for example, your contact details and regarding your identity or the source or use of invested moneys. Indirect investors do not need to update their details with us: we hold no personal information about them.

### Anti-Money Laundering and Counter Terrorism Financing ("AML/CTF")

Australia's AML/CTF laws require Equity Trustees to adopt and maintain a written AML/CTF Program. A fundamental part of the AML/CTF Program is that Equity Trustees must hold up-to-date information about investors (including beneficial owner information) in the Fund.

To meet this legal requirement, we need to collect certain identification information (including beneficial owner information) and documentation ("KYC Documents") from new investors. Existing investors may also be asked to provide KYC Documents as part of an ongoing customer due diligence/verification process to comply with AML/CTF laws. If applicants or investors do not provide the applicable KYC Documents when requested, Equity Trustees may be unable to process an application, or may be unable to provide products or services to existing investors until such time as the information is provided.

In order to comply with AML/CTF Laws, Equity Trustees may also disclose information including your personal information that it holds about the applicant, an investor, or any beneficial owner, to its related bodies corporate or service providers, or relevant regulators of AML/CTF Laws (whether inside or outside Australia). Equity Trustees may be prohibited by law from informing applicants or investors that such reporting has occurred.

Equity Trustees and the Investment Manager shall not be liable to applicants or investors for any loss you may suffer because of compliance with the AML/CTF laws.

### Indirect Investors

You may be able to invest indirectly in the Fund via an IDPS by directing the IDPS Operator to acquire units on your behalf. If you do so, you will need to complete the relevant forms provided by the IDPS Operator and not the Application Form accompanying the PDS. This will mean that you are an Indirect Investor in the Fund and not an investor or member of the Fund. Indirect Investors do not acquire the rights of an investor as such rights are acquired by the IDPS Operator who may exercise, or decline to exercise, these rights on your behalf.

Indirect Investors do not receive reports or statements from us and the IDPS Operator's application and withdrawal conditions determine when you can direct the IDPS Operator to apply or redeem. Your rights as an Indirect Investor should be set out in the IDPS Guide or other disclosure document issued by the IDPS Operator.

### Information on underlying investments

Information regarding the underlying investments of the Fund will be provided to an investor of the Fund on request, to the extent Equity Trustees is satisfied that such information is required to enable the investor to comply with its statutory reporting obligations. This information will be supplied within a reasonable timeframe having regard to these obligations.

### Foreign Account Tax Compliance Act ("FATCA")

In April 2014, the Australian Government signed an intergovernmental agreement ("IGA") with the United States of America ("US"), which requires all Australian financial institutions to comply with the FATCA Act enacted by the US in 2010.

Under FATCA, Australian financial institutions are required to collect and review their information to identify US residents and US controlling persons that invest in assets through non-US entities. This information is reported to the Australian Taxation Office ("ATO"). The ATO may then pass that information onto the US Internal Revenue Service.

In order to comply with the FATCA obligations, we may request certain information from you. Failure to comply with FATCA obligations may result in the Fund, to the extent relevant, being subject to a 30% withholding tax on payment of US income or gross proceeds from the sale of certain US investments. If the

Fund suffers any amount of FATCA withholding and is unable to obtain a refund for the amounts withheld, we will not be required to compensate investors for any such withholding and the effect of the amounts withheld will be reflected in the returns of the Fund.

### Common Reporting Standard ("CRS")

The CRS is developed by the Organisation of Economic Co-operation and Development and requires certain financial institutions resident in a participating jurisdiction to document and identify reportable accounts and implement due diligence procedures. These financial institutions will also be required to report certain information on reportable accounts to their relevant local tax authorities.

Australia signed the CRS Multilateral Competent Authority Agreement and has enacted provisions within the domestic tax legislation to implement CRS in Australia. Australian financial institutions need to document and identify reportable accounts, implement due diligence procedures and report certain information with respect to reportable accounts to the ATO. The ATO may then exchange this information with foreign tax authorities in the relevant signatory countries.

In order to comply with the CRS obligations, we may request certain information from you. Unlike FATCA, there is no withholding tax that is applicable under CRS.

### Consent

The Investment Manager and the Asset Consultant have given and, as at the date of this PDS, has not withdrawn:

- its written consent to be named in this PDS as the Investment Manager and the Asset Consultant of the Fund respectively; and
- their written consent to the inclusion of the statements made about each of them respectively which are specifically attributed to it, in the form and context in which they appear.

The Investment Manager, Asset Consultant and the Custodian have not otherwise been involved in the preparation of this PDS or caused or otherwise authorised the issue of this PDS. Neither the Investment Manager, Asset Consultant, the Custodian nor their employees or officers accept any responsibility arising in any way for errors or omissions, other than those statements for which it has provided its written consent to Equity Trustees for inclusion in this PDS.

## 13. Glossary

<b>ABN</b>	Australian Business Number.	<b>MGD Capital Advisors</b>	MGD Capital Advisors Pty Ltd ABN 99 623 037 678, AFSL 508677.
<b>Administrator or Custodian</b>	BNP Paribas Securities Services.	<b>PDS</b>	This Product Disclosure Statement, issued by Equity Trustees.
<b>Application Form</b>	The Application Form that accompanies this PDS.	<b>Responsible Entity</b>	Equity Trustees Limited.
<b>AFSL</b>	Australian Financial Services Licence.	<b>Retail Client</b>	Persons or entities defined as such under section 761G of the Corporations Act.
<b>ASIC</b>	Australian Securities and Investments Commission.	<b>RITC</b>	Reduced Input Tax Credit. Equity Trustees will apply for reduced input tax credits where applicable to reduce the cost of GST to the Fund.
<b>Asset Consultant</b>	Towers Watson Australia Pty Ltd.	<b>US Person</b>	A person so classified under securities or tax law in the United States of America ("US") including, in broad terms, the following persons: (a) any citizen of, or natural person resident in, the US, its territories or possessions; or (b) any corporation or partnership organised or incorporated under any laws of or in the US or of any other jurisdiction if formed by a US Person (other than by accredited investors who are not natural persons, estates or trusts) principally for the purpose of investing in securities not registered under the US Securities Act of 1933; or (c) any agency or branch of a foreign entity located in the US; or (d) a pension plan primarily for US employees of a US Person; or (e) a US collective investment vehicle unless not offered to US Persons; or (f) any estate of which an executor or administrator is a US Person (unless an executor or administrator of the estate who is not a US Person has sole or substantial investment discretion over the assets of the estate and such estate is governed by non-US law) and all the estate income is non-US income not liable to US income tax; or (g) any Fund of which any trustee is a US Person (unless a trustee who is a professional fiduciary is a US Person and a trustee who is not a US Person has sole or substantial investment discretion over the assets of the trust and no beneficiary (or settlor, if the trust is revocable) of the trust is a US Person); or (h) any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a US Person; or (i) any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organised, incorporated or (if an individual) resident in the US for the benefit or account of a US Person.
<b>ATO</b>	Australian Taxation Office.	<b>Wholesale Client</b>	Person or entity which is not a Retail Client.
<b>Business Day</b>	A day other than Saturday or Sunday on which banks are open for general banking business in Sydney.		
<b>Buy/Sell Spread</b>	The difference between the application price and withdrawal price of units in the Fund, which reflects the estimated transaction costs associated with buying or selling the assets of the Fund, when investors invest in or withdraw from the Fund.		
<b>Class</b>	The class of units of the Fund offered under this PDS also referred to throughout the PDS as "LDI Connect 3 Portfolio".		
<b>Constitution</b>	The document which describes the rights, responsibilities and beneficial interest of both investors and the Responsible Entity in relation to the Fund, as amended from time to time.		
<b>Corporations Act</b>	The Corporations Act 2001 and Corporations Regulations 2001 (Cth), as amended from time to time.		
<b>Derivative</b>	A financial contract whose value is based on, or derived from, an asset class such as shared, interest rates, currencies or currency exchange rates and commodities. Common derivatives include options, futures and forward exchange contracts.		
<b>Fund</b>	LDI Connect 3 Portfolio ARSN 154 532 402.		
<b>GST</b>	Goods and Services Tax.		
<b>Indirect Investors</b>	Individuals who invest in the Fund through an IDPS.		
<b>Investment Manager</b>	LDI Connect Asset Management Pty Ltd a corporate authorised representative of MGD Capital Advisors Pty Ltd.		
<b>Net Asset Value (NAV)</b>	Value of the investments of the Fund or the relevant class as relevant after deducting certain liabilities relating to that class including income entitlements and contingent liabilities.		



## LDI Connect Portfolios Additional Investment Application Form

This application form accompanies the Product Disclosure Statement (PDS)/Information Memorandum (IM) relating to units in the following product/s issued by Equity Trustees Limited (ABN 46 004 031 298, AFSL 240975). The PDS/IM contains information about investing in the Fund/Trust. You should read the PDS/IM in its entirety before applying.

- LDI Connect 3 Portfolio
- LDI Connect 7 Portfolio
- LDI Connect 20 Portfolio
- LDI Connect Stable Portfolio
- LDI Connect Diversified Portfolio
- LDI Connect Alternatives Portfolio

The law prohibits any person passing this Application Form on to another person unless it is accompanied by a complete PDS/IM.

- If completing by hand, use a black or blue pen and print within the boxes in BLOCK LETTERS, if you make a mistake, cross it out and initial. DO NOT use correction fluid
- The investor(s) must complete and sign this form
- Keep a photocopy of your completed Application Form for your records

U.S. Persons: This offer is not open to any U.S. Person. Please refer to the PDS/IM for further information.

### **Foreign Account Tax Compliance Act (FATCA) and Common Reporting Standard (CRS)**

We are required to collect certain information to comply with FATCA and CRS, please ensure you complete section 7.

### **If investing with an authorised representative, agent or financial adviser**

Please ensure you, your authorised representative, agent and/or financial adviser also complete Section 6.

### **Provide certified copies of your identification documents**

Please refer to section 9 on AML/CTF Identity Verification Requirements.

### **Send your documents & make your payment**

See section 2 for payment options and where to send your application form.

## SECTION 1.2 – ARE YOU AN EXISTING INVESTOR IN THE FUND/TRUST AND WISH TO ADD TO YOUR INVESTMENT?

Do you have an existing investment in the Fund/Trust and the information provided remains current and correct?

- Yes**, if you can tick both of the boxes below, complete Sections 2 and 8
- I/We confirm there are no changes to our identification documents previously provided and that these remain current and valid.
- I/We confirm there have been no changes to our FATCA or CRS status

Existing investor number:

If there have been changes in your identification documents or FATCA/CRS status since your last application, please complete the full Application Form as indicated below.

- No**, please complete sections relevant to you as indicated below:

**Investor Type:**

- Individuals/Joint:** complete section 2, 3, 6 (if applicable), 7, 8 & 9
- Companies:** complete section 2, 4, 6 (if applicable), 7, 8 & 9
- Custodians on behalf of underlying clients:** complete section 2, 4, 5, 5.1, 6 (if applicable), 7, 8 & 9
- Trusts/superannuation funds:**
- with an individual trustee – complete sections 2, 3, 5, 6 (if applicable), 7, 8 & 9
  - with a company as a trustee – complete sections 2, 4, 5, 6 (if applicable), 7, 8 & 9

If you are an Association, Co-operative, Partnership, Government Body or other type of entity not listed above, please contact Equity Trustees.

## SECTION 2 – INVESTMENT DETAILS

Investment to be held in the name(s) of (must include name(s) of investor(s))

Postal address

Suburb

State

Postcode

Country

Email address

Contact no.

FUND/TRUST NAME	APIR CODE	APPLICATION AMOUNT (AUD)
LDI Connect 3 Portfolio	SLT0032AU	\$
LDI Connect 7 Portfolio	SLT0030AU	\$
LDI Connect 20 Portfolio	SLT0035AU	\$
LDI Connect Stable Portfolio	ETL4106AU	\$
LDI Connect Diversified Portfolio	ETL6065AU	\$
LDI Connect Alternatives Portfolio	ETL7909AU	\$

The minimum initial investment is \$25,000.

### Distribution Instructions

If you do not select a distribution option, we will automatically reinvest your distribution. If you select cash, please ensure you provide your bank details below.

- Reinvest distributions** if you select this option your distribution will be reinvested in the Fund/Trust
- Pay distributions to the bank** if you select this option your distribution will be paid to the bank account below

### Investor bank details

For withdrawals and distributions (if applicable), these must match the investor(s)' name and must be an AUD-denominated bank account with an Australian domiciled bank.

Financial institution name and branch location

BSB number

Account number

Account name

### Payment method

- Cheque – payable to < OneVue Fund Services Trust Account – LDI >
- Direct credit – pay to:

FINANCIAL INSTITUTION NAME AND BRANCH LOCATION	NAB, 500 Bourke Street, Melbourne VIC 3000
BSB NUMBER	083 001
ACCOUNT NUMBER	733 161 709
ACCOUNT NAME	OneVue Fund Services Pty Ltd atf LDI Application Account
REFERENCE	<Investor name>

## Source of investment

Please indicate the source of the investment amount (e.g. retirement savings, employment income):

### Send your completed Application Form to:

LD Connect Asset Management

PO Box 7074, East Brisbane QLD 4169

Additional applications may be emailed to: [connect@ldiconnect.com.au](mailto:connect@ldiconnect.com.au)

Please ensure you have completed all relevant sections and signed the Application Form.

## SECTION 8 – DECLARATIONS – ALL INVESTORS MUST COMPLETE

In most cases the information that you provide in this form will satisfy the AML/CTF Act, the US Foreign Account Tax Compliance Act (FATCA) and the Common Reporting Standard (CRS). However, in some instances the Responsible Entity may contact you to request further information. It may also be necessary for the Responsible Entity to collect information (including sensitive information) about you from third parties in order to meet its obligations under the AML/CTF Act, FATCA and CRS.

### When you complete this Application Form you make the following declarations:

- I/We have received the PDS/IM and made this application in Australia (and/or New Zealand for those offers made in New Zealand).
- I/We have read the PDS/IM to which this Application Form applies and agree to be bound by the terms and conditions of the PDS/IM and the Constitution of the relevant Fund/Trust in which I/we have chosen to invest.
- I/we have carefully considered the features of Fund/Trust as described in the PDS (including its investment objectives, minimum suggested investment timeframe, risk level, withdrawal arrangements and investor suitability) and, after obtaining any financial and/or tax advice that I/we deemed appropriate, am/are satisfied that my/our proposed investment in the Fund/Trust is consistent with my/our investment objectives, financial circumstances and needs.\*
- I/We have considered our personal circumstances and, where appropriate, obtained investment and/or taxation advice.
- I/We hereby declare that I/we are not a US Person as defined in the PDS/IM.
- I/We acknowledge that (if a natural person) I am/we are 18 years of age or over and I am/we are eligible to hold units in the Fund/Trust in which I/We have chosen to invest.
- I/We acknowledge and agree that Equity Trustees has outlined in the PDS/IM provided to me/us how and where I/we can obtain a copy of the Equity Trustees Group Privacy Statement.
- I/We consent to the transfer of any of my/our personal information to external third parties including but not limited to fund administrators, fund investment manager(s) and related bodies corporate who are located outside Australia for the purpose of administering the products and services for which I/we have engaged the services of Equity Trustees or its related bodies corporate and to foreign government agencies for reporting purposes (if necessary).
- I/we hereby confirm that the personal information that I/we have provided to Equity Trustees is correct and current in every detail, and should these details change, I/we shall promptly advise Equity Trustees in writing of the change(s).
- I/We agree to provide further information or personal details to the Responsible Entity if required to meet its obligations under anti-money laundering and counter-terrorism legislation, US tax legislation or reporting legislation and acknowledge that processing of my/our application may be delayed and will be processed at the unit price applicable for the Business Day as at which all required information has been received and verified.

- If I/we have provided an email address, I/we consent to receive ongoing investor information including PDS/IM information, confirmations of transactions and additional information as applicable via email.
- I/We acknowledge that Equity Trustees does not guarantee the repayment of capital or the performance of the Fund/Trust or any particular rate of return from the Fund/Trust.
- I/We acknowledge that an investment in the Fund/Trust is not a deposit with or liability of Equity Trustees and is subject to investment risk including possible delays in repayment and loss of income or capital invested.
- I/We acknowledge that Equity Trustees is not responsible for the delays in receipt of monies caused by the postal service or the investor's bank.
- If I/we lodge a fax application request, I/we acknowledge and agree to release, discharge and agree to indemnify Equity Trustees from and against any and all losses, liabilities, actions, proceedings, account claims and demands arising from any fax application.
- If I/we have completed and lodged the relevant sections on authorised representatives, agents and/or financial advisers on the Application Form then I/we agree to release, discharge and indemnify Equity Trustees from and against any and all losses, liabilities, actions, proceedings, account claims and demands arising from Equity Trustees acting on the instructions of my/our authorised representatives, agents and/or financial advisers.
- If this is a joint application each of us agrees that our investment is held as joint tenants.
- I/We acknowledge and agree that where the Responsible Entity, in its sole discretion, determines that:
  - I/we are ineligible to hold units in a Fund/Trust or have provided misleading information in my/our Application Form; or
  - I/we owe any amounts to Equity Trustees, then I/we appoint the Responsible Entity as my/our agent to submit a withdrawal request on my/our behalf in respect of all or part of my/our units, as the case requires, in the Fund/Trust.
- **For Wholesale Clients\*** – I/We acknowledge that I am/we are a Wholesale Client (as defined in Section 761G of the Corporations Act 2001 (Cth)) and are therefore eligible to hold units in the Fund/Trust.
- **For New Zealand applicants\*** – I/we have read the terms of the offer relating to New Zealand investors, including the New Zealand warning statement.
- **For New Zealand Wholesale Investors\*** – I/We acknowledge and agree that:
  - I/We have read the “New Zealand Wholesale Investor Fact Sheet” and PDS/IM or “New Zealand Investors: Selling Restriction” for the Fund/Trust;
  - I am/We are a Wholesale Investor and am/are therefore eligible to hold units in the Fund/Trust; and
  - I/We have not:
    - Offered, sold, or transferred, and will not offer, sell, or transfer, directly or indirectly, any units in the Fund/Trust;
    - Granted, issued, or transferred, and will not grant, issue, or transfer, any interests in or options over, directly or indirectly, any units in the Fund/Trust; and
    - Distributed and will not distribute, directly or indirectly, the PDS/IM or any other offering materials or advertisement in relation to any offer of units in the Fund/Trust, in each case in New Zealand, other than to a person who is a Wholesale Investor; and
  - I/We will notify Equity Trustees if I/we cease to be a Wholesale Investor; and
  - I/We have separately provided a signed Wholesale Investor Certification located at the end of this Application Form.

All references to Wholesale Investor in this Declaration are a reference to Wholesale Investor in terms of clause 3(2) of Schedule 1 of the Financial Markets Conduct Act 2013 (New Zealand).

\* Disregard if not applicable.

### \*Terms and conditions for collection of Tax File Numbers (TFN) and Australian Business Numbers (ABN)

Collection of TFN and ABN information is authorised and its use and disclosure strictly regulated by tax laws and the Privacy Act. Investors must only provide an ABN instead of a TFN when the investment is made in the course of their enterprise. You are not obliged to provide either your TFN or ABN, but if you do not provide either or claim an exemption, we are required to deduct tax from your distribution at the highest marginal tax rate plus Medicare levy to meet Australian taxation law requirements.

For more information about the use of TFNs for investments, contact the enquiries section of your local branch of the ATO. Once provided, your TFN will be applied automatically to any future investments in the Fund/Trust where formal application procedures are not required (e.g. distribution reinvestments), unless you indicate, at any time, that you do not wish to quote a TFN for a particular investment. Exempt investors should attach a copy of the certificate of exemption. For super funds or trusts list only the applicable ABN or TFN for the super fund or trust.

### When you sign this Application Form you declare that you have read, agree to and make the declarations above

#### Investor 1

Name of individual/entity

Capacity (e.g. Director, Secretary, Authorised signatory)

Signature

Date

Company Seal (if applicable)

#### Investor 2

Name of individual/entity

Capacity (e.g. Director, Secretary, Authorised signatory)

Signature

Date

## SECTION 9 – AML/CTF IDENTITY VERIFICATION REQUIREMENTS

The AML/CTF Act requires the Responsible Entity to adopt and maintain an Anti-Money Laundering and Counter-Terrorism Financing (AML/CTF) Program. The AML/CTF Program includes ongoing customer due diligence, which may require the Responsible Entity to collect further information.

- Identification documentation provided must be in the name of the investor.
- Non-English language documents must be translated by an accredited translator. Provide both the foreign language document and the accredited English translation.
- Applications made without providing this information cannot be processed until all the necessary information has been provided.
- If you are unable to provide the identification documents described please contact Equity Trustees.

These documents should be provided as an original or a CERTIFIED COPY of the original.

### Who can certify?

Below is an example of who can certify proof of ID documents under the AML/CTF requirements:

- Bailiff
- Bank officer with 5 or more years of continuous service
- Building society officer with 5 or more years of continuous service
- Chiropractor (licensed or registered)
- Clerk of court
- Commissioner for Affidavits
- Commissioner for Declarations
- Credit union officer with 5 or more years of continuous service
- Dentist (licensed or registered)
- Fellow of the National Tax Accountant's Association
- Finance company officer with 5 or more years of continuous service
- Judge of a court
- Justice of the peace
- Legal practitioner (licensed or registered)
- Magistrate
- Marriage celebrant licensed or registered under Subdivision C of Division 1 of Part IV of the Marriage Act 1961
- Master of a court
- Medical practitioner (licensed or registered)
- Member of Chartered Secretaries Australia
- Member of Engineers Australia, other than at the grade of student
- Member of the Association of Taxation and Management Accountants
- Member of the Australian Defence Force with 5 or more years of continuous service
- Member of the Institute of Chartered Accountants in Australia, the Australian Society of Certified Practising Accountants or the Institute of Public Accountants
- Member of the Parliament of the Commonwealth, a State, a Territory Legislature, or a local government authority of a State or Territory
- Minister of religion licensed or registered under Subdivision A of Division 1 of Part IV of the Marriage Act 1961
- Nurse (licensed or registered)
- Optometrist (licensed or registered)
- Permanent employee of Commonwealth, State or local government authority with at least 5 or more years of continuous service.
- Permanent employee of the Australian Postal Corporation with 5 or more years of continuous service
- Pharmacist (licensed or registered)
- Physiotherapist (licensed or registered)
- Police officer
- Psychologist (licensed or registered)
- Registrar, or Deputy Registrar, of a court
- Sheriff
- Teacher employed on a full-time basis at a school or tertiary education institution
- Veterinary surgeon (licensed or registered)

### When certifying documents, the following process must be followed:

- All copied pages of original proof of ID documents must be certified and the certification must not be older than 2 years.
- The authorised individual must ensure that the original and the copy are identical; then write or stamp on the copied document "certified true copy". This must be followed by the date and signature, printed name and qualification of the authorised individual.
- In cases where an extract of a document is photocopied to verify customer ID, the authorised individual should write or stamp "certified true extract".

### GROUP A – Individuals/Joint

Each individual investor, individual trustee, beneficial owner, or individual agent or authorised representative must provide one of the following primary photographic ID:

- A current Australian driver's licence (or foreign equivalent) that includes a photo and signature.

- An Australian passport (not expired more than 2 years previously).
- A foreign passport or international travel document (must not be expired)
- An identity card issued by a State or Territory Government that includes a photo.

If you do NOT own one of the above ID documents, please provide one valid option from Column A and one valid option from Column B.

Column A	Column B
<input type="checkbox"/> Australian birth certificate.	<input type="checkbox"/> A document issued by the Commonwealth or a State or Territory within the preceding 12 months that records the provision of financial benefits to the individual and which contains the individual's name and residential address.
<input type="checkbox"/> Australian citizenship certificate.	<input type="checkbox"/> A document issued by the Australian Taxation Office within the preceding 12 months that records a debt payable by the individual to the Commonwealth (or by the Commonwealth to the individual), which contains the individual's name and residential address. Block out the TFN before scanning, copying or storing this document.
<input type="checkbox"/> Pension card issued by Department of Human Services.	<input type="checkbox"/> A document issued by a local government body or utilities provider within the preceding 3 months which records the provision of services to that address or to that person (the document must contain the individual's name and residential address).
	<input type="checkbox"/> If under the age of 18, a notice that: was issued to the individual by a school principal within the preceding 3 months; and contains the name and residential address; and records the period of time that the individual attended that school.

### GROUP B – Companies

For Australian Registered Companies, provide one of the following (must clearly show the Company's full name, type (private or public) and ACN):

- A certified copy of the company's Certificate of Registration or incorporation issued by ASIC.
- A copy of information regarding the company's licence or other information held by the relevant Commonwealth, State or Territory regulatory body e.g. AFSL, RSE, ACL etc.
- A full company search issued in the previous 3 months or the company's last annual statement issued by ASIC.

- If the company is listed on an Australian securities exchange, provide details of the exchange and the ticker (issuer) code.
- If the company is a majority owned subsidiary of a company listed on an Australian securities exchange, provide details of the holding company name, its registration number e.g. ACN, the securities exchange and the ticker (issuer) code.

All of the above must clearly show the company's full name, its type (i.e. public or private) and the ACN issued by ASIC.

For Foreign Companies, provide one of the following:

- A certified copy of the company's Certificate of Registration or incorporation issued by the foreign jurisdiction(s) in which the company was incorporated, established or formed.
- A certified copy of the company's articles of association or constitution.
- A copy of a company search on the ASIC database or relevant foreign registration body.
- A copy of the last annual statement issued by the company regulator.

All of the above must clearly show the company's full name, its type (i.e. public or private) and the ARBN issued by ASIC, or the identification number issued to the company by the foreign regulator.

**In addition, please provide verification documents for each beneficial owner or controlling person (senior managing official and shareholder) as listed under Group A.**

A beneficial owner of a company is any person entitled (either directly or indirectly) to exercise 25% or more of the voting rights, including a power of veto, or who holds the position of senior managing official (or equivalent) and is thus the controlling person.

### GROUP C – Trusts

For a Registered Managed Investment Scheme, Government Superannuation Fund or a trust registered with the Australian Charities and Not-for-Profit Commission (ACNC), or a regulated, complying Superannuation Fund, retirement or pension fund (including a self-managed super fund), provide one of the following:

- A copy of the company search of the relevant regulator's website e.g. APRA, ASIC or ATO.
- A copy or relevant extract of the legislation establishing the government superannuation fund sourced from a government website.
- A copy from the ACNC of information registered about the trust as a charity
- Annual report or audited financial statements.
- A certified copy of a notice issued by the ATO within the previous 12 months.
- A certified copy of an extract of the Trust Deed (i.e. cover page and signing page and first two pages that describes the trust, its purpose, appointer details and settlor details etc.)

For all other Unregulated trust (including a Foreign trust), provide the following:

- A certified copy of an extract of the Trust Deed (i.e. cover page and signing page and first two pages that describes the trust, its purpose, appointer details and settlor details etc.)

If the trustee is an individual, please also provide verification documents for one trustee as listed under Group A.

If the trustee is a company, please also provide verification documents for a company as listed under Group B.

#### GROUP D – Authorised Representatives and Agents

In addition to the above entity groups:

- If you are an **Individual Authorised Representative or Agent** – please also provide the identification documents listed under Group A.
- If you are a **Corporate Authorised Representative or Agent** – please also provide the identification documents listed under Group B.

All Authorised Representatives and Agents must also provide a certified copy of their authority to act for the investor e.g. the POA, guardianship order, Executor or Administrator of a deceased estate, authority granted to a bankruptcy trustee, authority granted to the State or Public Trustee etc.

#### SECTION 10 – GLOSSARY

Custodian – means a company that:

- a) is acting in the capacity of a trustee; and
- b) is providing a custodial or depository service of the kind described in item 46 of table 1 in subsection 6(2) of the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (AML/CTF Act); and
- c) either:
  - i. holds an Australian financial services licence authorising it to provide custodial or depository services under the Corporations Act 2001; or
  - ii. is exempt under the Corporations Act 2001 from the requirement to hold such a licence; and
- d) either:
  - i. satisfies one of the 'geographical link' tests in subsection 6(6) of the AML/CTF Act; or
  - ii. has certified in writing to the relevant reporting entity that its name and enrolment details are entered on the Reporting Entities Roll; and
- e) has certified in writing to the relevant reporting entity that it has carried out all applicable customer identification procedures and ongoing customer due diligence requirements in accordance with Chapter 15 of the AML/CTF Rules in relation to its underlying customers prior to, or at the time of, becoming a customer of the reporting entity.