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**uXchange**

**PRODUCT DISCLOSURE STATEMENT**

**21 October 2022**

Issued by Equity Trustees Limited ('Trustee', 'we', 'us') (ABN 46 004 031 298, AFSL 240975)

Equity Trustees Limited is the Operator and Responsible Entity for uXchange ARSN 618 455 673 APIR ETL7569AU

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# Important Information

“uXchange is an IDPS-like Scheme available to Australian members with a licensed financial adviser authorised to distribute the Scheme. This section of the PDS outlines the information you need to read and understand prior to making any investment.”

## About this PDS

This Product Disclosure Statement (“PDS”) is dated 21 October 2022 and is issued by Equity Trustees Limited ABN 46 004 031 298, AFSL number 240975 (“Equity Trustees”, “Responsible Entity”, “Operator”, “we”, “our” or “us”), the Responsible Entity of uXchange ARSN 618 455 673 (“the Scheme”).

The PDS should be read with the uXchange Approved Product List.

## Terms used in the PDS

Certain terms in this PDS have defined meanings. Refer to the Defined Terms section.

## Website & Approved Product List

The PDS contains a number of references to the uXchange Approved Product List which forms part of this PDS and includes details of available investment options for investment through uXchange. It is available at [www.uxchange.com.au](http://www.uxchange.com.au) and can be obtained on request free of charge. You should consider both the information in this PDS, and the information in the uXchange Approved Product List, before making a decision about investing through the Scheme.

## Updated Information

Information in the PDS that is not materially adverse to your interests may be updated by notice to your Adviser and by publishing the information on [www.uxchange.com.au](http://www.uxchange.com.au). You may also be provided updated information electronically. Upon request, a printed copy of any updated information is available free of charge; please ask your Adviser. If there is a change to the information contained in the PDS that is materially adverse to the offer, then the Responsible Entity will issue a supplementary PDS in accordance with the Corporations Act.

## Eligibility Criteria

Application to uXchange is only available to persons who:

- receive the PDS in Australia and have read, understood and accept the terms of the PDS;
- are Australian residents for tax purposes (that are not U.S. Persons) aged 18 years or older with an Australian address and phone number and a valid email address;
- apply through and appoint an Australian financial adviser who is registered to distribute uXchange; and
- have a linked Cash Management Account (CMA) to which general withdrawal authority is given to the Administrator.

The Responsible Entity may refuse to accept applications from particular persons or classes of persons.

## Applications

Applications for investment in uXchange via the online Application process can be submitted on your behalf by your appointed Adviser. You will receive the Application Form via electronic sign email, for review, acknowledgement, verification and signing. The form will be pre-populated with your information and provide the warnings and declarations you will need to read before your electronic signature is provided. Your Adviser must have entered into an agreement with the Administrator which amongst other things requires that the Adviser provides access to or provides the Administrator, the Responsible Entity and the Issuer of each Managed Fund with the required documents that were used in/for your identification and compliance verification (in accordance with and to comply with applicable Regulatory Requirements, including the Foreign Account Tax Compliance Act (“FATCA”), Common Reporting Standard (“CRS”) and the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth) (“AML/CTF Laws”). A paper-based form is available from the website for cases where the online Application process is not applicable.

## Electronic PDS

This PDS is issued as an electronic product disclosure statement and is available at [www.eqt.com.au/insto](http://www.eqt.com.au/insto) and [www.uxchange.com.au](http://www.uxchange.com.au). Upon request, a printed copy of this PDS will be provided free of charge. Please contact your Adviser.

## General advice only

The information contained in this PDS is general information only and does not take account of your personal financial situation or needs. Before making a decision to invest in uXchange, it is important you read and consider the entire PDS and seek professional advice (including from your Adviser) regarding the appropriateness of this investment for your personal circumstances before proceeding to invest. This includes considering your investment objectives, situation and particular investment needs and the risks of investing in uXchange, including those listed in the Risks section.

## Interpretation of legislation

The information in this PDS relating to financial services, taxation and other relevant laws is based on the Responsible Entity's interpretation of existing laws at the time the PDS was prepared. This information is provided as a general overview of how these laws may apply to you; it should not be relied upon as a complete statement of all relevant laws and it may change from time to time. It is recommended you discuss your personal position with your accountant, Adviser and other appropriate professional advisers.

## About the Responsible Entity

### Equity Trustees Limited

Equity Trustees Limited ABN 46 004 031 298 AFSL 240975 ("Equity Trustees") a subsidiary of EQT Holdings Limited ABN 22 607 797 615, which is a publicly listed company on the Australian Securities Exchange, is the Scheme'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 Scheme's Responsible Entity are governed by the Scheme's constitution ("Constitution"), the Corporations Act and general trust law. Equity Trustees has delegated administration functions to uXchange Pty Ltd which will perform administration services on your behalf. Equity Trustees has appointed an independent, third-party Custodian to hold the assets of the Scheme. The Custodian has no supervisory role in relation to the operation of the Scheme and is not responsible for protecting your interests.

## About the Administrator

### uXchange Pty Ltd

The Administrator is uXchange Pty Ltd. uXchange Pty Ltd is a corporate authorised representative of Dash Investment Services Pty Ltd (ABN 20 610 852 456) (AFSL 500032). Dash Investment Services Pty Ltd is owned by Dash Technology Group Limited (ABN 93 603 824 835) ("DTG"). DTG provides software as a service that drives efficiency and provides financial advisers the tools to implement scalable yet tailored advice. The Administrator provides the proprietary web-based administration platform, known as the "uXchange Portal", to deliver the transactional and administration functions for the IDPS-like scheme product known as "uXchange". The Administrator has given and, as at the date of this PDS, has not withdrawn its consent to the PDS containing information referable to it in the form and context in which that information appears. The Administrator has not issued nor caused the issue of the PDS and is not responsible for any other statements in the PDS which are not referable to it.

## Investment in the Scheme

The Responsible Entity, the Administrator and their related bodies corporate do not guarantee the performance or success of uXchange or any return on your investments. Investments in uXchange are subject to risk, including the risks set out in the Risks section. An investment in uXchange does not represent an investment or liability of the Responsible Entity or the Administrator. No person has been authorised by the Responsible Entity to make any representation or to give any information about uXchange that is not contained in this PDS. None of the persons mentioned in this PDS have authority to make statements on behalf of, or bind, the Responsible Entity.

## Your interests

When you invest in uXchange you are an indirect investor in the underlying Managed Funds that you choose, because the investments are not held in your name, but are held on your behalf. Your rights as an indirect investor are different to your rights if you had invested directly. See the Additional Information section for further details on how investing through uXchange differs from a direct investment in the Managed Fund.

## Cost of investing through uXchange

The total fees and charges you will pay will include the fees and costs of investing in uXchange as well as the fees and costs of any investment you choose. It is important that you understand that the cost structure of each Managed Fund selected by you and your Adviser, together with transaction and account costs incurred on your behalf, are in addition to the fees and costs disclosed in this PDS. The cost structure of each Managed Fund is outlined in the uXchange Approved Product List and the relevant Managed Fund PDS which is available at [www.uxchange.com.au](http://www.uxchange.com.au). The uXchange fees and other costs are outlined in the Fees and Other Costs section of this PDS.

# Key Features

“Key features of uXchange are outlined here with the relevant page reference to where more information on the feature can be found in this PDS”

| Feature                                | Overview   | Page               |
|--|--|--------------------|
| <b>uXchange</b>                        | uXchange is an IDPS-like investment administration platform that allows Members to purchase and sell investments in Managed Funds. uXchange will record and facilitate the payment of distributions from underlying Managed Funds to your linked CMA. It also provides holding, transaction and distribution reporting.  | <b>8</b>           |
| <b>Approved Product List</b>           | There is a comprehensive list of Managed Funds on the uXchange Approved Product List to choose from. To see a list of approved Managed Funds, refer to <a href="http://www.uxchange.com.au">www.uxchange.com.au</a> for the latest Approved Product List or contact your Adviser.  | <b>9</b>           |
| <b>Cash Management Account (“CMA”)</b> | All Members intending to use uXchange must have a linked CMA to which general withdrawal authority is given to the Administrator. All settlement amounts are drawn from or paid to this account. Similarly, distribution payments elected or designated by the Issuer to be paid in cash are also paid to this account. The CMA is not part of the legal structure of uXchange.            | <b>9 &amp; 17</b>  |
| <b>Risks</b>                           | There are risks associated with investing in uXchange and in the underlying investments you select.  | <b>11</b>          |
| <b>Minimum Investment</b>              | The minimum investment into uXchange is \$100 unless otherwise permitted by the Responsible Entity. Some Managed Funds also have minimum Investment amounts which are outlined in the PDS of the relevant Managed Fund.  | <b>14</b>          |
| <b>Applications for Investments</b>    | You can instruct us to apply to a Managed Fund included on the Approved Product List at any time, provided there are sufficient cleared funds in your linked CMA to cover the investment.  | <b>14</b>          |
| <b>Distributions</b>                   | Any distribution or rebate payment made by an underlying Managed Fund is paid to each Member’s linked CMA. In your Application Form, you can nominate to reinvest any distribution payment as an alternative to cash for all your investments in your uXchange Account (subject to the Managed Fund’s requirements).   | <b>17</b>          |
| <b>Redemptions</b>                     | You can instruct us to redeem units held in a Managed Fund held in your uXchange Account. We will endeavor to comply with your request promptly, however it is possible there may be delays or circumstances may arise in which we may not be able to satisfy your request in part or at all.  | <b>17 &amp; 18</b> |
| <b>Reporting</b>                       | All reporting for uXchange is available electronically and by making an Application you are agreeing to receive all reports and correspondence this way, as default by email. Continuous reporting via the uXchange Portal may also be provided in cases where your Adviser has arranged for you to have access. Online access is provided to your Adviser to view and manage your assets. | <b>19</b>          |



| Feature                     | Overview  | Page      |
|-----------------------------|---|-----------|
| <b>Fees and Other Costs</b> | There are fees and costs payable by you to the Responsible Entity for your use of uXchange. There are also application and redemption spreads and other fees and costs associated with the underlying Managed Funds you choose. | <b>22</b> |
| <b>Cooling Off</b>          | An investment in uXchange is subject to limited cooling of rights.  | <b>32</b> |

You should consult your Adviser before deciding on the composition of your Account and an appropriate amount to invest in and or withdraw from uXchange.

# About uXchange

uXchange is an IDPS-like scheme that performs the role of a managed fund transactional hub and enables a Member to manage a portfolio of Managed Funds.

The uXchange technology and legal structure provides a Member (via their appointed Adviser) the ability to easily access, transact and beneficially hold unlisted Managed Funds.

uXchange is an alternative to bank-owned and other platforms in the Australian marketplace.

## Who is uXchange Pty Ltd?

uXchange Pty Ltd is the Sponsor and Administrator of the IDPS-like scheme known as “uXchange”. The company also provides technology services to uXchange.

The Administrator’s dedicated team includes industry professionals with extensive experience in financial planning, superannuation, investment markets and technology, so it understands better than most, the complexities and ever evolving nature of financial services.

Using the Administrator’s proprietary online technology and commitment to outstanding customer service, it believes it is able to deliver a platform solution that is competitive in the marketplace. This, along with the Administrator’s commitment to constant quality, is why the Administrator believes many Advisers choose it for their clients.



# Approved Product List

**“The approved list of managed funds available from uXchange is contained in the uXchange Approved Product List which forms part of this PDS.”**

The uXchange Approved Product List is the list of approved Managed Funds from which you may choose to implement the investment strategy developed by you and your Adviser.

The Approved Product List forms part of this PDS and the Responsible Entity may update it from time to time. You should read the Approved Product List for further details about the assets that can be purchased through uXchange before opening an Account or making investments via your Account.

You can obtain a copy of the uXchange Approved Product List containing the list of approved Managed Funds free of charge in the following ways:

- Go to [www.uxchange.com.au](http://www.uxchange.com.au)
- Contact your Adviser, or
- Call 1300 726 008 or email [clientservices@dash.com.au](mailto:clientservices@dash.com.au)

## Approved Managed Funds

The Responsible Entity has a policy for the inclusion and removal of Managed Funds to and from the approved list shown on the uXchange Approved Product List.

A copy of this policy is available from [www.uxchange.com.au](http://www.uxchange.com.au).

You can select any approved Managed Fund to build your own portfolio.

The list of approved Managed Funds is extensive and covers a range of asset classes.

## Other Assets

The Responsible Entity may approve other types of investments for inclusion on the uXchange Approved Product List. uXchange has been established to offer a menu of well researched and regarded Australian registered Managed Funds.

The Sponsor will work with the Responsible Entity to consider broadening the available products to meet the expectations of Members and their Advisers. Check the Approved Product List for details before making an investment.

## Your Cash Management Account (CMA)

Each uXchange Account must have a linked CMA where the Administrator has a third-party general withdrawal and enquiry authority to process instructions / trades, credit income and deduct fees and costs.

The linked CMA does not form part of the assets held on trust for you via uXchange. This means that you remain the legal and beneficial owner of the CMA.

Your CMA is used to settle all transactions in your Account as well as receive all contributions, fund all redemptions, and pay fees and other expenses.

# **Benefits**

uXchange provides convenient and transparent investment administration with the ability to implement a portfolio in line with your investment objectives. Some of the key benefits include the items outlined below.

## **Ease of Administration**

The Administrator's role in operating an IDPS-like arrangement is expected to ensure an easy-to-use system delivering secure electronic and continuous online reporting, tax component details (for distributions) and valuation information including a set of annual reports for each Member.

## **Efficiency**

The technology supporting uXchange has been purpose built to allow for an instruction to invest in a Managed Fund from a Member to be combined with other similar requests on a daily basis and transmitted to the Custodian for settlement.

Unit holding confirmation from the Custodian is automatically allocated back to the individual accounts which minimises the risks that manual administration processes might bring.

## **Cost**

The cost structure of uXchange under this PDS is transaction-based (see the Fees and Other costs section for more details). This structure results in a transactional method to purchase, sell and hold investments in Managed Funds.

Compare uXchange fees and costs with your current platform to better understand if it would provide cost advantages to you.

## **Online Access**

Your Adviser can access your account information and provide account instructions at any time, view your account details, monitor your investments and access a wide range of reports.

## **Transparency**

uXchange provides reports for each individual investment in your account, as well as all fees, charges and taxes relating to your account on an itemised basis, providing you with a clear understanding of the total costs of investing through uXchange.

## **Cash Management Account**

Your linked CMA is used as the settlement account. This account does not form part of the legal structure of uXchange. This means that you remain the legal and beneficial owner of the account.

## **Indirect Ownership of Assets**

Through uXchange, your investments are held on your behalf and not in your name, however you retain the beneficial ownership of the investments at all times. The indirect ownership of the investments removes many of the burdens of paperwork, manual reconciliation or fax-based instructions associated with direct ownership.

# Risks

## What is Risk?

'Risk' can generally refer to the variability and volatility of an investment return and the likelihood of incurring a loss on your investment.

## Your Personal Situation

Before you apply to invest in uXchange, you should identify exactly what you want your investments to achieve and what level of risk you are willing to take on the investment failing to perform in line with your expectations or performing negatively over a period of time. This may depend on your personal situation and stage of life.

We strongly recommend that you obtain personal advice from your Adviser as to the investments you and your Adviser select through uXchange, and also whether uXchange is suitable for your personal situation, needs and investment objectives.

## Some of the risks relevant to uXchange

The following section outlines the risks of uXchange, and of investing generally.

Each Managed Fund listed on the uXchange Approved Product List also has its own specific risks, which are considered below.

Importantly, as uXchange offers you the ability to choose your investments, the risks of investing and performance of your portfolio are highly dependent on the investments that you select.

## General Investment Risks & inherent risks of uXchange

### Market Risk

There is always a risk that any investment may fall as well as rise in value through the movement of investment markets as a whole. Market forces will impact the price of investments, and at their worst, market values of some assets may become zero if adverse market conditions are encountered.

### Political Risk

There is a risk that investments could be adversely impacted by political factors. These could include changes to domestic and international political parties, legislative changes (such as the treatment of taxation) or change in government policy.

### Volatility of Returns

Risk is inherent in every investment decision and in general, the higher the risk associated with an investment, the higher the expected potential returns on the investment. Investment returns may be volatile over time, and the possibility therefore exists for a Member to lose money or be unable to recover their initial investment amount. The value of your Account will rise and fall in value. It is important for Members to know that the future performance of any investment in uXchange is not guaranteed, including any return in the form of income.

### Scheme Risk

There is an inherent level of risk involved in investing in uXchange. This includes the risk of changes to the Constitution (e.g., altering fees, notice periods or redemption processes). If we increase fees, then we will provide you with 30 days' notice. Other risks include Equity Trustees being removed as the Responsible Entity or uXchange closing and being dissolved.

### Structural Risk

The fact that your investments are held indirectly through uXchange means that, compared with direct investments you hold in your own name, your ability to deal with your investment may be affected in the unlikely event of a breach of duty or insolvency on the part of the Responsible Entity or the Custodian.

The structure of uXchange also means that you rely on the Responsible Entity and the Administrator to satisfactorily carry out their obligations through the proper utilisation of their administrative systems and processes. There is a risk that a failure in any of these systems and processes will cause a delay in processing and reporting on your Account amongst other implications.

## Investment Manager / Fund Manager Risk

There are risks associated with the management of each Managed Fund in your portfolio. The manager may not achieve the benchmarks set and there is a risk that your investments may not perform as well as expected. Additionally, a manager may lose key people or manage risk poorly, may lose its license to operate or become unable to perform its duties. There is also a risk their mandates or strategies could be altered or closed.

## Technology Risk & Fraud

There is a risk that persons with access to your Account details may provide us with fraudulent or other unauthorised instructions; you should keep any username and passwords secure, and if contacted regarding a transaction that you were unaware of, contact your Adviser or the Administrator promptly. There is also risk associated with the reliance on technology systems and interfaces provided by external service providers.

## Legal & Regulatory

Changes in laws or their interpretation, including taxation, corporations and superannuation laws, may have a negative impact on your investment.

## Limited Cooling-Off Rights

If you wish to withdraw from uXchange then you can make a request within 14 days from the earlier of the day you receive confirmation of your initial application, and the end of the fifth day after the day your first investment is made through uXchange. The Responsible Entity must take all reasonable steps to give effect to a direction by you to realise an underlying investment or to return to any moneys held for you, unless the Responsible Entity reasonably considers that it would not be fair to all members.

However, fees and other costs may apply and also the value of the investments may have changed, meaning that you may receive an amount or value less than your initial application amount. Please go to the Cooling-off Rights section for further details.

## Specific Investment Risks

The risks outlined below are not a full list of investment risks and you should read the relevant Managed Fund's PDS.

### Liquidity Risk

Liquidity risk is the risk incurred in possessing a financial product where it is difficult or impossible to realise or redeem the investment because of lack of demand. This risk can be higher for particular types of investments, such as small capitalisation shares, direct property, many alternative assets and some credit instruments. Liquidity may also be limited in certain markets. Additionally, for some investments such as Managed Funds, redemptions may be suspended, delayed or altered at the level of the Managed Funds. This may impact the ability of a Member to exit/liquidate their underlying investment.

Under the terms of the Constitution of uXchange the Responsible Entity is entitled to refuse to act on requests to redeem an investment in uXchange in certain situations.

### Sector Risk

Sector risks include but are not limited to demand for the type of product or service a company produces or provides, commodity prices, the economic cycle of industry, shifts in consumer demands, lifestyle changes or advances in technology.

### Concentration Risk

Concentration risk means that, should a particular asset class be adversely impacted, other highly correlated asset classes run a greater risk that they will also be affected. You have the flexibility to design your investments portfolio as you see fit, however, you should be aware of the risk of concentrating on similar or correlated asset classes and seek specific advice on the level of concentration risk appropriate to your circumstances.

### Equity Risk

Equity risk is the risk inherent in investing in listed equities (e.g., shares), where prices may be volatile due to stock market dynamics. Such dynamics may include company-specific issues (change in management, failure of a business venture, etc.), economic conditions, regulatory changes or political influences. Shares issued by companies may fall in price (value) or at their worst, may lose all of their value. International shares may be affected by foreign exchange (currency) movements, different taxation treatments to those applied to Australian shares and political and regulatory risks/changes associated with overseas markets and countries.

In a declining market, securities of smaller capitalisation companies may experience short-term price variation and may become less liquid, therefore increasing liquidity risk. Smaller companies are also likely to be more financially dependent upon a small number of key management personnel. This increases the risk of a company becoming insolvent if there are adverse developments, including failure of a product, loss of a large customer or changes in management.

There may be other risks associated with the use of hybrids, convertible preference shares and other non-vanilla equities such as counterparty and settlement risk.

## Fixed Income Risk

Fixed income investments are subject to default risk. This is where the credit issuer fails to meet interest payments or repay the principal of your capital or both. By investing in a fixed income investment (via a Managed Fund), there is a risk that if you terminate before the maturity date, you could be subject to costs or reduced interest. Such risks will be outlined in the Managed Fund's PDS.

## Interest Rate Risk

Investments may be subject to movements in domestic and international interest rates, which may affect the value of an investment and/or markets as a whole. For example, if interest rates rise, then this may have an adverse effect on the cost of a company's borrowings and fixed interest debt securities may also fall in value. Also, a company or Managed Fund may breach the financial obligations of their financier and be forced to liquidate and repay outstanding debt obligations.

## Currency Risk

Currency risk is sometimes called exchange rate risk. Currency risk is the risk inherent in investments made in foreign markets. Movements in the Australian dollar exchange rate can adversely impact the return on an investment denominated in foreign currency, and thus can generate a decline in value or a loss of investments exposed to currency risk. Positive movements in exchange rates can also work in favour of investments exposed to currency risk.

## Credit Risk

Credit risk is the risk that a third party to a credit transaction will not honour their obligations and may default on payments of interest and/or principal. In some instances, derivatives such as credit default swaps are used to mitigate such risk, however this may incur derivative risk (see below).

## Derivative Risk

A derivative is a financial instrument which has characteristics derived from an underlying asset or index. The use of derivatives attracts a higher level of risk than other investment classes. The risks include the failure of the value of derivatives to move in line with the underlying asset, a derivative position may be costly to reverse, the parties/counterparties associated with the derivative contract may not fulfill their obligations, and derivatives may be impacted by market liquidity. As derivatives are a leveraged investment, your potential losses and gains are multiplied in relation to movements in the price of the underlying assets.

Derivatives including put and call options can be used to protect against changes in the market value of existing investments, to simulate an investment position without purchasing or redeeming the underlying asset and to partially or substantially manage against various risks such as credit and interest rate risks or to gear an investment or a portfolio.

*Note, that derivatives are not directly traded by uXchange. Some of the Managed Funds on the uXchange Approved Product List may use these types of securities, please read the applicable PDS for more information.*

# Establishing an Account

**“Your Adviser will assist in the establishment of a uXchange Account online. The process we follow to open an Account is described in this section”**

## Your Account

Your account will be established, and you will become a Member, once we accept your completed electronic Application.

The Eligibility Criteria are outlined in the Important Information section.

The Responsible Entity may refuse to accept applications from particular persons or classes of persons.

## How to Apply

To apply online for an Account in uXchange you/your Adviser will need to do the following:

1. Your Adviser will need to sign and agree to the terms of an AFSL Agreement with the Administrator;
2. Your Adviser will gather copies of AML/CTF identification documents in accordance with the AML/CTF requirements.
3. You and your Adviser will establish and/or link your CMA to uXchange and ensure the Administrator has third party general withdrawal and enquiry authority on the account;
4. With assistance from your Adviser, the online submission of your Application will be completed, including the required declarations.
5. You will receive an email with a link to an electronic document. The Application Form will be presented to you, along with personal details of your application, warnings and declarations. If you do not agree with any of the information or do not wish to proceed, you will need to decline to sign and can write the reason for this. Alternatively, if you do not respond within 3 Business Days, your electronic application will be voided. If you do respond within the 3 Business Days with your electronic signature authorising the application to proceed, you will receive firstly a copy of your signed Application Form by email.

6. Once an authorised signed Application Form has been received from you, the Administrator will then process the application. If successful, your account will be opened.

The manual paper-based Application Form is available on [www.uxchange.com.au](http://www.uxchange.com.au). In circumstances where a paper-based form is used, steps 1 to 3 are still applicable, and step 6.

## Minimum Initial Investment

The minimum initial investment in uXchange is \$100 unless otherwise permitted by the Responsible Entity.

Applications must be complete.

An Application will only be processed when the Eligibility Criteria are met, and the process outlined in the “How to Apply” section is fulfilled. We reserve the right to refuse an application in whole or part at our discretion.

## Application Money

All application amounts need to be paid into your linked CMA and held as cleared funds. When an instruction is received from your Adviser to invest in a Managed Fund, the Administrator will transfer the money from your CMA to the Custodian in order to make an investment into the selected Managed Fund/s. If the cleared funds are not available based on the CMA’s records, the order will be rejected.

## In-Specie Transfers In

Your existing holdings of interests in Managed Funds can be transferred into your uXchange Account (at the time of Application or at a later time) as long as the securities are beneficially owned by you (which may include those held in custody through other services) and

- the Managed Fund is listed on the uXchange Approved Product List as an approved product; and
- the Custodian receives appropriately signed transfer forms.

## If you cease to have an Adviser

If you cease to have an Adviser appointed, or if your Adviser is no longer authorised to distribute uXchange, you will not be able to retain your Account in uXchange unless another Adviser is appointed to your Account.

Should this occur, you will cease to be an eligible person under the Constitution and the Responsible Entity will provide you three months' notice that action needs to be taken to seek a replacement Adviser, or your Account will be closed. No applications to Managed Funds will be processed in this period. The Administrator will contact you to understand your next steps, which may involve appointing a new Adviser, selling the holdings, or transferring the assets elsewhere. The Administrator can provide you with a list of the Advisers to choose from if you wish to remain an eligible person under the constitution.

If the notice period expires and you do not have an Adviser appointed, then the Responsible Entity will treat this as a withdrawal of your total Account balance. The assets in your Account will be transferred on your valid instruction or sold, the proceeds transferred to your linked CMA and your account will be closed.



# How does your Account work?

**“An Account in your name is held within uXchange to hold your Investments; this section explains how it works”**

When your application into uXchange has been accepted by the Responsible Entity, an Account will be established for you. The Account will hold records of the transactions processed on your behalf and the most recently available value of your Account as at the close of business each day.

In conjunction with your Adviser, you choose your investments from the uXchange Approved Product List. Your Adviser will be able to monitor unsettled and settled transactions.

You will be provided with quarterly and annual reports.

Your Adviser can review, at any time, various reports such as valuations, transactions and holdings. You may also be entitled to obtain access to this information. If you would like to do so, please contact your Adviser.

## Transacting

Once your Account is established you can begin transacting on your Account. Your Adviser can then provide us with your Managed Fund purchase / redemption instructions.

Please be aware that transacting on your Account will attract fees and other costs. See the Fees and Other Costs section for further details.

## Choosing your Investments

The uXchange Approved Product List contains a list of Managed Funds in which you can invest through uXchange. The complete uXchange Approved Product List is available at [www.uxchange.com.au](http://www.uxchange.com.au).

## Account Instructions

We will receive your instructions for purchases and redemptions of Managed Funds from your Adviser electronically.

We generally process the initial cleared fund instruction order within 1 Business Day after we receive them. We generally expect to receive confirmation from the Custodian, within 3 Business Days, that the transaction has been completed. However, we note that processing of transactions may be impacted by the fact that certain assets may not be daily priced, or during distribution periods, the Managed Funds may be delayed in processing the instructions for up to 4 weeks. Additionally, there may be times when the processing times are not achievable, for reasons outside our control.

We may accept instructions provided in writing to us by post, however, uXchange is an online product and we do not guarantee the processing timeframe of these manual instructions. There are terms and conditions relating to online instructions to which you agree when you make an application. These are set out in the Authorisations section.

## Cash Account and Timing of Account Instructions

Your CMA may be debited in advance to allow the timely processing of your instruction. This is to facilitate deadlines set by the Issuer of the Managed Fund, the Custodian, and the Administrator. No interest will be payable by the Responsible Entity or the Custodian for the funds held in respect of uXchange during this time period.

In the event that the Issuer rejects the application, your funds will be returned to your linked CMA.

## Distributions

The Custodian will establish separate accounts with each Managed Fund to record the holding of Members that have chosen either reinvestment under a DRP or cash payment of distributions. Members may elect either the DRP or cash payment for separate investment options in their account.

Any income received as a cash payment will be transferred to your linked CMA.

Where you have chosen to reinvest distributions under a DRP, the amount of the distribution will be applied to purchase additional units in the applicable Managed Fund in accordance with the Issuer's PDS.

In order for an existing Member to put in place a DRP for a Managed Fund, they will be obliged to provide a new Application Form.

The election to reinvest distributions under a DRP can be made for each Managed Fund on the Application Form.

## Redeeming all or part of your investment

You can generally request redemption of units in a Managed Fund from your Account at any time by providing an Account Instruction. Payment will be made to your linked CMA. If you would like to transfer your uXchange holding via an In-Specie Transfer, please see the section titled 'In-Specie Transfers Out' below.

We will endeavor to comply with your Account Instruction request to redeem promptly, subject to our and the Issuer's ability.

We may also terminate your interest in uXchange in the event that the amount in your Account is less than any minimum required amount or you cease to be an eligible person. In both situations we will provide you with 30 days' notice of our intention to do so.

Where a Fund Manager imposes a minimum holding requirement and that minimum is breached, the Administrator may be obliged to redeem that investment and return the proceeds to each Member that holds that Managed Fund.

## Redemption Instructions

We will generally commence the instruction of redeeming the investments within 1 business day following receipt of your Account Instruction however, there may be delays in redeeming assets due to factors beyond our control, such as market conditions, Managed Fund Issuer restrictions and the liquidity of the investments. See the Risks section for further details.

We would generally expect that the proceeds of the redemption request be available in your linked CMA within seven (7) business days of the confirmation of the order from the Managed Fund Issuer to the Custodian.

Longer periods may apply, for example, in the case of the ex- distribution period of a Managed Fund or a non-daily priced fund.

## Withdrawing Cash

Under the terms of the uXchange Constitution, you are allowed to make requests to withdraw some or all of your investment in uXchange, by redeeming some or all of your investments in Managed Funds. If you submit a withdrawal request, then except in a limited number of specified circumstances, we are generally required to process it within a reasonable period having regard to the composition of the investments in your Account, even where processing your request will cause the total uXchange holding in a Managed Fund to drop below the minimum holding for that fund. However, where we consider that processing your withdrawal request may negatively impact other Members, we have a discretion to delay payment of redemption proceeds by up to 30 days. We also have a general right to suspend considering redemption requests, or to suspend paying redemption proceeds, where circumstances outside our control (such as volatile market conditions) make it impossible, or not fair to all uXchange members, to consider the request or make the payment (as applicable). We consider that in practice there are very few circumstances in which we would exercise these rights.

As previously highlighted, your linked CMA does not form part of the legal structure of uXchange. You are therefore able to withdraw cash from this account at your discretion. A cash withdrawal instruction cannot be processed by the Administrator and you will need to facilitate this request directly with your Adviser and the CMA provider.

Please always ensure there is sufficient cash in your CMA to settle trade instructions and pay fees.

NOTE - We will not accept a variation instruction regarding your nominated bank account from your Adviser. All Account Instructions in relation to changing your nominated CMA must be accompanied by a signature of the Member / primary account holder.

## In-Specie Transfers Out

If you no longer wish to hold your investments in uXchange, you may be able to transfer them out by requesting an In-specie transfer. Your Investments can then be held in your own name or through another structure or service.

You must provide a Standard Transfer Form for the transfer Instruction, indicating the details of the requested transfer.

Please note we are only able to transfer your investment in uXchange to an account where the beneficial ownership of that investment will be the same as under which your investments are held in uXchange.

There may be a CGT event as a result of the transfer, discuss this with your Adviser. We will also recover from you some or all of our costs associated with arranging the transfer, via a deduction from your CMA (see the Fees and Other Costs section for further details).

## When we will not process redemptions

We may suspend redemptions of units in your investments if we are unable to redeem the underlying Managed Fund through circumstances outside of our control. Notification of such events will be placed on [www.uxchange.com.au](http://www.uxchange.com.au) and noted in the uXchange Approved Product List.

Redemption rights may also be affected where redemptions are offered on a scaled-back basis, for example, where the investment is 'illiquid'. As your investments may be pooled with other Members, the amount you could be entitled to may be distributed pro-rata with the other Members, resulting in an amount less than would be the case if the investment was held individually.

In some circumstances, Managed Funds may be frozen, meaning that the Issuer of the Managed Fund cannot or will

not process redemptions and therefore we would also be unable to process your redemption request from uXchange.

Equity Trustees has no visibility as to the liquidity position of the underlying Managed Funds. In the unlikely event that a withdrawal by one Member causes the total uXchange holding in a Managed Fund to drop below the minimum holding for that fund, then the responsible entity of the underlying Managed Fund may redeem the remaining units of the uXchange holding. While Equity Trustees will seek to process all redemption requests in a way that doesn't have a material adverse impact on other members, we cannot guarantee that will always be the case.

Under the Corporations Act, a responsible entity of an underlying Managed Fund retains the right to freeze withdrawals where accepting a withdrawal is not in the best interests of investors in that Managed Fund including due to one or more circumstances outside its control or where an underlying Managed Fund is not liquid (as defined in the Corporations Act). The responsible entity of that Managed Fund can deny or suspend a withdrawal request and investors in that Managed Fund may not be able to withdraw their funds in the usual processing times or at all. When an underlying Managed Fund is not liquid, an investor in that Managed Fund can only withdraw when the responsible entity of the Managed Fund makes a withdrawal offer to investors in accordance with the Corporations Act. The responsible entity of the underlying Managed Fund is not obliged to make such offers.

# Reporting

## “Reports are provided electronically via email”

You will be provided with quarterly reporting via email. Your Adviser may also provide you with access to continuous reporting online through the uXchange Portal.

We will only accept Applications from Members who agree to receive their reports electronically and who have a valid email address. See details about our online terms and conditions in the Authorisations section.

## Account Information

Each Member's Account is accounted for separately.

The following information about your Account will be provided to you as it becomes available:

- Quarterly report of your holdings and valuation of your Account;
- A transaction history of any investment transactions made on your behalf;
- Any details of distributions received in your Account;
- Tax Distribution statements that detail the allocation of tax components for your Account per holding in that financial year as applicable;
- Any fees, costs and other charges deducted from your Account, which include the costs of investing in uXchange and the costs of the investment options you select as described in the PDS of each of your investment options; and
- Audited financial statements for the Scheme will be provided as part of annual reporting.

Alternatively, Members with online access should note that when we are applying for or redeeming amounts from the Managed Funds for you, you will not be able to see the exact composition of your Account until these transactions have been settled. There may be times when the delay is for a longer period at the Responsible Entity's or the Fund Managers' discretion (if relevant).

## Confirming Transactions

We will provide you and your Adviser with confirmation of transactions by email unless you have obtained access to continuous reporting online.

## Distribution Reports

The Administrator will provide to each Member an annual report that details the income distributions and allocation of tax components for your Account per holding in that financial year.

## Audit Reports

Each year, we will obtain an independent auditor's report on the systems and controls applied to uXchange that supports the accuracy of the information in your annual transaction and valuation statements. A copy of this report will be sent electronically to each Member with the annual report within three months of the financial year-end.

## Communications in relation to your underlying investment

As the investments in your Account are held in the Custodian's name, the Administrator and the Responsible Entity receive notices and certain other communications that relate to your investments, but a separate statement will be provided on your distribution entitlements.

The Responsible Entity or the Administrator may provide a summary of these communications to your Adviser or provide you with a copy of the communications on request (including those communications which an investor in that underlying investment can elect to receive). Speak to your Adviser if you would like to receive a copy of this communication.

# Taxation

The taxation information in this PDS is intended as a guide only and should not be relied upon by Members as professional taxation advice. The information is based on the Responsible Entity's understanding of the existing and enacted Australian tax law and how it relates to Members as at the date of this PDS. Members should be aware that taxation laws and their interpretation may be subject to change.

It is strongly recommended that Members seek their own independent professional tax advice in relation to an investment via uXchange, as taxation treatments may differ according to individual circumstances.

The following information assumes:

- Members are Australian residents for taxation purposes
- Members hold investments on capital account (e.g., Members are investors, rather than traders), and accordingly may qualify for Capital Gains Tax ("CGT") concessions for net capital gains made on the disposal of assets held for more than 12 months
- Members do not hold their investments on revenue account or as trading stock or as part of a profit-making undertaking or scheme
- Members are not subject to the Taxation of Financial Arrangements ("TOFA") regime.

Members are advised to seek their own independent professional tax advice in relation to an investment in uXchange, as taxation treatments may differ according to individual circumstances.

## Taxation of uXchange

Members are the beneficial owners of all of the assets in their individual Accounts and have interests in the assets held through uXchange that cannot be defeated or terminated. As the Members remain the beneficial owners of the assets, they are directly liable for tax payable in relation to those assets. Therefore, uXchange would most likely not be liable to pay tax on the income or gain realised from the Members' assets. Any income or gain attributable to the assets held in a Member's Account is deemed to accrue directly to that Member. In the case where a loss is made from the assets, that loss is also accrued directly to the corresponding Member who holds that particular asset. That Member may carry forward the loss to offset against future taxable income in subsequent years, subject to certain requirements.

## Tax on Income

Broadly, any income derived from Members' Accounts (e.g., dividends, interest, gains on the disposal of investments) should be included in the Members' assessable income. However, Members may be able to offset or decrease their tax liability with any tax credits received (e.g., franking credits, foreign income tax credits).

The period for which the Member has held the underlying securities which the franking credits relate to will affect their entitlement to use such credits as a tax offset to their tax liability. The general rule is that Members are only entitled to the franking credits if they have held the securities in question at risk for more than 90 days for preference securities and more than 45 days for ordinary securities.

Members should seek their own independent professional tax advice because there may be specific operation of the tax law or exemptions that may be specifically relevant to them. Through our online tax reporting, Members can see the approximate tax credits generated by their Accounts.

## Capital Gains

Disposal of investments in a Member's Account arises from redemption requests submitted by the Member's Adviser. These disposals of investments may lead to a net capital gain or loss for the Member under the CGT provisions of the tax legislation. Members are required to include any net capital gain derived in their assessable income for a particular income year.

Where a disposal occurs, the amount of capital gain or loss is generally calculated as sale proceeds less the cost base of the asset. In calculating the taxable amount of a capital gain, a discount of 50% for individuals and trusts or 33 1/3% for complying Australian superannuation funds may be allowed where the asset disposed of was held for more than 12 months. No CGT discount is available to companies. If the Member realises a capital loss on their investment, the loss may be applied against other capital gains the Member may have. Unused capital losses can be carried forward and may be utilised in a future income year.

## Foreign Investments

Generally, foreign source income (e.g., foreign dividends, interest, distributions and capital gains) should be included in the Member's assessable income in Australia. Members can claim foreign income tax offsets ("FITOs") for foreign income tax or withholding tax paid by a foreign entity in the country from which the income is derived. The amount of FITOs that can be claimed is limited to the higher of \$1,000 or the Australian income tax that would have been payable on the corresponding amount of foreign income. Foreign income or gain on which foreign income tax is paid must be

included in the Member's assessable income for Australian tax purposes before FITOs can be claimed.

In addition, controlled foreign company ("CFC") rules may apply to Members who hold substantial interests in certain foreign entities. If applicable, the rules would operate to attribute certain amounts of income of the CFC to the Member. Members are advised to seek independent professional tax advice in this regard as whether or not these rules apply will depend on their particular circumstances.

## Providing Your Tax File Number (TFN)

We will not accept applications to uXchange without a valid TFN, ARSN, Australian Business Number ("ABN") or TFN exemption reason in the Application Form.

Although it is not a legal requirement for Members to provide a TFN or ABN, we may be required to deduct tax at the highest marginal rate plus Medicare levy from all income in circumstances where a Member does not quote a TFN or ABN, or where a Member does not claim an appropriate exemption from quoting a TFN or ABN.

Tax may be withheld on income from foreign sources and is calculated as a rate of withholding tax applied to that foreign income.

## Goods and Services Tax (GST)

GST will be charged on, or incorporated into, various expenses paid by the uXchange, including the fees charged for managing and administering the uXchange. All fees quoted in this PDS are inclusive of GST. GST registered eligible Members may be able to claim back part or all of the GST.

## Foreign Account Tax Compliance Act

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

Under FATCA, Australian financial institutions are required to collect and review their information to identify U.S. residents and U.S. controlling persons that invest in assets through non-U.S. entities. This information is reported to the Australian Taxation Office ("ATO"). The ATO may then pass that information onto the U.S. 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 Scheme, to the extent relevant, being subject to a 30% withholding tax on payment of U.S. income or gross proceeds from the sale of certain U.S. investments. If the Scheme 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 Scheme.

## 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.



# Fees & Other Costs

“uXchange fees are transaction based rather than on an ongoing basis point fee.

This structure results in a cost-effective way to buy, sell and hold managed funds.

Compare uXchange fees with other platforms to better understand the cost advantages of our approach.”

## 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 & 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 for particular investment options are available via the uXchange Approved Product List available on the website at [www.uxchange.com.au](http://www.uxchange.com.au) or in the Issuer PDS's.

The investment options you select to invest in via uXchange are referred to below as **Managed Funds**.

All fees and costs set out below are quoted inclusive of GST (less any reduced input tax credits) and stamp duty.



# Fees and costs summary

| <i>uXchange</i>  |   |  |
|--|---|--|
| Type of Fee or Cost  | Amount  | How and When Paid  |
| <b>Ongoing annual fees and costs</b>   |   |  |
| <b>Management fees and costs <sup>1</sup></b><br>The fees and costs for managing your investment               | For each application to or redemption out of a Managed Fund processed on your instruction, a transaction fee applies in an amount equal to 0.11% (11 basis points) of the relevant transaction amount, subject to a maximum of \$55.00 and a minimum of \$1.10 for each such transaction. | For applications: Deducted from your linked CMA in addition to the application price and paid to the Administrator at the time of the relevant transaction.<br><br>For redemptions: Deducted from the redemption proceeds at the time of settlement of the relevant transaction, before the balance of the proceeds are deposited into your CMA. |
| <b>Performance fees</b><br>Amounts deducted from your investment in relation to the performance of the product | Not applicable  | Not Applicable   |
| <b>Transaction costs</b><br>The costs incurred by the scheme when buying or selling assets                     | Not applicable  | Not applicable   |

<sup>1</sup> Refer to “Transaction fees” in the “Additional Explanation of Fees and Costs” section for more details.

| Member activity related fees and costs (fees for services or when your money moves in or out of the product) <sup>2</sup>   |     |                |
|---|-----|----------------|
| <b>Establishment Fee</b><br>The fee to open your investment   | Nil | Not Applicable |
| <b>Contribution Fee</b><br>The fee on each amount contributed to your investment  | Nil | Not Applicable |
| <b>Buy-sell spread</b><br>An amount deducted from your investment representing costs incurred in transactions by the scheme | Nil | Not Applicable |
| <b>Withdrawal Fee</b><br>The fee on each amount you take out of your investment   | Nil | Not Applicable |
| <b>Exit fee<sup>3</sup></b><br>The fee to close your investment   | Nil | Not applicable |
| <b>Switching fee<sup>4</sup></b><br>The fee for changing investment options   | Nil | Not applicable |

<sup>2</sup> Additional services fees may apply. Please refer to the 'Additional explanation of fees and costs section' below for further information.

<sup>3</sup> No exit fee is payable, however any fees and costs accrued but not yet paid would be deducted from your linked CMA or from your Account prior to the investments in your Account being transferred out. Also, transaction fees or expenses may be payable on the redemption of any assets. For instance, we recover from you certain costs we incur associated with processing in-specie transfers of investments out of uXchange. For details, see the 'Additional explanation of fees and costs' section below.

<sup>4</sup> Whilst no separate switching fee is charged, other types of fees and costs will be payable if you make changes to the investment options offered through uXchange and associated with your Account. For details, see the 'Additional explanation of fees and costs' section below.

## Example of annual fees and costs – uXchange

This table gives an example of how the ongoing annual fees and costs for uXchange can affect your investment over a 1-year period. You should use this table to compare this product with other investor directed portfolio service-like schemes.

| Example - uXchange   |  |   |
|--|--|---|
| Balance of \$50,000 invested in the Vanguard Balanced Index Fund through uXchange with a \$5,000 contribution to uXchange and investment in the Vanguard Balanced Index Fund during year |  |   |
| Contribution Fees  | Nil  | For every additional \$5,000 you put into uXchange, you will be charged \$0.  |
| PLUS Management fees and costs   | Transaction fee in an amount equal to 0.11% of transaction amount, subject to a minimum of \$1.10 and a maximum of \$55.00 | And, for every year in which you instruct us to invest \$55,000 in Vanguard Balanced Index Fund via uXchange, you will be charged or have deducted from your investment \$60.50 that year. <sup>5</sup>   |
| PLUS Performance fees  | Nil  | And, you will be charged or have deducted from your investment \$0 in performance fees each year.   |
| PLUS Transaction costs   | Nil  | And, you will be charged or have deducted from your investment \$0 in transaction costs.  |
| EQUALS cost of uXchange  |  | If you invested \$50,000 in an underlying Vanguard Balanced Index Fund and you contributed an additional \$5,000 to your uXchange account and invested it in the Vanguard Balanced Index Fund during that year, you would be charged fees of \$60.50 <sup>5,6</sup> |
|  |  | What it costs you will depend on the investment options that you choose and the fees you negotiate.   |

The fees and costs charged by the Responsible Entity in relation to uXchange relate only to uXchange and access to the accessible financial products available via uXchange, and do not include the fees and costs that relate to investing in those accessible financial products. Additional fees and costs will be charged by the issuers of the accessible financial products that you decide to invest in.

<sup>5</sup> This example only shows the fees and costs that relate to accessing the underlying Vanguard Balanced Index Fund using uXchange, and not the fees and costs of the Vanguard Balanced Index Fund itself. Additional fees and costs will be charged by the issuer of each Managed Fund that you direct us to invest in on your behalf. Please refer to Example 4 below which illustrates the combined effect of fees and costs of uXchange and an underlying Managed Fund.

<sup>6</sup> This example assumes that the only transactions on your uXchange account that occur during the year are a \$50,000 application into the Vanguard Balanced Index Fund and a subsequent \$5,000 investment in uXchange and application into the Vanguard Balanced Index Fund using that \$5,000 as application funds. The example therefore assumes you do not subsequently sell all or any part of your indirect investment in the Vanguard Balanced Index Fund during the year. Transaction fees will apply each time you transact in or out of an underlying Managed Fund. Additional fees and costs may also apply at the uXchange level in connection with member activity related transactions on your uXchange account, including in-specie transfer costs.

# Cost of product information

## Cost of product for 1 year

The cost of product gives a summary calculation about how ongoing annual fees and costs can affect your investment over a 1-year period for all product options. It is calculated in the manner shown in the Example of annual fees and costs.

The cost of product assumes a balance of \$50,000 at the beginning of the year with a contribution of \$5,000 during the year. (Additional fees such as an establishment fee or an exit fee may apply, refer to the Fees and costs summary for the relevant option.)

You should use this figure to help compare this product with other investor directed portfolio services.

| Product  | Cost of Product |
|----------|-----------------|
| uXchange | \$60.50         |

The above cost of product information only shows the fees and costs that relate to accessing investments using uXchange and not the fees and costs of the investment options, such as management fees and costs set out in the relevant Managed Fund PDS. Additional costs are charged by the issuers of those products that you decide to invest in.

## Additional Explanation of Fees and Costs

The total fees and charges you will pay will include the costs of investing through uXchange, as well as the fees and costs associated with investing in Managed Funds. It is important you understand the fees or costs relating to the Managed Funds you choose, as those fees or costs will apply in addition to the fees and costs charged by the Responsible Entity in connection with your access to and use of uXchange.

Please refer to the uXchange Approved Product List where a link to the product disclosure statement for each Managed Fund (Managed Fund PDS) is provided. The Managed Fund PDS will provide details about the fees and costs you may be charged if you select that investment option.

## Management fees and costs

### Transaction Fees

Transactions on your Account attract a transaction fee. We add the transaction fee on to the amount we apply to settle an application (and therefore deduct the fee from your linked CMA) or, in the case of a redemption from a Managed Fund, we deduct it from the redemption proceeds before the balance of the redemption proceeds is credited to your CMA.

The transaction fee is equal to 0.11% (11 basis points) of the relevant transaction amount, subject to a minimum fee of \$1.10 and a maximum fee of \$55.00 for each transaction.

Note that the fee is calculated based on each transaction (and the fee cap is applied to each transaction accordingly), not the aggregate transactions processed on any day.

The table below gives examples of what the transaction fee would be for different transaction amounts.

| Buy or Sell Order amount | Transaction Fee Percentage | Transaction Fee before fee cap is applied | Maximum Transaction Fee Amount (per transaction) | uXchange Transaction Fee |
|--------------------------|----------------------------|---|--|--------------------------|
| \$100                    | 0.11%                      | \$1.10 <sup>7</sup>                       | \$55.00  | \$1.10                   |
| \$200                    | 0.11%                      | \$1.10 <sup>7</sup>                       | \$55.00  | \$1.10                   |
| \$500                    | 0.11%                      | \$1.10 <sup>7</sup>                       | \$55.00  | \$1.10                   |
| \$1,000                  | 0.11%                      | \$1.10                                    | \$55.00  | \$1.10                   |
| \$2,000                  | 0.11%                      | \$2.20                                    | \$55.00  | \$2.20                   |
| \$5,000                  | 0.11%                      | \$5.50                                    | \$55.00  | \$5.50                   |
| \$10,000                 | 0.11%                      | \$11.00                                   | \$55.00  | \$11.00                  |
| \$20,000                 | 0.11%                      | \$22.00                                   | \$55.00  | \$22.00                  |
| \$30,000                 | 0.11%                      | \$33.00                                   | \$55.00  | \$33.00                  |
| \$40,000                 | 0.11%                      | \$44.00                                   | \$55.00  | \$44.00                  |
| \$50,000                 | 0.11%                      | \$55.00                                   | \$55.00  | \$55.00                  |
| \$60,000                 | 0.11%                      | \$66.00                                   | \$55.00  | \$55.00                  |
| \$70,000                 | 0.11%                      | \$77.00                                   | \$55.00  | \$55.00                  |
| \$80,000                 | 0.11%                      | \$88.00                                   | \$55.00  | \$55.00                  |
| \$90,000                 | 0.11%                      | \$99.00                                   | \$55.00  | \$55.00                  |
| \$100,000                | 0.11%                      | \$110.00                                  | \$55.00  | \$55.00                  |

<sup>7</sup> Each transaction is subject to a minimum transaction fee of \$1.10.

## Management Fees charged by underlying product issuers

Each Managed Fund you choose to invest in has an underlying fee and cost structure, and you may be required to pay those fees and costs in relation to each Managed Fund you select for investment. The uXchange Approved Product List provides limited details of some of these fees and costs. You should read each relevant Managed Fund PDS to ascertain all the fees and costs you will be required to pay if you select that Managed Fund for investment. Please be aware that the issuer of a Managed Fund often has a power to change these amounts at any time.

Examples of how the Issuer of a Managed Fund calculates a 'Management Fee' which is reflected in the unit price of the relevant Managed Fund, are provided below. In each case, that Management Fee is effectively borne by the holder of the uXchange Account in addition to the fees and costs it must pay to use uXchange.

### Example 2

*The trustee of the XYZ Superannuation Fund holds a uXchange Account. It has elected to invest \$100,000 into a Managed Fund called Beta. The Management Fee for Beta is shown on the uXchange Approved Product List as 0.30% per annum. The annual Management Fee paid to the issuer of Beta and reflected in Beta's daily unit price (assuming no change in the value of the investment) would be \$300 (\$100,000 x 0.30%).*

### Example 3

*The trustee of the ABC Superannuation Fund holds a uXchange Account. It has elected to invest \$100,000 into a Managed Fund called Alpha Plus. The Management Fee for Alpha Plus is shown on the uXchange Approved Product List as 4.00% per annum. The annual Management Fee paid to the Issuer and reflected in the Managed Fund's daily unit price (assuming no change in the value of the investment) would be \$4,000 (\$100,000 x 4.00%).*

## Other Managed Fund Fees and Costs

In addition to the Management Fee, the issuer of a Managed Fund typically incurs other costs and expenses

that will also be reflected in the prevailing unit price for that Managed Fund and are therefore borne by a uXchange Account holder who elects to invest in that Managed Fund through uXchange. Some examples are given below.

### Performance-related Fees

*Some Managed Funds will charge performance-based fees when the investment return generated exceeds a certain benchmark or certain specified criteria, if applicable. Any fees of this kind should be described in the relevant Managed Fund PDS.*

### Transactional and Operational Costs

*In managing the assets of the Managed Funds, the issuers of those Managed Funds may incur transaction costs such as brokerage, settlement cost, clearing costs and applicable stamp duty when assets of the Managed Fund are bought and sold. This generally happens when those assets are changed in connection with day-to-day trading or when there are applications to or withdrawals from that Managed Fund that cause net cash flows into or out of it.*

### Buy/Sell Spreads

*You may effectively incur Buy/Sell Spreads as a consequence of buying or selling investments in Managed Funds through uXchange.*

*The Buy/Sell Spread reflects the estimated transaction costs the issuer of the Managed Fund incurs in buying or selling assets of the Managed Fund when investors invest in or withdraw from the Managed Fund.*

*The Buy/Sell Spread is an additional cost to the person who holds an investment in the Managed Fund but is incorporated into the unit price for that Managed Fund and is incurred when a person invests in or withdraws from that Managed Fund. It is not separately charged to that person. The Buy/ Sell Spread is paid to an entity associated with the underlying Managed Fund (usually its issuer) and is not paid to the Operator or the Administrator.*

*The Buy/Sell Spread (if any) for a Managed Fund will be detailed in the relevant Managed Fund PDS. However, please note that the Buy/Sell Spread for a Managed Fund can be altered by the responsible entity of the Managed Fund at any time.*

#### Example 4

The following is a hypothetical example of the combined fees and costs that a Member may incur at the uXchange level and underlying Managed Fund level. Please note that it does not include all relevant fees and costs, such as transactional and operational costs charged by the Managed Funds (if any).

The trustee of the ABC Superannuation Fund has been an active member of uXchange during the year and applied to seven Managed Funds and has paid \$385 in transaction fees (\$55 for each Managed Fund). The fees and costs associated with the trustee of the ABC Superannuation Fund's investments in the Managed Funds are as follows:

### Underlying Managed Fund fees

|        | Investment Amount | Management fees and costs | Performance Fee | Total   |
|--------|-------------------|---------------------------|-----------------|---------|
| Fund A | \$50,000          | 0.54%                     | Nil             | \$270   |
| Fund B | \$50,000          | 0.80%                     | Nil             | \$400   |
| Fund C | \$50,000          | 1.20%                     | Nil             | \$600   |
| Fund D | \$50,000          | 1.50%                     | 0.22%           | \$860   |
| Fund E | \$50,000          | 0.51%                     | Nil             | \$255   |
| Fund F | \$50,000          | 1.54%                     | 2.37%           | \$1,955 |
| Fund G | \$50,000          | 0.90%                     | 1.18%           | \$1,040 |
| Total  | \$350,000         |                           |                 | \$5,380 |

The total fees payable by the ABC Superannuation Fund for its investment of \$350,000 across the seven funds in that year would be \$5,380 in management costs at the Underlying Fund level and \$385 in transaction fees at the uXchange level for a total of \$5,765 for the year.

The total of the fees and costs payable by the trustee of the ABC Superannuation Fund of \$5,765 would represent 1.65% of the total investment amount.



## Additional Service Fees

### Fees and costs associated with withdrawing funds from uXchange or exiting uXchange

Whilst the Responsible Entity does not charge a separate withdrawal fee or exit fee, you may nevertheless be required to pay certain amounts, or you may have amounts deducted from your Account, your linked CMA or your sale proceeds, in connection with your decision to withdraw some of your money from uXchange or to exit uXchange. These obligations can arise in connection with, for example, an in specie transfer off uXchange, or any other transactions on underlying investments that are required in order to give effect to your withdrawal or exit instruction (as applicable). We incur costs associated with processing in-specie transfers out, and we charge you an amount of \$44.00 per transfer out for each holding in a Managed Fund that you are transferring out, as a cost recovery. This cost is deducted from the linked CMA at the time of settlement of each in-specie transaction. Fees, costs or other expenses imposed by the provider of your linked CMA may also apply when you withdraw all or some of your money invested via uXchange.

### Fees and costs associated with switching investment options

Whilst the Responsible Entity does not charge a separate switching fee when you make changes to your investment options, an instruction from you to switch options results in an underlying asset being sold and a different asset being bought, so two separate transaction fees will be charged in this scenario – one for the sale and one for the purchase. See under “Transaction Fees” above for information on how transaction fees are calculated.

## Expense Recoveries

Under the Constitution, the Responsible Entity has a right to be reimbursed for all losses, damages and costs properly incurred in the course of its administration of uXchange. The Responsible Entity does not currently exercise its right to be reimbursed in relation to certain costs, such as legal fees or custody fees, however, it does recover certain expenses on a user- pays basis – for example, any bank charges and government taxes such as stamp duty. Expenses related to in-specie transfers may also be recovered fully or in part as outlined above.

## Maximum Fees or Waived Fees

The Constitution entitles the Responsible Entity to charge the following fees (set out below inclusive of GST) which are currently waived by the Responsible Entity in whole or part under this PDS:

- Member establishment fee - a fee to establish a Member Account not exceeding \$110. This fee has been waived.
- Management fee - up to 2.2% per annum of the aggregate value of the assets in a Member's Account calculated on a daily basis. This component of management fees and costs has been waived.
- Account keeping fee - a fee to maintain a Member Account not exceeding \$550 per annum. This fee has been waived.
- Transaction fee - a fee for processing any transaction of financial products to a maximum amount equal to the greater of 1% of the transaction value or \$110. The Responsible Entity currently charges less than this amount. See under ‘Transaction Fees’ in the table at the start of this ‘Fees and Other Costs’ section.
- Tax Processing fee - a fee not exceeding \$110 per annum. This fee has been waived.

## Variation of Fees

Under the Constitution, the Responsible Entity may waive, reduce or refund any part of the fees specified in this PDS. The Constitution sets out the limits for the fees that the Responsible Entity may charge and the method of recovery, the recurrence of the recovery and the timing of the recovery of the fees. Fees can be increased within those limits, without investor consent. If a change in fees results in an increase in fees or costs, then the Responsible Entity will give notice to Members at least 30 days before the change takes effect.

## Taxes

We may charge taxes to your Account. See the Taxation section for more details.

# **Additional Information**

## **Structure of uXchange**

To operate uXchange, the Responsible Entity relies on ASIC Class Order 13/762 which provides relief from some of the fundraising and disclosure requirements of the Corporations Act as long as the Responsible Entity complies with certain conditions, such as the requirement to provide you with regular reports about your investment in uXchange.

An investment in uXchange is an investment in a registered managed investment scheme. You have rights and protections similar to members of other managed investment schemes. However, uXchange is different to a unit trust in that, instead of units, Members acquire an “interest” in uXchange when they invest, i.e., each Member has a separate Account to which their investments are allocated. We administer your Account only in accordance with your instructions and otherwise on the terms set out in the Constitution and this PDS.

Investments are held in the name of the Custodian; however, each Member is the beneficial owner of the assets which appear in their Account. Each Member is fully responsible for any liabilities that arise in respect of their selected investments and in this way it is an ‘indirect investment’, similar to a custodial arrangement or service available through a wrap account or other member-directed portfolio service. A member’s rights in relation to assets they hold ‘indirectly’ in this way can be different to the rights the member would have if they had invested directly.

## **How Investing in uXchange differs to Investing Directly?**

It is important to recognise that acquiring interests in a Managed Fund through uXchange is not identical to holding these investments in your own right.

The Responsible Entity is acting as trustee to you in regards to your investments which are held on trust for your benefit. You remain the beneficial owner of your investments, receiving all the benefits such as distributions and gains, and retaining all the liabilities such as any expenses associated with your investments.

The rights relating to the underlying investments are held and exercised by the Custodian under instruction by the Responsible Entity on your behalf, for example, the right to vote, receive income and to receive information and communications in relation to your underlying investments (see the Reporting section.).

Some of the key differences between an Investment made and held through uXchange and a direct investment are as follows.

| Investing Through uXchange  | Investing Directly   |
|---|--|
| You will receive comprehensive reporting on all investments in your Account in one communication  | Your reporting would be on an investment-by-investment basis   |
| <b>Beneficial Ownership only</b>  |  |
| The Responsible Entity or, if applicable, any custodian it appoints, including the Custodian, holds title to the assets on your behalf (i.e., the legal title) while you retain the beneficial entitlement to the assets. The Administrator keeps a record of the assets held on your behalf. The Custodian as the registered holder of the assets may exercise the rights of a member of the relevant Managed Fund or decline to exercise them, in accordance with the terms of the custody agreement between the Custodian and the Responsible Entity, and the arrangements specified for the relevant investment.  | You would be the legal and beneficial owner of your investments and would acquire all rights and liabilities attaching to ownership  |
| <b>No communications from managers of underlying investments</b>  |  |
| As the legal title is not in your name, the communications relating to your underlying investments are received on your behalf by the Custodian and you do not normally receive communications such as annual reports, notices of meeting and investment policies. You can request a copy of these communications and, where possible, we will provide them to you directly or to your Adviser directly or through our website as soon as practicable.  | You would receive regular communications relating to your assets, including annual reports, notices of meeting, and notifications of changes to fees and investment policies |
| <b>Cooling-off rights</b>   |  |
| <p>You are able to request that we redeem your investment during the cooling off period, which is the period of 14 days from the earlier of the day you receive confirmation of your initial application, and the end of the fifth day after the day your first investment is made through uXchange. However, we will not have a right of cooling off in relation to any Managed Funds in which you elected to invest via uXchange in the meantime and as a result, any such assets will need to be transferred or sold down to allow the closing of the Account:</p> <p>While the Responsible Entity is bound to take all reasonable steps to realise your investment and return the proceeds to your CMA or transfer securities, if it reasonably considers that it would not be fair to all Members to do so then it is possible you may not be granted cooling off rights. If your request to exercise cooling-off rights is granted, then the money you receive back may be less than your Application Money as there may have been losses in the value of the investment upon realisation relative to the purchase price, and there may be fees and costs that are entitled to be deducted.</p> | Cooling off rights are usually available to direct retail members during the cooling off period of 14 days, pursuant to section 1019B of the Corporations Act                |

| Investing Through uXchange  | Investing Directly  |
|---|---|
| <p>This is of particular importance for Managed Funds that have infrequent or restricted redemption windows. As a result, you should consider liquidity when determining whether to invest.</p>   |   |
| <b>Voting rights</b>  |   |
| <p>As the Responsible Entity or, if applicable, any custodian it appoints, including the Custodian, holds your assets, you are not the registered holder, and are unable to participate in regular or ad hoc meetings (such as general meetings) convened by the issuers of the Managed Funds in which you elect to invest, nor do you have any voting rights</p>   | <p>Direct members have statutory rights in relation to meetings including the ability to exercise voting rights.</p>  |
| <b>Redemption rights</b>  |   |
| <p>As the Responsible Entity or, if applicable, any custodian it appoints, including the Custodian, is the registered holder of the underlying investments in uXchange, that registered holder is the direct member of the underlying investments and holds all relevant withdrawal rights. If an offer document for an underlying investment in which you indirectly invest is found to have become defective before your indirect interest was issued, then you may not have the choices that are open to direct members, as these are rights exercisable by the registered holder only.</p> <p>A Fund Manager may impose minimum withdrawal amounts in relation to a holding in that Managed Fund and the Administrator may be obliged to seek the redemption of the full amount of your investment rather than a lesser amount requested by you, and return the proceeds to you. This in turn may result in a longer processing time for the completion of the redemption.</p> <p>When the Responsible Entity becomes aware that an underlying offer document has become defective, any supplementary or replacement PDS related to the relevant underlying Managed Fund will be available on the uXchange website.</p> | <p>Direct members of Managed Funds are able to exercise the withdrawal rights relevant to investors in that Managed Fund. This includes the choices provided to members of the Managed Fund if an offer document for the Managed Fund is found to be defective, for example, under section 724 and section 1016E of the Corporations Act.</p> |

# Constitution

Equity Trustees' responsibilities and obligations, as the responsible entity of the Scheme, are governed by the Constitution as well as the Corporations Act and general trust law. The Constitution contains a number of provisions relating to the rights, terms, conditions and obligations imposed on both Equity Trustees, as the responsible entity of the Scheme, and investors. Some of the provisions of the Constitution are discussed elsewhere in this PDS.

There are provisions in the Constitution that relate to an investor's rights to attend and vote at meetings, however, these are mainly governed by the provisions contained in the Corporations Act.

There are also provisions governing our powers and duties, including:

- the maximum amount of fees we can charge and expenses we can recover;
- when we can amend the Constitution - generally we can only amend the Constitution where we reasonably believe that the changes will not adversely affect investors' rights. Otherwise, the Constitution can only be amended if approved at a meeting of investors;
- when we can retire as the Responsible Entity of the Scheme - which is as permitted by law;
- when we can be removed as the Responsible Entity of the Scheme - which is when required by law; and
- our broad powers to invest, borrow and generally manage the Scheme.
- The Constitution also deals with our liabilities in relation to the Scheme and when we can be reimbursed out of the Scheme's assets.

For example:

- subject to the Corporations Act we are not liable for acting in reliance and good faith on professional advice;
- subject to the Corporations Act we are not liable for any loss unless we fail to act in good faith or we act negligently; and
- we can be reimbursed for any liabilities we incur in connection with the proper performance of our powers and duties in respect of the Scheme.

As mentioned above, Equity Trustees' responsibilities and obligations as the responsible entity of the Scheme are governed by the Constitution of the Scheme, the Corporations Act and general trust law, which require that we:

- act in the best interests of investors and, if there is a conflict between investors' interests and our own, give priority to investors;

- ensure the property of the Scheme is clearly identified, held separately from other funds and our assets;
- report to ASIC any breach of the Corporations Act in relation to the Scheme which has had, or is likely to have, a materially adverse effect on investors' interests.

Copies of the Constitution are available, free of charge, on request from Equity Trustees.

## Compliance Plan

Equity Trustees has prepared and lodged a compliance plan for the Scheme with ASIC. The compliance plan describes the procedures used by Equity Trustees to comply with the Corporations Act and the Constitution of the Scheme. Each year the compliance plan for the Fund is audited and the audit report is lodged with ASIC.

## Custodian of uXchange and Legal Title to the Assets

The Responsible Entity has appointed Clearstream Australia Limited (formerly Ausmaq Limited ABN 53 062 527 575) ("Custodian", "Clearstream") to hold assets indirectly acquired and held through uXchange. Clearstream will provide custody services in relation to certain investments made through the Scheme and will hold legal title of those investments.

Clearstream holds these assets on behalf of the Responsible Entity and is responsible to the Responsible Entity under a contractual relationship.

Generally, it is expected that Clearstream will hold the assets of the Scheme.

By completing the Application Form and investing through uXchange, each Member acknowledges the Custodian's role with respect to uXchange and the investments held through it and agrees that the Custodian's obligations are limited to the provision of the services to the Responsible Entity under its custody agreement with the Responsible Entity and that the Custodian's liability is limited to the Responsible Entity under the terms of its custody agreement with the Responsible Entity and the Custodian has no liability to Members.

The Custodian will accept instructions with respect to underlying investments from the Responsible Entity and will not accept any instructions directly from Members.

Under its agreement with the Custodian, the Responsible Entity may instruct the Custodian to sign documents, make applications and redemptions in Managed Funds and make and receive payments in connection with the Managed Funds that the Custodian holds on behalf of the Responsible Entity.

It is generally accepted that assets held by the Custodian pursuant to the agreement the Responsible Entity has with the Custodian will not form part of the Custodian's assets and therefore will not be available to the creditors of the Custodian or its related entities.

By submitting an Application Form you acknowledge that the Responsible Entity may, at its absolute discretion, appoint alternative Custodians for uXchange.

## Voting Policy

Where the Responsible Entity receives notice of meetings or resolutions that relate to your investments, we do not proactively make this information available to you or your Adviser.

The Responsible Entity maintains a voting policy for uXchange under which we do not offer voting rights however, there are limited circumstances when we may:

- allow client instructions to be made via proxy in writing, and/or
- actively solicit your voting instruction.

These circumstances include:

- fulfilling our obligations under applicable law where the relevant Member is 'key management personnel' as defined by the Corporations Act
- where there are Members who hold a material interest in the investment that could reasonably be expected to impact the outcome of a resolution.

Where such matters are brought to our attention:

- We will endeavour to provide you with the material that would have been sent to you if you were a direct member;
- We will not permit you to act as a corporate representative on behalf of the Custodian. Instead, we will accept your written voting instructions so that the Custodian can endeavour to lodge the instructions via proxy;
- We may require confirmation in writing from the relevant company secretary or other representative to confirm your eligibility to participate in some or all of the resolutions. Where this confirmation is sought, we will not pass on your instructions until this has been provided;

- The Administrator and the Responsible Entity do not accept any liability for acting on your instructions (including where such an instruction may contravene the law or any regulation);
- Any instruction to vote must be received at least three Business Days prior to the registry cut-off time; and
- A standing instruction for future resolutions cannot be provided; we
- must receive a direction for each voting opportunity as it arises.

The Custodian generally does not vote on company or scheme resolutions and other corporate actions.

A copy of the Responsible Entity's voting policy is available free of charge on request.

## How the Responsible Entity Selects Investments for the Approved Product List

The uXchange Approved Product List is subject to an ongoing review process and a Managed Fund will only be added or removed from it in accordance with the process outlined below.

The Administrator (through its Investment Committee) will regularly review the Approved Product List using the criteria set out below and advise the Responsible Entity if it recommends the addition or removal of a Managed Fund. Such recommendations will be considered by the Responsible Entity and, if approved, will be implemented as soon as practicable.

The Responsible Entity may act as Responsible Entity for a number of Managed Funds available on the Approved Product List. All Managed Funds proposed must meet the criteria outlined below and Equity Trustees has no involvement in the initial selection of the Managed Funds that the Administrator recommends for inclusion.

### Selection and review criteria

The Responsible Entity's criteria for the selection and ongoing review of Managed Fund investments include the following:

- The Managed Fund has been proposed by an Adviser; and
- The Managed Fund has an APIR code; and
- The pricing and distribution data for the Managed Fund are readily available from the contracted data provider; and
- The Managed Fund has a minimum net asset value of \$25 million; and



- The Managed Fund has a Morningstar Rating of at least 3 stars or,
- where the Managed Fund has not been rated by Morningstar or has a rating below 3 stars:
  - The Managed Fund has a satisfactory rating from another retail or wholesale research house like Lonsec, Zenith or Mercer; or
  - Research undertaken by the Adviser to add the Managed Fund is supported by analysis from the Administrator's Investment Committee.

## Removal of a Managed Fund

Where, as the result of a review of the Approved Product List, the Responsible Entity decides that it is appropriate to close an investment option to new investments the Responsible Entity will communicate this by updating the Approved Product List on [www.uxchange.com.au](http://www.uxchange.com.au) and notifying investors holding an interest in the relevant Managed Fund of this change .

## Other important information

In adding or removing a Managed Fund to or from the Approved Product List, we do not take any liability for any movement in asset price or costs as they relate to delays in admitting or removing the investment nor do we make any representations as to the suitability of the investment either generally or for your personal circumstances.

## Complaints handling Policy

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)

The Responsible Entity will acknowledge receipt of the complaint as soon as possible and in any case within 1 day of receiving the complaint. The Responsible Entity will seek to resolve your complaint as soon as practicable but not longer than 30 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.

If a Member has a complaint about a Managed Fund then the Member should direct their complaint to the Issuer of that fund in accordance with the process in the relevant PDS for that Managed Fund.

If a Member has a complaint about financial product advice about using platforms and investments acquired through them, investors should approach the Australian financial services licensee for whom the relevant Adviser acts.

If a Member notifies the Responsible Entity that it has a complaint in relation to a Managed Fund then the Responsible Entity will take reasonable steps to facilitate resolution of the dispute between the Member and the Issuer, including informing the Member whether the Issuer has an internal dispute resolution system that is available to the Member.

If you have any questions regarding the management of the Scheme you can also contact your Adviser.

## 'Members without an Adviser' policy

A Member is unable to hold an account in uXchange without an Adviser appointed to their uXchange Account. In circumstances where you no longer have such an Adviser you have 90 days to appoint a new Adviser. Alternatively, you can provide redemption instructions.

In circumstances where we receive no advice we will redeem your investments and transfer the proceeds to your linked CMA.

Please note that for any period where you have no Advisor appointed to your Account (including where you intend to appoint a replacement Adviser but notice of that appointment has not yet been received by uXchange), your ability to operate your uXchange account will be subject to certain restrictions, including that you will not be able to instruct us to make new or additional investments on your behalf. You will however be able to give instructions to redeem investments or to make an in specie transfer of investments out of uXchange.

A copy of the Responsible Entity's 'members without an adviser' policy is available free of charge on request.



# Privacy

The Australian Privacy Principles contained in the Privacy Act 1988 (Cth) ("Privacy Act") regulate the way in which we collect, use, disclose, and otherwise handle your personal information. Equity Trustees is committed to respecting and protecting the privacy of your personal information, and our Privacy Policy details how we do this.

It is important to be aware that, in order to provide our products and services to you, Equity Trustees may need to collect personal information about you and any other individuals associated with the product or service offering. In addition to practical reasons, this is necessary to ensure compliance with our legal and regulatory obligations (including under the Corporations Act, the AML/CTF Act and taxation legislation). 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).

You must therefore ensure that any personal information you provide to Equity Trustees is true and correct in every detail. If any of this personal information (including your contact details) changes, you must promptly advise us of the changes in writing. While we will generally collect your personal information from you, your broker or adviser or the Administrator directly, we may also obtain or confirm information about you from publicly available sources in order to meet regulatory obligations.

In terms of how we deal with your personal information, Equity Trustees will use it for the purpose of providing you with our products and services and complying with our regulatory obligations. Equity Trustees may also disclose it to other members of our corporate group, or to third parties who we work with or engage for these same purposes. Such third parties may be situated in Australia or offshore, however we take reasonable steps to ensure that they will comply with the Privacy Act when collecting, using or handling your personal information.

The types of 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 Custodian, Administrator, auditors, or those that provide mailing or printing services;
- our other service providers;

- regulatory bodies such as ASIC, ATO, APRA and AUSTRAC; and
- other third parties who you have consented to us disclosing your information to, or to whom we are required or permitted by law to disclose information to.

Equity Trustees 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" of such communications by contacting us using the contact details below.

In addition to the above information, Equity Trustees' Privacy Policy contains further information about how we handle your personal information, and how you can access information held about you, seek a correction to that information, or make a privacy-related complaint.

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

## Consents of Named Parties

The Administrator and Custodian have each given and, as at the date of this PDS, have not withdrawn:

1. their written consent to be named in this PDS as the Administrator and Custodian of the Scheme respectively; and
2. their written consent to the inclusion of the statements made about them which are specifically attributed to them, in the form and context in which they appear.

The Administrator 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 Administrator or the Custodian nor their employees or officers accept any responsibility arising in any way for errors or omissions, other than those statements for which they have provided their written consent to Equity Trustees for inclusion in this PDS.

## Related Parties

The Responsible Entity has a policy for managing conflicts of interest and related party transactions. All transactions entered into by the Responsible Entity with related parties are conducted at arm's length, meaning that they are entered into on comparable terms to arrangements that would be made with unrelated third parties.

## Labour Standards or Environmental, Social or Ethical Standards.

Neither the Responsible Entity nor the Administrator take labour standards or environmental, social or ethical considerations into account in the selection, retention or realisation of Managed Funds. However, where those factors negatively impact the investment performance or company stability, the Responsible Entity or the Administrator will generally discuss these matters with company management and/or review the decision to hold the specific investment. No specific methodology is used for such reviews nor are there pre-determined views about the extent to which such factors will be taken into account in a review.

## Continuous Disclosing Entity

As the Scheme has 100 or more direct investors, it is classified by the Corporations Act as a 'disclosing entity'. As a disclosing entity the Scheme will be subject to regular reporting and disclosure obligations. Investors have a right to obtain a copy, free of charge, of any of the following documents:

1. the most recent annual financial report lodged with ASIC ("Annual Report");
2. any subsequent half yearly financial report lodged with ASIC after the lodgement of the Annual Report; and
3. any continuous disclosure notices lodged with ASIC after the Annual Report but before the date of this PDS.

Equity Trustees will comply with any continuous disclosure obligation by lodging documents with ASIC as and when required.

Copies of these documents lodged with ASIC in relation to the Fund may be obtained through ASIC's website at [www.asic.gov.au](http://www.asic.gov.au).

These documents can also be obtained from or inspected at an ASIC office.

## Anti-Money Laundering Compliance ("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 Scheme.

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

## Authorisations

### Investment Authority to Responsible Entity

By becoming a Member in uXchange you are deemed to be authorising us to make investments on your behalf in accordance with the Account Instruction(s) that your Adviser provides. Under this authority, we will invest by purchasing or redeeming investments according to your instructions.

We will accept instructions to change the composition of your Account from your Adviser on your behalf and will act on these instructions subject to the discretions in the Constitution and described in this PDS. By investing in uXchange, you are providing the Administrator with a standing authorisation to pay funds into and withdraw funds from your linked CMA and your Account in accordance with Account Instructions from your Adviser and also to make

payments for settlement of trades and related fees. This authorisation continues until the termination of your account from uXchange.

## Online Terms and Conditions

Should you be granted access to online Account access, we will not generally be liable for any loss incurred by you if your access password is used by someone without your authority, except that this limitation of liability will not apply to the extent that such loss is attributable to our own negligence. However, you need to be aware that, when accessing your Account by entering your password, you discharge, release and agree to indemnify us from and against all proceedings, actions, liabilities and claims arising out of the use of your password. Members should take care to store their password separately from their Account records.

Your online access will show the date and details of each transaction made for your Account, including the amount paid for the assets and any associated fees, costs and charges that have been deducted from your Account. Portfolio values are current as at the end of the previous Business Day last available redemption price, allowing you and your Adviser to more accurately manage your portfolio. Please note that all positions may at times be subject to delay.

Where a delay in the provision of Managed Fund valuations occurs, the Responsible Entity will display the latest available valuation within 24 hours of the valuation being provided. Where the cause of this is due to technology disruptions, the Responsible Entity will make the information available on a substantially continuous basis.

## Instructions

Members should note that there is a risk that a person with access to your Account details may provide us with fraudulent or other unauthorised instructions. Therefore, you agree to indemnify and release the Responsible Entity from all potential actions and liabilities arising from the Responsible Entity acting on what appeared to be genuine instructions from your Adviser on your behalf.

## Appointment of an Adviser

When you apply to uXchange you appoint a financial adviser who can provide instructions to us on your behalf. Your Adviser must also be party to a signed Agreement with the Administrator. The appointment of your Adviser in connection with your uXchange Account is subject to the

following terms and conditions. Your Adviser will be permitted to:

- Submit Applications on your behalf;
- Transmit your requests relating to your Account and all investments of your Account including (without limitation) making additional applications or redemptions from your Account, changing your Account details, or selecting and changing investments;
- Obtain information regarding the assets that make up your Account and make enquiries about your investment strategy; and
- Transmit your requests to the Responsible Entity on your behalf in relation to the transactions listed above and any incidental transactions.

If we receive directions or an enquiry from a person who we reasonably believe is your Adviser, then we will act on such directions and enquiries as if they were your personal acts. Until you or the Adviser provide us a written cancellation of the appointment, we will continue to act on any instructions from your Adviser. We reserve the right to cancel or vary the terms on which you have authorised us to accept instructions from your Adviser upon providing you with 14 days' notice. Where your Adviser is a company or partnership, all actions taken by any director, partner, or authorised officer of the Adviser is deemed to be an act of the Adviser.

Your Adviser is not permitted to change the nominated linked CMA bank account linked to your uXchange Account.

The Responsible Entity is not responsible for and does not provide personal advice in relation to your investments. The Responsible Entity and its successors and assigns disclaim any liability for direct or consequential loss, damage or injury arising from your appointment of an Adviser. You agree that the Responsible Entity is not responsible for acts, matters and things done or purported to be done by your Adviser even if not authorised by you, provided we have no reasonable reason to believe that they are not your Adviser. Neither you nor any person making a claim on your behalf will have any right or claim against the Responsible Entity, our related bodies corporate successors, and assigns regarding any matter, act, or thing done or purported to be done by your Adviser. Any payment made, requested or received by your Adviser shall constitute a release of the Responsible Entity's obligations.

# Defined Terms

“An explanation of the terms used in this PDS are provided in this section of the PDS”

| Term                         | Definition   |
|------------------------------|--|
| <b>ABN</b>                   | Australian Business Number.  |
| <b>Account</b>               | Each Member's account including all assets and liabilities recorded against that Account (if applicable).  |
| <b>Account Instruction</b>   | The instructions given to the Responsible Entity by your Adviser on your behalf regarding your Account.  |
| <b>Administrator</b>         | The administrator of uXchange is uXchange Pty Ltd ABN 39 610 852 536 a corporate authorised representative of Wealth02 Services Pty Ltd AFSL 500032  |
| <b>Adviser</b>               | Means an authorised representative of an Australian financial services licensee who has been appointed by a Member to manage their assets or provide investment advice and who is registered to distribute uXchange.   |
| <b>AML/CTF</b>               | Means anti-money laundering and counter- terrorism financing.  |
| <b>Application</b>           | The Application for an Account in uXchange.  |
| <b>Application Money</b>     | The money initially taken from the linked CMA for the settlement of the purchase order or non-cash assets transferred in connection with the offer pursuant to this PDS and the Constitution.  |
| <b>Approved Product List</b> | The Approved Product List located on the uXchange Portal which contains the full list of investment options for investment. The uXchange Approved Product List forms part of this PDS and may be updated from time to time at the Responsible Entity's discretion. You can receive a hard copy free of charge upon request |
| <b>ASIC</b>                  | Australian Securities and Investments Commission   |
| <b>ASIC CO 13/762</b>        | ASIC Class Order 13/762 for IDPS-Like services provided through a registered managed investment scheme and any supplementary and amending instrument which varies, supplements or replaces it.   |
| <b>ASX</b>                   | Australian Securities Exchange.  |
| <b>Basis Point</b>           | Refers to a common unit of measure for interest rates and other percentages in finance. One basis point is equal to 1/100th of 1%, or 0.01% (0.0001).  |
| <b>Broker</b>                | Means a market participant   |
| <b>Business Day</b>          | A day on which banks are open for business in Sydney other than a Saturday, Sunday or public holiday, or if the Administrator of the Scheme primarily performs its administrative functions in respect of the Scheme in a city other than Sydney, the city in which the Administrator performs such functions.             |

| Term                                 | Definition  |
|--------------------------------------|---|
| <b>Cash Management Account (CMA)</b> | Means the linked Cash Management Account (CMA) with a bank nominated by the Administrator. This account will be used for the application and redemption of the managed funds and the receipt of associated distributions and payments of fees   |
| <b>CGT</b>                           | Capital Gains Tax   |
| <b>Compliance Plan</b>               | The Compliance Plan that provides the framework for monitoring the operation of the Scheme, as amended from time to time.   |
| <b>Constitution</b>                  | The Constitution of the Scheme as amended from time to time.  |
| <b>Corporations Act</b>              | Corporations Act 2001 (Cth) and the associated regulations, as amended from time to time.   |
| <b>Custodian</b>                     | Clearstream Australia Limited (formerly Ausmaq Limited)   |
| <b>DRP</b>                           | Distribution reinvestment plan  |
| <b>Eligibility Criteria</b>          | The criteria applied to prospective Members before they may invest in uXchange  |
| <b>Fund Managers</b>                 | The responsible entities of the Managed Funds.  |
| <b>GST</b>                           | Australian Goods and Services Tax pursuant to the A New Tax System (Goods and Services) Tax Act 1999.   |
| <b>In-specie Transfer</b>            | A transfer of securities where there is no change in the beneficial ownership of the securities.  |
| <b>Investment Committee</b>          | The committee convened by the Administrator to recommend appropriate Managed Funds for inclusion on the Approved Product List.  |
| <b>Issuer</b>                        | In this PDS it means the Issuer of a Managed Fund included on the uXchange Approved Product List.   |
| <b>Managed Funds</b>                 | Registered managed investment schemes in which you may invest via uXchange. Details of Managed Funds available through uXchange can be found in the uXchange Approved Product List, with a copy of the PDS of each relevant Managed Fund. You should read the PDS for each Managed Fund before investing via your Account in that Managed Fund. |
| <b>Management Fees</b>               | The fee levied by the Issuer of a Managed Fund for managing the assets and overseeing the operations of the Managed Fund  |
| <b>Member</b>                        | A Member in uXchange, referred to as “you” or “your”.   |
| <b>Operator</b>                      | The operator of uXchange is Equity Trustees Limited ABN 46 004 031 298 AFSL No 240975. Equity Trustees is responsible for the operation of the Scheme   |
| <b>PDS</b>                           | Either this product disclosure statement or an Issuer’s product disclosure statement as the context requires, and including any supplementary or replacement product disclosure statement from time to time,  |
| <b>Responsible Entity</b>            | Equity Trustees Limited ABN 46 004 031 298 AFSL No 240975   |
| <b>Scheme</b>                        | uXchange ARSN 618 455 673   |

| Term                          | Definition   |
|-------------------------------|--|
| <b>Sponsor</b>                | <p>The sponsor of uXchange is uXchange Pty Ltd ABN 39 610 852 536, a corporate authorised representative of Wealth02 Services Pty Ltd AFSL 500032</p> <p>The Sponsor markets uXchange to financial advisers and their clients</p>  |
| <b>Standard Transfer Form</b> | A form provided by the Administrator to allow the Member to transfer investments held in their own name to uXchange in order to become a Member  |
| <b>US Person</b>              | <p>A person so classified under securities or tax law in the United States of America ("US") including, in broad terms, the following persons:</p> <ul style="list-style-type: none"> <li>a) any citizen of, or natural person resident in, the US, its territories or possessions; or</li> <li>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</li> <li>c) any agency or branch of a foreign entity located in the US; or</li> <li>d) a pension plan primarily for US employees of a US Person; or</li> <li>e) a US collective investment vehicle unless not offered to US Persons; or</li> <li>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</li> <li>g) any trust 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</li> <li>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</li> <li>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.</li> </ul> |
| <b>uXchange Portal</b>        | A secure internet website where a person can view their Account details, receive reports and view updated information about uXchange. Information is generally correct as at the close of the previous Business Day.   |



# **Corporate Directory**

## **Responsible Entity**

Equity Trustees Limited

ABN 46 004 031 298 AFSL No 240975

Address: Level 1, 575 Bourke Street Melbourne VIC 3000

Phone: (03) 8623 5000

Website: [www.egt.com.au](http://www.egt.com.au)

## **Administrator**

uXchange Pty Ltd

ABN 39 610 852 536

Address: Level 3, 157 Walker Street North Sydney NSW 2060

Phone: 1300 726 008

Website: [www.uxchange.com.au](http://www.uxchange.com.au)

Email: [clientservices@dash.com.au](mailto:clientservices@dash.com.au)

## **Custodian**

Clearstream Australia Limited

ABN 53 062 527 575

Address: Level 3, 1 Bligh Street Sydney NSW 2000

Phone: (02) 8031 0200