

PRODUCT DISCLOSURE STATEMENT

OpenInvest Portfolio Service

ARSN 628 156 052

Dated 12 July 2019

Responsible Entity & Issuer

OpenInvest Limited

ACN 614 587 183 | AFSL 504 155

This document should be read together with the Investment Menu which forms part of the Product Disclosure Statement for the OpenInvest Portfolio Service. The Investment Menu is updated whenever there is a change to the information relating to a Model Portfolio.

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About the OpenInvest Marketplace

The OpenInvest Marketplace has been conceived and designed as a better way to bring together investors and investment managers. It is an investment platform that is built with self-directed investors in mind – that is, it allows each investor a degree of control to find and choose an investment manager and an investment strategy that's right for them in their own time.

Through the OpenInvest Marketplace and after becoming a 'Registered User', you can:

- ▶ view the list of available Investment Managers and Model Portfolios;
- ▶ read articles, view videos, take quizzes, and generally understand more about investing, and investing through each Investment Manager more specifically;
- ▶ choose an Investment Manager and Model Portfolio that suits you; and
- ▶ when you're ready, start investing in that Model Portfolio by applying for an 'Investment Account' through the OpenInvest Portfolio Service.

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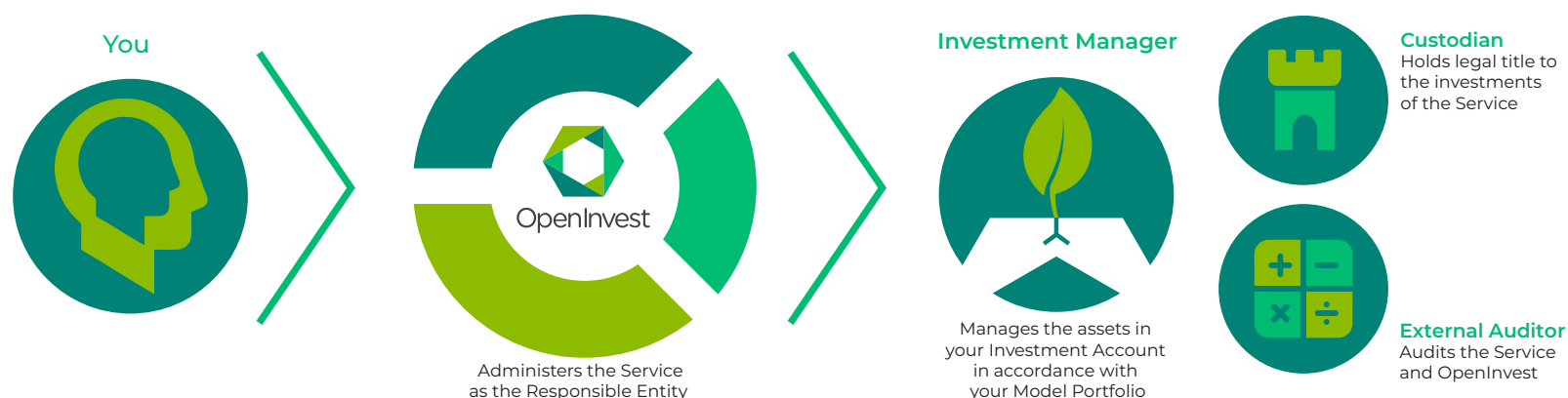
About the OpenInvest Portfolio Service

When you invest via the OpenInvest Marketplace, you are investing in the OpenInvest Portfolio Service, ARSN 628 156 052 ('Service'), an IDPS-Like managed investment scheme registered with ASIC under the Corporations Act.

The Service provides you with your own personal investment account ('Investment Account') that contains a portfolio of investments that is professionally managed by your chosen Investment Manager and in accordance with your chosen investment strategy, referred to as a Model Portfolio. The portfolio of investments in your Investment Account is beneficially owned by you – meaning you hold a right to receive the benefit of the investments in your Investment Account that are legally held for safe-keeping by our appointed custodian. These investments are kept separate to the portfolios of other investors. This means you can view the underlying investments in your Investment Account, change Model Portfolios and contribute to, or request a withdrawal of your investment at any time.

Your chosen Investment Manager is required to manage each Model Portfolio within the parameters of its mandate. Where the Investment Manager believes it is desirable to make a change to the investment composition in their Model Portfolio, it instructs OpenInvest (in its capacity as the administrator of the Service) what changes to make, and OpenInvest makes those changes to every investor account who has selected that Model Portfolio. This is why we have chosen to use an IDPS-Like managed investment scheme as the investment structure for the OpenInvest Marketplace – it allows us to trade on your behalf in accordance with your chosen Model Portfolio without having to seek your instructions every time the Investment Manager wants to make changes to the Model Portfolio – therefore ensuring that your investments are updated quickly and efficiently as market conditions change.

Through your 'Investor Portal', you will also be able to access a steady flow of relevant information from the Investment Managers, including explanations as to why the investments in your chosen Model Portfolio have been selected or changed. This is to ensure you are kept informed about your investment.





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Roles and Responsibilities

 <p>YOU</p>	<p>The OpenInvest Portfolio Service is designed for you as a self-directed investor. If you decide to invest in the Service you will need to:</p> <ul style="list-style-type: none"> ▶ choose an Investment Manager and Model Portfolio; ▶ open an Investment Account through the Online Application process; and ▶ monitor and manage your Investment Account online through your Investor Portal.
 <p>OPENINVEST</p>	<p>OpenInvest Limited ACN 614 587 183, AFSL 504 155 is the administrator and promotor of the OpenInvest Marketplace, as well as the responsible entity of the Service. This means we:</p> <ul style="list-style-type: none"> ▶ act as the administrator of your investment portfolio; ▶ undertake transactions on your behalf; ▶ handle all the reporting and record keeping; and ▶ provide an online interface for you to engage with us and your investment manager. <p>As the responsible entity of the Service, we are required by law to, among other things:</p> <ul style="list-style-type: none"> ▶ act honestly; ▶ exercise a reasonable degree of care and diligence; ▶ act in the best interest of investors; and ▶ treat all investors equally.
 <p>INVESTMENT MANAGERS</p>	<p>Investment management companies employ educated, trained and experienced professionals, whose job it is to study data and trends, and assess different economies and companies in order to make the right investment decisions.</p> <p>Your chosen Investment Manager is required to manage each Model Portfolio within the parameters of its mandate. They will do this by issuing investment instructions ie what to buy and sell and when, which will be processed by OpenInvest as the administrator of the Service.</p>
 <p>CUSTODIAN</p>	<p>Sandhurst Trustees Limited ABN 16 004 030 737 ('Custodian') has been appointed as the Custodian for the Service. The Custodian holds and maintains the investments of the Service on behalf of OpenInvest, to which you will hold a beneficial interest – meaning you will hold a right to receive the benefit of the investments in your Investment Account that are legally held for safe-keeping by the Custodian.</p>
 <p>AUDITOR</p>	<p>The auditor of the Service is Deloitte Touche Tohmatsu. As the external auditor of OpenInvest and the Service, Deloitte will be responsible for amongst other things:</p> <ul style="list-style-type: none"> ▶ reviewing our financial statements; ▶ auditing our compliance with our AFSL; and ▶ auditing our adherence to the compliance plan for the Service. <p>Reports from each audit will be made available on your Investor Portal.</p>



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About this Document

About this Document

This Product Disclosure Statement ('PDS') dated 12 July 2019 is issued by OpenInvest Limited ACN 614 587 183, AFSL 504 155 as the responsible entity of the Service. It contains information about the Service including its key features and benefits, risks, how it works, as well as the costs, fees and charges that relate to the Service and what your rights and obligations are as an investor. This PDS should be read in conjunction with:

- ▶ the 'Investment Menu' which forms part of the PDS and contains detailed information on the Investment Managers and the available Model Portfolios. The Investment Menu is updated whenever there is a change to the information relating to a Model Portfolio, without the PDS being updated; and
- ▶ the terms and conditions of use ('Terms of Use') relating to your use of the OpenInvest Marketplace.

Updating information

Certain information in this PDS may change. Updated information relating to the Service will be made available through your Investor Portal and if it is not information that may have a materially adverse impact from the point of view of an investor deciding whether to invest, will also be available at www.OpenInvest.com.au. We will issue a supplementary PDS or alternatively, issue a new PDS in respect of any changes that may have a materially adverse impact from the point of view of an investor deciding whether to invest.

We reserve the right to change the features of the Service, including the Model Portfolios offered, at any time. Where such changes are significant to your investment, such as an increase in fees, you will be given at least 30 Days written notice before such changes take effect.

General Advice Warning

The information contained in this PDS, the Investment menu and on the OpenInvest Marketplace is general information only and does not take into account your individual objectives, financial situation, needs or circumstances. It is your responsibility to determine whether investing in the Service is appropriate for you as well as which Model Portfolio is right for you, having regard to your own objectives, financial situation, needs and circumstances. OpenInvest does not provide financial advice that takes into account these personal circumstances and does not make any recommendation to invest in any particular Model Portfolio.

Should you require assistance in determining whether an investment in the Service is right for you, you should seek the services of an appropriately licensed financial adviser.

Eligibility

Investment in the Service is only open to persons receiving this PDS as a hard copy or electronically within Australia, and does not constitute an offer or invitation in any place where, or to any person to whom, it would not be lawful to make such an offer or invitation. You must also be at least 18 years of age to invest in the Service, be an Australian resident for tax purposes and have an Australian residential address.



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Consent

The Custodian and each Investment Manager named in this PDS (each a 'Service Provider') have given and, at the date of this PDS, not withdrawn, their written consent to be named in this PDS and to the inclusion of the statements made about it, which are attributed to it, in the form and context in which they appear.

The Service Providers have not otherwise been involved in the preparation of this PDS and have not caused or otherwise authorised the issue of this PDS. The Service Providers and their employees and officers do not accept any responsibility arising in any way for errors or omissions from this PDS, other than in relation to the statements for which it has provided its consent.

Please note that none of OpenInvest or any Investment Manager or Custodian guarantees the success of the Service or any particular Model Portfolio, or the repayment of capital or a particular rate of return, income or capital.

Directory

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ACN 614 587 183 | AFSL 504 155
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Call: 1800 954 549 between 9:00am and 5:00pm
Email: enquiries@OpenInvest.com.au
Website: www.OpenInvest.com.au

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The OpenInvest Marketplace allows you to find and select an Investment Manager to manage your Investment Account in accordance with your chosen investment strategy. Through the OpenInvest Portfolio Service, we administer the investments that make up your portfolio – creating efficiencies in trading, lower trading costs and reducing the administration burden for you. You can view, access and manage your investments at any time and be kept informed of any changes made by your respective Investment Manager including why changes to your portfolio have taken place. All wrapped up in one simple fee.

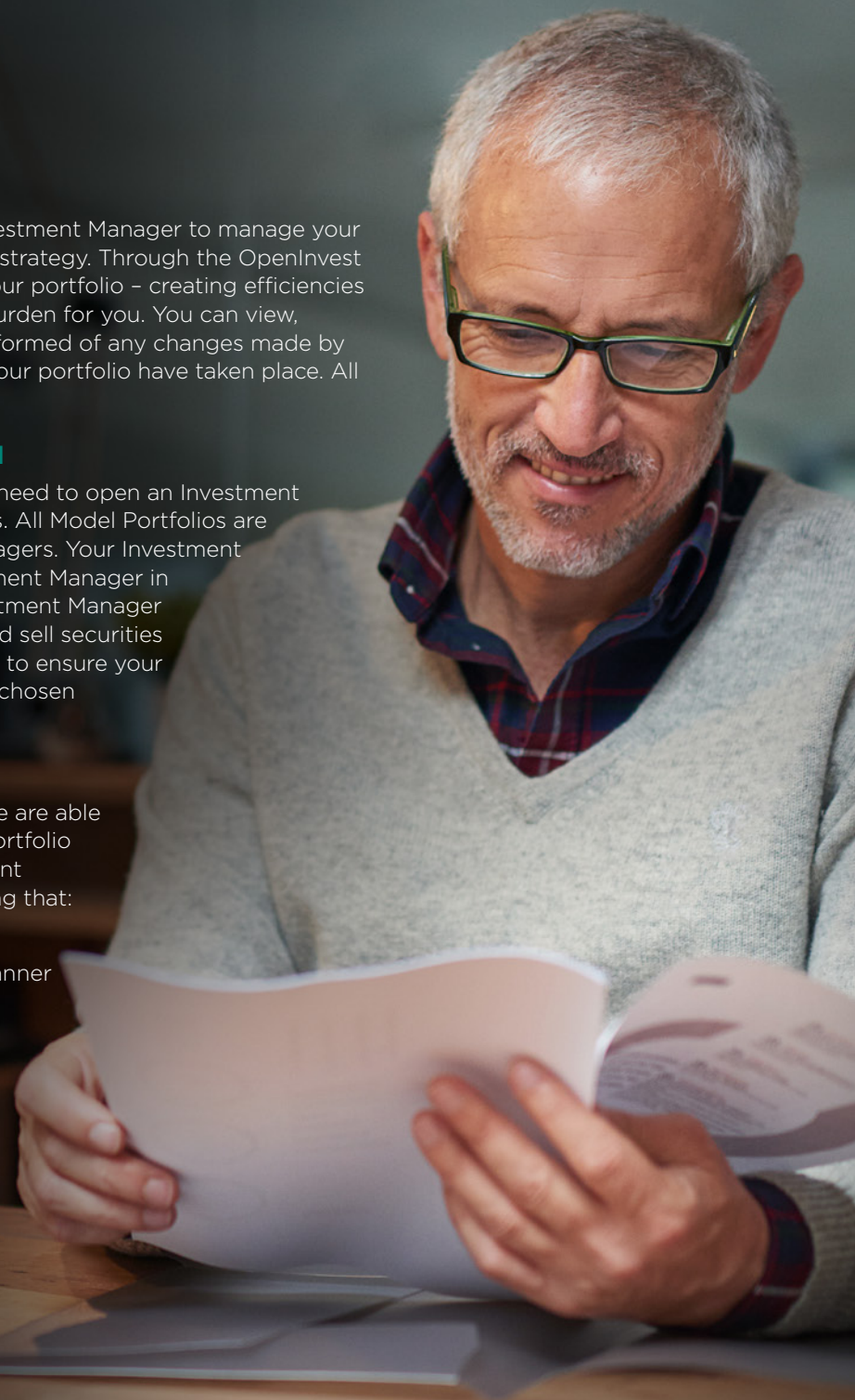
Your Investment Account will be professionally managed

Once you have made a decision to make an investment, you will need to open an Investment Account with the Service through the Online Application process. All Model Portfolios are professionally constructed and managed by the Investment Managers. Your Investment Account will be professionally managed by your selected Investment Manager in accordance with the Model Portfolio that you choose. Your Investment Manager will continue to update your portfolio by instructing us to buy and sell securities that make up your portfolio as market conditions change. This is to ensure your portfolio remains in line with the objectives and strategy of your chosen Model Portfolio.

We administer your investments on your behalf

By having your investments administered through the Service, we are able to trade on your behalf in accordance with your chosen Model Portfolio without having to seek your instructions every time the Investment Manager wants to make changes to the Model Portfolio – ensuring that:

- ▶ your investments are updated efficiently and in a timely manner as market conditions change and as advised to us by your Investment Manager;
- ▶ trading is conducted efficiently, with lower trading costs – the benefit which is passed on to you, as we cover the cost of trading; and
- ▶ the burden of administering your investment remains with us as we are acting on your behalf.



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Be kept informed by your Investment Manager

Before you decide to invest in the Service, by becoming a Registered User you will have the ability to access content, such as articles, commentary and market updates, published by participating Investment Managers on the OpenInvest Marketplace. These Investment Managers are members of the OpenInvest Marketplace. The content they provide is designed to not only keep you informed about financial markets, but to enable you to select an Investment Manager that is right for you. You may read as much or as little of the available content as you like before (and after) deciding to select an Investment Manager and Model Portfolio in which to make an investment. Once you become an Investor, your Investment Manager will continue to keep you informed about your investment by providing you with regular updates on the Model Portfolio in which you are invested ('Portfolio Updates') through your Investor Portal, including reasons for any changes.

Your personal portfolio, your own tax position

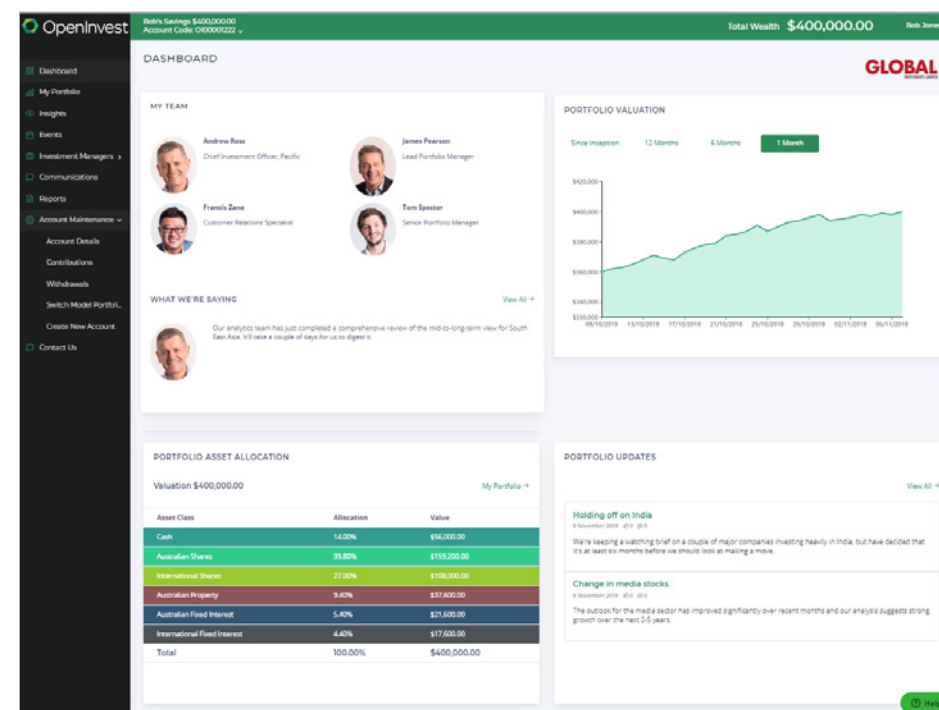
Your tax position as a result of investing in the Service is affected only by the activity within your own Investment Account. You do not buy into gains which have built up from other investors' earlier investments, and you do not realise gains or losses as a result of other investors' decisions to withdraw from the Service.

View your investments at any time

You can log into your Investor Portal at any time to view the individual investments that make up your Investment Account. You can also access information relating to your overall investment portfolio including various reports.

Your own Investor Portal

- ▶ View the individual investments that make up your Investment Account at any time;
- ▶ Access communications from your Investment Manager including any updates to your chosen Model Portfolio and reasons for any updates;
- ▶ Receive a variety of reports relating to your Investment Account including your annual statement
- ▶ Keep informed about your Investment;
- ▶ Make changes to your Investment Account by selecting different Investment Managers and/or Model Portfolios.





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View your investments at any time

You can log into your Investor Portal at any time to view the individual investments that make up your Investment Account. You can also access information relating to your overall investment portfolio including various reports.

You can easily arrange for additional contributions

It is easy to arrange to make additional contributions into your Investment Account. Full details of how you can make additional contributions are set out under “How to invest”.

You can easily arrange for withdrawals

It is easy to arrange to make a withdrawal from your Investment Account and you can do so at any time.

Partial withdrawals can be in cash. Full withdrawals can be in cash or in kind – that is all CHESS-eligible listed Australian securities in your Model Portfolio may be transferred out of your Investment Account when you close your account. Full details of the withdrawal process are set out under “How to withdraw your investment”.

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| Risks |

Every investment decision involves an element of risk. While both OpenInvest and the Investment Managers have policies and procedures to reduce and manage risks, it is important for you to understand the associated risk and the levels you are prepared to accept. The Learning Centre and Know Thyself quizzes on the Marketplace are designed to assist you in this regard, but you should also be aware of some of the main risks of investing in the Service.





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No Advice Risk

The OpenInvest Marketplace is designed for investors to be able to engage with Investment Managers and invest in Model Portfolios directly. It is important for you to consider the suitability of investing in the Service and Model Portfolio selection before you apply to establish an Investment Account or select any Model Portfolio.

Before you make an investment decision, it is important for you to identify your investment objectives and the level of risk you are prepared to accept. This may be influenced by factors such as:

- ▶ the timeframe over which you are expecting a return on your investment and your need for regular income versus longer-term capital growth;
- ▶ your level of comfort with volatility in returns; and
- ▶ the general and specific risks associated with a particular Model Portfolio.

The information contained in this PDS and on the OpenInvest Marketplace is general information only and does not take into account your individual objectives, financial situation, needs or circumstances. It is your responsibility to determine whether investing in the Service is appropriate for you as well as which Model Portfolio is right for you, having regard to your own objectives, financial situation, needs and circumstances. OpenInvest does not provide financial advice that takes into account these personal circumstances and does not make any recommendation to invest in the Service or any particular Model Portfolio.

Should you require assistance in determining whether an investment in the Service is right for you, you should seek the services of an appropriately licensed financial adviser.

Model Portfolio risk

There is a risk with each Model Portfolio that the investments made by the Investment Managers will not achieve the investment objectives for the Model Portfolio, and that some or all of the capital invested in the Model Portfolio will be lost.

We monitor the performance of the Investment Managers for each of the Model Portfolios and periodically assess whether the Model Portfolio is continuing to meet its objectives. For Model Portfolios that invest in managed funds, the Model Portfolio will be subject to the risks of the underlying managed funds investments. You should refer to the relevant managed fund product disclosure statement for full details of those risks which we can obtain for you by contacting us at enquiries@OpenInvest.com.au.

Regulatory risk

Regulatory risk arises if regulatory or taxation changes introduced by a government (whether in Australia or overseas) or a regulator affect the value of investments.

We monitor upcoming regulatory or taxation changes closely to ensure that the Service is prepared for any changes and that you are kept up-to-date should such changes impact you.



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Market risk

Market risk relates to changes in the price of investments that are held in your Investment Account and can result in capital loss or fluctuations in the value of your Investment Account within short periods of time. Changes in the price of investments may be driven by changes to the profitability of companies and sectors, economic cycles, business confidence and government policy. There are also additional risks in investing in foreign markets such as political and social instability, regulatory differences and exchange rate movements. To find out whether a Model Portfolio may be exposed to international investments, please refer to the relevant profile for that Model Portfolio in the Investment Menu.

While market risk is present in many forms of investment, whether an investor invests in shares directly or through a manager, the benefit of professional management is that Investment Managers have the resources and expertise to monitor the risk closely and potentially reduce such risks when making investment decisions.

Service risk

There are risks particular to investing in the Service including that the Service could be terminated, fees and charges could change, or we could be replaced as Responsible Entity. Investment Managers may also change causing some Model Portfolios to close.

Generally, you will be given at least 30 Days written notice of any changes to your investment in the Service including any changes in fees, and be given options as to what you may do.

Operational risks

In addition to the normal risks of investing, investors in the Service are subject to certain operational risks that are inherent in the administration of the Service such as processing errors and systems or technology failure, which may affect the value of your Investment Account or our ability to make changes to the investments in your Model Portfolio. We have procedures in place to manage and reduce these risks and their consequences, but you should be aware that not all such risks can be foreseen.

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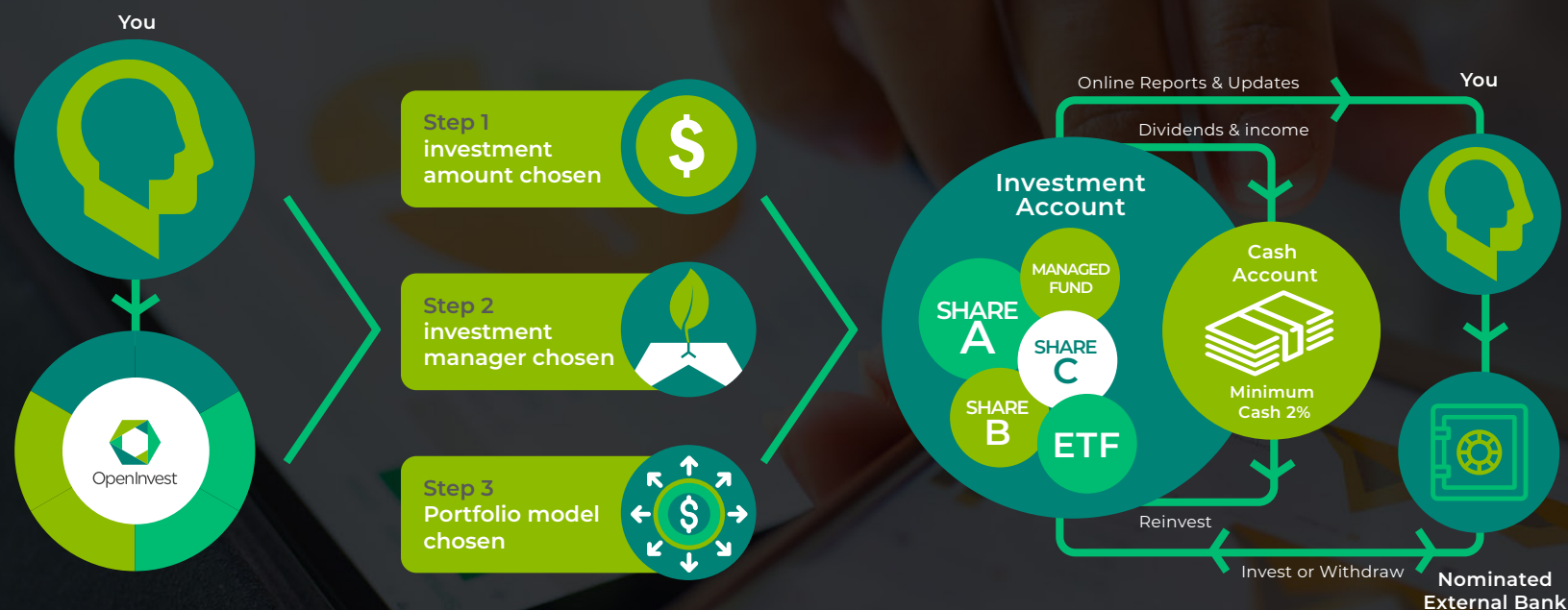
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When you invest in the Service, you will be given your own Investment Account which you can manage through your Investor Portal – your gateway to maintaining, viewing and withdrawing your investment, as well as accessing communications from us and your Investment Manager.





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How to invest

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Your Investment Account

- ▶ Each investor has a separate Investment Account to which their investments are allocated.
- ▶ If the Model Portfolio changes, we will buy and/or sell investments so that your Investment Account continues to reflect your chosen Model Portfolio.
- ▶ You can view and manage your Investment Account at any time on the Investor Portal

How to apply

To make an investment in the Service and open your Investment Account, you must firstly be a 'Registered User' on the OpenInvest Marketplace and complete the Online Application at www.OpenInvest.com.au. Your Investment Account will be opened when your application is accepted by us, money is transferred and is then received by us and cleared. Your funds will be invested according to your selected Model Portfolio at the next available date for investment.

Minimum application amount

The current minimum investment amount for the Service is \$25,000 unless otherwise agreed with OpenInvest.

How to make your initial investment

Your initial investment amount must be in cash and can be transferred to us in the following ways:



Billers Code: 268870
Ref: Your BPay Customer Reference No.*

*You will be advised of your BPay Customer Reference Number when your Investment Account has been opened.

® Registered to BPay Pty. Ltd. ABN 69 079 137 518

Direct Credit

Please contact your bank or financial institution to make this payment.

Account Name: OpenInvest Portfolio Service
BSB: 633-000
Account Number: 163 989 361
Ref: [Your Account Code]

Cheque

Please make cheques payable to OpenInvest Portfolio Service – [Your Account Code]

Mail to: PO BOX 3038 Auburn, VIC 3123

Your Account Number will be automatically generated when you complete the Online Application process. There may be a clearance period on some deposits (for example cheques) before the money is available for us to invest.

Making additional deposits

You can contribute a minimum of \$1,000 into your Investment Account at any time by BPay, direct credit or by cheque. Please ensure your Account Code is referenced on any transfer and or cheque. If you do not provide the Account Code there may be a delay in the processing of your additional investment.

The additional investments will be invested according to your selected Model Portfolio at the next available date for investment. entered onto the system by you.

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How to select your investment

OpenInvest offers a range of Model Portfolios to meet different risk and return expectations that allow you to tailor your investment strategy to your investment objectives.



The Investment Managers and Model Portfolios that are currently available for investment in the Service are described in the Investment Menu available at www.OpenInvest.com.au. We will update this Investment Menu whenever there is a change to the information relating to a Model Portfolio. The information relating to each Model Portfolio includes:

- ▶ the Investment Manager's profile;
- ▶ investment objective and strategy;
- ▶ investment allocation ranges; and
- ▶ fees and costs applicable to the Model Portfolio.

Our relationship with the Investment Managers is governed by a Membership Deed. This sets out the agreed investment objectives, strategy and any investment restrictions applicable to each Model Portfolio. Each Model Portfolio is managed by the relevant Investment Manager within these investment guidelines. Our agreements with the Investment Managers also reflect our core principle that we will not favour one manager over another. Therefore we will not promote one Investment Manager over another Investment Manager to you.



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Your initial application amount will be invested, and your Investment Account established, in accordance with your selection of Model Portfolio. Generally, this will occur on the next day (after your Investment Account becomes active and money is received and cleared) on which we buy and sell investments for the Service, which will usually be each Business Day ('Rebalancing Date').

Any changes to a Model Portfolio are provided to us by the Investment Managers. We will then implement the changes across all Investment Accounts that are linked to the affected Model Portfolios by the next Rebalancing Date.

What happens if my chosen Model Portfolio is no longer available?

We reserve the right to change Investment Managers, change the Model Portfolios offered, offer new Model Portfolios or cease to offer Model Portfolios. Where a Model Portfolio ceases to be offered:

- ▶ if we decide it is in the best interests of investors to close a Model Portfolio, you will be given the option of:
 - having the investments that make up your Investment Account transferred to another Model Portfolio, including another Investment Manager's Model Portfolio. At the next rebalance date your portfolio will be rebalanced to reflect the make up of the chosen model portfolio; or
 - withdrawing from the Service by instructing us to sell the investments to cash or by transferring the investments to you (see below, our section on 'How to withdraw by transferring your investments');
- ▶ if we decide it is in the best interests of investors to appoint another Investment Manager to manage that Model Portfolio, in addition to the options above you will be given the option of remaining in that Model Portfolio.

We do not make any representation as to the return of capital or any particular return of income or other performance by the Service or any Model Portfolio.

How can I change my Investment?

You can change between different Investment Managers and Model Portfolios at any time through your Investor Portal. Your instruction to change between Investment Managers and/or Model Portfolios will generally be acted upon during the next Rebalancing Date following receipt of such instructions. We may contact you if an investment instruction is unclear to seek further clarification from you.

Labour standards, environmental, social and ethical considerations

Unless otherwise indicated in the Model Portfolio profiles in the Investment Menu, our Investment Managers are not obliged to take into account labour standards or social, environmental or ethical considerations in the context of making investment decisions. OpenInvest may however, take these issues into account when selecting and approving Investment Managers on to the OpenInvest Marketplace.

What if I need assistance?

The OpenInvest Marketplace includes educational material and other useful information about investing within the Learning Centre, as well as a series of behavioural quizzes we've called 'Know Thyself', designed to give you a better understanding of what sort of investor you are and what type of investment strategy may suit you.

Please note that the information provided by us in the Learning Centre and the behavioural quizzes is of a general nature only and should not be regarded as personal financial advice or a recommendation to invest in the Service or any particular Model Portfolio. Should you require assistance in determining whether an investment in the Service is right for you or to select a Model Portfolio, you should seek the services of an appropriately licensed financial adviser.



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How your investments are administered

We act as the administrator of your investment account and undertake transactions on your behalf. This means your investments can be updated quickly and efficiently as market conditions change and as advised to us by your Investment Manager.

How your investments are held

We administer the investments in your Investment Account which are held on trust (i.e safe-keeping) by a Custodian . While investments are held and traded at a pooled level, each investor within the Service has a separate Investment Account which reflects only the investments and liabilities of that particular Investment Account. We do this by maintaining a register of the underlying investments and liabilities for each Investment Account in the Service. We reconcile our register with the Custodian's records on a daily basis.

Your Cash Account

In order to ensure there is sufficient cash to pay fees and satisfy costs in connection with the settlement of trades that are carried out in respect of your Investment Account, the Service will provide you with a Cash Account. This Cash Account forms part of your Investment Account within the Service. It is separate to your 'Nominated Bank Account' which is your own external bank account that is linked to your Investment Account and is where we will pay any money withdrawn from your Investment Account (see 'How to withdraw your investment').

A minimum cash balance of 2% of your Investment Account must be maintained in your Cash Account. This is in addition to any cash that may form part of a Model Portfolio in your Investment Account.

If at any time the cash in your Cash Account falls below the required minimum, we may sell some of the investments in your Investment Account to bring your cash back up to the required minimum level.

The cash in your Cash Account will be held in a bank account or invested in a cash fund selected by us.

Your cash your interest

Any interest or income earned on any cash that is held in respect of your Investment Account will be 100% credited to your Cash Account as and when it is received by us – OpenInvest does not retain any interest earned on the cash held in your Cash Account.

If your Cash Account has a negative cash balance (i.e. your cash holding is overdrawn as a result of trades carried out for your Investment Account), your Cash Account will be charged interest on the negative cash holding.



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Receiving income or dividends

Income or dividends received from your investments will be credited directly to your Cash Account. The funds will then be reinvested accordingly to the Model Portfolio's weightings at the next Rebalancing Date and subject to minimum trade size.

Going above or below the Minimum Cash Balance

Where cash in excess of the Minimum Cash Balance accumulates, (for example from the receipt of income or dividends) it will be invested on the next Rebalancing Date (generally the next Business Day) subject to minimum trade size being achieved. To the extent practicable the funds will be invested in proportion to your current Model Portfolio weightings.

If the cash holding in your Investment Account falls below the minimum required, additional investments will be sold (or purchases reduced) pro rata across your Investment Account. Any such transactions will not change the relative weightings of the Model Portfolios that your Investment Account was constructed on, but will reduce the overall amount allocated to each holding.

Investment process and rebalancing

In order to ensure that the investment allocation range of your Model Portfolio remains in line with the Model's stated investment allocation range, your Model Portfolio may be rebalanced. Rebalancing is the process of realigning the weightings of your Model Portfolio by periodically buying or selling investments in the Model Portfolio in order to maintain the desired investment allocation of that Model.

For example, say the original target investment allocation in your Model Portfolio was 50% Australian shares and 50% fixed interest. If the shares performed well during the period, it could have increased the share weighting of the portfolio to 70%. The Investment Manager may then decide whether it is necessary to sell some shares and buy fixed interest securities to readjust the model portfolio weightings.

The rebalancing process within the Service will be undertaken on each Rebalancing Date, generally each Business Day. However, your Investment Account will only be affected in the following circumstances:

- ▶ an Investment Manager advises us of a change to a Model Portfolio in which your Investment Account is invested;
- ▶ you make an investment in or withdraw cash and/or investments from your Investment Account;
- ▶ you switch Model Portfolios or make other alterations to your Investment Account; and
- ▶ where your cash holding has moved away from the minimum required as a result of income received or fees or costs paid.

A cash balance of 2% of your total investment will be retained. From time to time, subject to the minimum trade size, your Investment Account may be rebalanced to reflect the changing values of the investments you own, or to retain your 2% cash balance. This will be undertaken automatically through the buying or selling of investments within your Investment Account.



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Trading in investments

Buying and selling investments for the Service will be undertaken by us on the advice of the relevant Investment Managers. This will occur on a consolidated basis across all Model Portfolios within the Service to take advantage of scale and netting opportunities. All investments will then be allocated to the relevant investor accounts on a pro rata basis.

Netting

The Service seeks to minimise brokerage costs by eliminating unnecessary trading; this process, known as netting, works to offset buy and sell trades in an investment so that only the net position is traded.

If there is an exact netting of transactions within the Service, the netted transactions are priced at the relevant exchange closing price for listed securities or the closing trading price on units of a managed fund. The value of the trades are averaged and attributed to all investors where trades were generated. Brokerage is applied on a pro rata basis to all other affected investor accounts in the Service.

Minimum trade size

A minimum trade size of \$100 is applied per investment, per trade. A minimum trade size per investment will generally ensure that trades (buys or sells) of a value less than the nominated amount will not be executed. A minimum trade size may also result in the performance of your Investment Account deviating from the performance of the Model Portfolio.

Corporate actions

As the investments in your Investment Account are legally held by OpenInvest (in the name of our appointed Custodian), we will receive communications relating to corporate actions affecting those investments. For example, the issuers of the investments will send any notices of meetings relating to the investments, and any offers of dividend or distribution reinvestment plans, to our Custodian.

In dealing with corporate actions, we will act in the best interests of investors in the Service as a whole and will not be obliged to act on any individual investor's directions.

Our policy regarding corporate actions affecting investments held in the Service is that generally:

- ▶ we will elect to receive dividends and distributions in cash, which will be credited to your cash holdings within your Investment Account;
- ▶ we will adopt a neutral position and not vote at meetings of holders of investments, although we may exercise our discretion and vote depending on the particular circumstances; and
- ▶ we will deal with other corporate actions using our discretion.

In certain limited circumstances, entitlement to corporate actions may be subject to externally imposed limits or caps which may result in your entitlement to participate in the corporate action through our Service holding being less than an entitlement of an individual investor holding the same number of investments directly.



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How to withdraw your investment

We understand that sometimes you need access to your investment – OpenInvest makes it easy for you to arrange withdrawals through your Investor Portal.

You will normally be able to request either a partial or a full withdrawal of your investment on any Business Day and requests will be complied with promptly, subject to any requirements of the law and as set out below. There is currently a minimum withdrawal amount of \$1,000 for partial withdrawals.

Withdrawal instructions must be given to us online via the Investor Portal. Once you give a withdrawal instruction, you cannot revoke the instruction unless we give our approval. Partial withdrawals from the Service can be made in cash (to your Nominated Bank Account) or if you are closing your account and wish to withdraw your investment in full, you can elect to be paid in cash or via a transfer of securities to your name. Please note that only CHESS-eligible listed Australian securities may be transferred – other non CHESS-eligible investments in your account will be sold down and paid to you in cash.

Minimum Balance Requirement

There is a minimum balance requirement of \$25,000. If your Investment Account falls below the minimum balance requirement of \$25,000 due to a partial withdrawal (and not due to market movements), we may require you to top-up your Investment Account within 30 days from the time we issue the request. If you do not meet a request to top up your Investment Account within 30 days of such request, we may close your Investment Account and transfer the proceeds less any outstanding fees to your Nominated Bank Account.

How to withdraw in cash

Cash withdrawals can be made for both partial and full withdrawals. Such cash will be paid into your Nominated Bank Account. Any instruction to vary this Nominated Bank Account must be in writing and signed by you and accepted by OpenInvest.

To effect a cash withdrawal, investments will be sold across your Investment Account according to your selected Model Portfolio (if applicable). The sale of investments in your Investment Account will commence at the next Rebalancing Date following receipt of your withdrawal request. Generally, each Business Day is a Rebalancing Date. The value you will receive will be that at which the investments are sold.

Your funds will generally be available in your Nominated Bank Account within 5 – 10 Business Days of you issuing a withdrawal instruction to us depending on the liquidity of investments being sold (for instance, if your Model Portfolio contains units in managed funds, the sale of units may take longer), market conditions and other factors beyond our control.

Unless specifically requested, the withdrawal amount will accumulate as part of your cash holding until the full amount is available for transfer into your Nominated Bank Account.

How to withdraw by transferring your investments

If you are intending to close your account, you can request a withdrawal of any listed Australian securities to you. Such withdrawal request must indicate the name and number of securities to be transferred and the name and account number into which they are to be transferred. Only CHESS-eligible listed Australian securities may be transferred. If your Model Portfolio contains other investments, such as units in managed funds, they will be sold down to cash with the proceeds being paid to your Nominated Bank Account.

While an investment transfer is in progress, your Investment Account will not be included in the daily rebalance (i.e. your Investment Account will not trade). Please note an investment transfer is considered 'in progress' once the transfer details have been entered onto the system.

Suspension of withdrawals

In unusual circumstances outside our control such as the closure or disruption of a relevant securities exchange, we may suspend withdrawals from investor accounts for the period that these circumstances prevail. You will be notified should such circumstances occur.



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How we communicate with you

We make a range of easy to access information available to help your Investment Manager engage with you and to keep you informed about your investment.

Your Investor Portal

All investor communications and reporting are available online via your Investor Portal. Through the Investor Portal you may:

- ▶ access any communications from us regarding the Service, such as annual reports and notices;
- ▶ generate reports on your investment; and
- ▶ keep up to date with what's going on in the market and any changes to your Model Portfolio by continuing to access articles, commentary and videos from your Investment Manager, as well as Portfolio Updates and status reports.

By applying for an Investment Account you agree we can give you reports and notices electronically. Once your Investment Account is activated, you will be able to access your Investment Account information and view your Investment Account valuations online.

What reports will I have access to?

Some of the key reports and information available online via the Investor Portal include:

- ▶ **Portfolio Valuation Report:** this gives a full valuation of your Investment Account.
- ▶ **Investment Transactions Report:** lists all buys and sells, fees and charges deducted in respect of your Investment Account.
- ▶ **Investment Movement and Returns Report (Performance Report)*:** the performance of your Investment Account is available daily.
- ▶ **Investment Income Details Report:** lists all income and expenses including franking credits.
- ▶ **Tax Reports*:** lists information to assist you with your tax planning or in the preparation of your tax return.

*Performance reporting is not always up to date. Tax reports may not be correct for months after the end of the financial year depending on the investments held, due to reliance on third party information.



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Confirmations of transactions

By completing the Online Application process, you agree that confirmation of transactions involving your Investment Account will be provided to you by way of a transaction report available through your Investor Portal.

Your Investment Account will indicate the date and details, including the amount paid for the investments and any associated fees and charges, of each transaction made in respect of your Investment Account.

Annual Statements

We will issue your Investment Account annual statement to you after the end of each financial year. This will be made available on your Investor Portal.

Valuing your Investment Account

Updated valuations of your Investment Account will generally be available each Business Day. ASX listed securities will generally be priced at the close of market prices of the previous day. Other investments, such as unlisted managed funds, will generally be valued at the last bid price for the relevant investment, prior to the current day. Upon their disposal, such investments will be realised at the actual sell price for those investments, and accordingly, the realisation proceeds may be less than the value recorded in your Investment Account for those investments.

Tax reporting

Tax reports are available online at any time to assist you with your tax planning or in the preparation of your tax return, however tax reports may not be complete and accurate for months after the end of the financial year, depending on the investments held, due to the reliance on third party information. We will issue tax reports each year when they have been finalised.



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Financial information for OpenInvest and the Service

A copy of the Annual Financial Report for the Service will generally be available by early October each year via the Investor Portal. This report will provide consolidated information on the overall financial position of the Service but will not contain any information particular to your Investment Account.

You will receive a notification on the Investor Portal when this report is available for download. .

Responsible Entity reporting requirements

The Service may become a disclosing entity as defined under the Corporations Act. As a disclosing entity, the Service is subject to additional regular reporting and disclosure obligations. Any continuous disclosure notices required pursuant to the Corporations Act will be available at www.OpenInvest.com.au and on your Investor Portal. You may request us to provide to you free of charge, the half yearly condensed financial report (where we are required to prepared such half yearly report), the audited annual financial report and any continuous disclosure notices.

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Did you know?

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

For example, total annual fees and costs of 2% of your fund balance rather than 1% could reduce your final return by up to 20% over a 30 year period (for example, reduce it from \$100,000 to \$80,000). You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs. You may be able to negotiate to pay lower contribution fees and management costs where applicable. Ask the fund or your financial adviser.

To find out more

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

This PDS shows fees and other costs that you may be charged. These fees and costs may be deducted from your money, from returns on your investment or from the Service investments as a whole. Information about taxes is set out under "Tax information".

You should read all the information about fees and costs because it is important to understand their impact on your investment. Fees and costs that relate to particular investment options are set out in each Model Portfolio Profile in the Investment Menu. All fees are in Australian dollars and are inclusive of Goods and Services Tax (GST) and net of any reduced input tax credit.



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Type of fee or cost	Amount	How and when paid
Fees when your money moves in or out of the Service		
Establishment Fee. The fee to open your investment.	Nil	Not applicable.
Contribution Fee. The fee on each cash amount contributed to your investment.	Nil	Not applicable.
Withdrawal Fee. The fee on each amount you take out of your investment.	Nil	Not applicable.
Termination Fee. The fee to close your investment.	Nil ¹	Not applicable.
Management costs. The fees and costs for managing and administering your investment		
OpenInvest Fee	0.35% p.a.	The OpenInvest Fee is calculated by OpenInvest based on the daily value of your Investment Account and deducted monthly in arrears directly from the cash account which is part of your Investment Account. The OpenInvest Fee is retained by OpenInvest.
Investment Fee	Between 0.00% – 1.00% p.a.	The Investment Fee is calculated by OpenInvest based on the daily value of your Investment Account and deducted monthly in arrears directly from the cash account which is part of your Investment Account. This fee is then paid to the Investment Manager by OpenInvest.
Indirect Costs ²	Between 0.00 – 1.50% p.a.	Deducted by the underlying managed fund/ETF prior to striking a unit price, this fee is not separately deducted from your Investment Account. This fee varies from Model to Model. For the Indirect Cost Ratio that applies to a particular Model, please see the Investment Menu.
Transaction Costs ³	Between 0.00 – 0.75%	The Transaction Cost is an estimate of underlying transaction costs of some of the investments an Investment Manager may invest in, such as ETFs and managed funds. Transaction Costs cover the costs of those managers buying and selling investments in the underlying funds. These costs (if applicable) are deducted when transactions are effected by the underlying ETF /managed fund and are not directly charged or retained by us out of your Investment Account.
Expense Recovery Fee	Nil	Not applicable.
Service Fees	Nil	Not applicable.

1. No Termination Fee is payable, however any Management Costs accrued but not yet paid would be deducted from your Investment Account prior to the cash and investments in your Investment Account being transferred out.
2. Refer to “Indirect Costs” in the “Additional explanation of fees and costs” section for further details
3. Refer to “Transaction Costs” in the “Additional explanation of fees and costs” section for further details



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Example of annual fees and costs for the Service

The table below gives an example of how the fees and costs in the Service can affect your investment over a one year period. You should use this table to compare this product with other products.

Example - Schroder Robust Growth Model Portfolio		Balance of \$50,000 with a contribution of \$5,000 at the end of the year
Contribution Fees	0%	For every additional \$5,000 you put in, you will be charged \$0
PLUS Management Cost		
OpenInvest Fee	0.35%	AND, if you have a balance of \$50,000 in the Service you will be charged an OpenInvest Fee of \$175. This OpenInvest Fee of 0.35% is calculated by OpenInvest based on the daily value of your Investment Account and is deducted monthly in arrears from your Investment Account by OpenInvest. The OpenInvest Fee is retained by OpenInvest.
Investment Fee	0.65%	AND, if you have a balance of \$50,000 in the Service you will be charged an Investment Fee of \$325. This Investment Fee of 0.65% is calculated by OpenInvest based on the daily value of your Investment Account and is deducted monthly in arrears from your Investment Account by OpenInvest. This fee is then paid to the Investment Manager by OpenInvest.
Indirect Cost	0.01%	AND, if you have a balance of \$50,000 in the Service a cost of \$5 will be deducted by any managed funds or ETFs within your Model Portfolio during the year.
Transaction Cost	0.20%	AND, if you have a balance of \$50,000 in the Service a cost of \$100 will be deducted by any managed funds or ETFs within your Model Portfolio only when transactions are effected.
EQUALS Cost of the Service	\$605	If you had an investment of \$50,000 at the beginning of the year and you put in an additional \$5,000 at the end of that year you would be charged fees of \$605. What it costs you will depend on the investment option you choose.

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Additional explanation of fees and costs

OpenInvest Fee

The OpenInvest Fee is the administration fee retained by us to pay for the administration of the Service and of the OpenInvest Marketplace. It includes account operation and oversight, brokerage, custodian, and audit fees, as well as the legal structure, technology and reporting provided by OpenInvest. We retain this same fixed fee regardless of which Investment Manager and which Model Portfolio is selected by you.

The OpenInvest Fee is based on your total Investment Account balance, including the portion held in cash. The fee is calculated daily and is payable monthly in arrears from the cash holding in your Investment Account.

As an Investor you may also be entitled to a discount on the OpenInvest Fee based on the whole value of your Investment Account ('OpenInvest Advantage Fee Discount').

The rates of discount are as follows:

OpenInvest Advantage Fee Discount (excluding Investment Fee and Indirect Costs. Inclusive of GST)

Account size	Discount applied to OpenInvestFee	OpenInvest Fee after discount
0 - \$500,000	0	0.35%
\$500,001 - \$1,000,000	15%	0.30%
\$1,000,001 - \$2,000,000	35%	0.23%
>\$2,000,001	55%	0.16%

So for example, if your Investment Account is valued at \$1,500,000 you will receive a 35% discount on the 0.35% OpenInvest Fee for the whole of the \$1,500,000 invested and you will only pay an OpenInvest Fee of 0.23%.

Please note that the OpenInvest Advantage Fee Discount applies to the OpenInvest Fee only and not to the Investment Fee or the Indirect Costs.

Our Commitment



Transparency

What you pay to invest should never come as a surprise.



Low Fees

Keeping fees to a minimum so there's more money in your pocket.



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Investment Fee

The Investment Fee covers the professional management of your chosen Model Portfolio. This covers the expertise, intellectual property, research, analysis, modelling and investment allocation by your Investment Manager.

The Investment Fee applied to your Investment Account is not linked to performance of the Model Portfolio.

Each Model Portfolio has its own separate fee structure, as agreed with the Investment Manager.

Full details of the fees applicable to each Model Portfolio can be found in the Model Portfolio profile in the Investment Menu.

The Investment Fee is based on your total Investment Account balance, including the portion held in cash. The fee is calculated daily and is payable monthly in arrears from the cash holding in your Investment Account. This fee is then paid to the Investment Manager by OpenInvest.

Indirect Costs

The Indirect Cost is an estimate of underlying ongoing fees and costs of some of the investments an Investment Manager may invest in, such as ETFs and managed funds, as part of a Model Portfolio. This includes (if applicable) any underlying management fees, indirect costs, abnormal costs and performance-related fees charged by the managers of those ETFs and managed funds. These costs are not directly charged or retained by us out of your Investment Account, but are deducted from the returns you receive on the relevant investments.

The Indirect Costs may vary from Model to Model. The Investment Menu sets out the most up to date Indirect Costs for each Model Portfolio where such costs are provided to us by the relevant Investment Manager. Please refer to the Investment Menu for the specific Indirect Costs that apply to a particular Model Portfolio.

Transaction Costs

Where managed funds or ETFs are included as investments in a Model Portfolio, the managers of those underlying funds may also incur Transaction Costs. Transaction Costs are made up of a buy/sell spread recovery as well as other transaction costs such as brokerage, Government taxes, bank charges and stamp duty (if any). A buy/sell spread recovery arises as a result of applications and redemptions recovered from the applicants and redeeming unitholders in the form of a 'buy spread' and a 'sell spread'. These costs are incurred only when transactions are effected. The amount of Transaction Costs are not directly charged or retained by us out of your Investment Account, but are deducted from the returns you receive on the relevant investments as such costs occur.

For a full breakdown of the Indirect Costs and Transaction Costs of any underlying managed fund or ETF within a Model Portfolio, you should refer to the relevant offer document for that managed fund or ETF which we can obtain for you by contacting us at enquiries@openinvest.com.au.

Fee Waivers

Either OpenInvest and/or the Investment Managers may waive their respective fees at their discretion for any period. This means your OpenInvest and/or your Investment Fee will be reduced by the amount of the fee waiver for the period to which the waiver applies. Where this occurs, you will be notified of any terms and conditions of any such fee waiver.



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Expense recoveries

Unless we inform you otherwise with not less than 30 Days written notice, any expenses which we properly incur or become liable for in connection with administering the Service including audit, legal and tax consulting fees, compliance committee costs, expenses and liabilities, will be paid by us from the OpenInvest Fee we receive from you.

We may be entitled to input tax credits for certain costs or expenses that we incur in our capacity as Responsible Entity of the Service. If any claim for input tax credits results in us, in our capacity as Responsible Entity, receiving a payment from the Australian Taxation Office (ATO), the amount of the ATO payment will be applied towards costs and expenses that we may incur in our capacity as Responsible Entity.

We may also recover certain abnormal expenses from time to time. These are expenses we are entitled to deduct from your Investment Account but they are not generally incurred during the day to day operations of the Service and are not necessarily incurred in any given year. They are due to abnormal events such as the cost of running a meeting of members of the Service, the costs of any instruction we undertake on your behalf that is not generally incurred during the day to day operations of the Service or legal costs incurred by commencing or defending legal proceedings, where we take such action in your best interest as an investor in the Service.

To the extent that any abnormal costs, expenses and charges are only attributable to a particular investor or class of investors, then they are deducted from that investor's Investment Account or the accounts of that class of investor. Otherwise, these amounts are allocated equitably amongst all Service investors as we determine.

Can fees and charges change?

Yes, all fees and charges can change. They may vary over time as a result of changes to the OpenInvest Marketplace, changing economic conditions and changes in regulations.

The Constitution sets the range of fees we are entitled to charge and the maximum level of those fees, which currently allows us to charge a OpenInvest Fee of up to 5% p.a. This limit can only be changed if the Constitution is changed to increase the limit (and we would need to seek investors' approval to do so).

We however, cannot charge more than what is disclosed to you in the PDS. The fees applicable to your investment are set out in the table under "Fees and other costs". If we do decide to increase fees, you will be provided a minimum of 30 Days written notice before any fee increase takes effect.

Differential Fees

In accordance with the Corporations Act, we may individually negotiate fees with investors classed as "wholesale" or "professional" investors. We may also offer reduced fees to employees of OpenInvest and its related entities or come to different fee arrangements with different classes of interests. The Constitution allows for more than one class of interest to be issued. For more information, please contact OpenInvest.

We cannot enter into individual fee arrangements with other investors unless otherwise permitted by law.

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Investing, and dealing with investments, often has tax implications which can be complex, and which are invariably particular to your circumstances. The tax information set out below is a broad overview of the possible Australian income tax consequences for Australian Resident investors who invest through the Service. As the taxation consequences of investing differ between investors depending on whether the investor is an individual, company, trust or SMSF, it is important that you seek your own professional advice that takes into account your individual circumstances before you make investment decisions.

Taxation of the Service

The Service is not taxed since all investments are beneficially held by investors directly in their separate Investment Accounts. You have a vested and indefeasible interest in your investments held through the Service. All income and gains/losses on the investments accrue directly to you.

Tax on Income

Depending on the types of investments made, your Investment Account can derive income in the form of dividends, interest, gains on the disposal of investments and other types of income. Generally speaking such income is taxable, but tax credits (for example, franking credits or foreign income tax offsets) may be available to offset part or all of any resulting tax liability.

If you receive franking credits your entitlement to use those credits to offset tax or obtain a refund of tax may be affected by your holding of the underlying investments which resulted in the credits. For example, you must hold the relevant investments at risk for more than 45 days (90 days for preference shares) to be entitled to the credit. Please see your tax adviser for further information, as some exceptions and additional requirements do apply.



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Tax on Capital Gains

The disposal of investments in your Investment Account may result in a taxable gain or loss under the capital gains tax provisions of the Income Tax Assessment Act. These disposals may be triggered by the investment decisions of an Investment Manager or by you in the case of a withdrawal, or switching (transferring) between Model Portfolios (if applicable).

A feature of the Service is that when you choose to move between Model Portfolios, your investments move with you to the extent that there is commonality between the Models. This means that, where an investment is held in both your old and new Model Portfolio, there will be no sale or disposal of the investment in your Investment Account for capital gains tax purposes, to the extent that the holdings offset each other.

Capital gains will be calculated based on the nominal gain on disposal of investments. Where the investment disposed of was held for 12 months or more, eligible investors may be able to claim concessional tax treatment.

Should a disposal result in a capital loss, the loss may be able to be offset against capital gains arising in that or subsequent years, but is not permitted to be offset against other income. This includes gains or losses realised outside the Service; gains and losses are consolidated based on your overall tax position and are not isolated to or quarantined to your Investment Account.

In some cases, (e.g. you are in the business of trading in investments) gains and losses on the disposal of some investments may be taxed on revenue account and not be subject to the capital gains tax rules. You should consult your tax adviser in this regard.

Foreign Investments

Foreign income (e.g. foreign dividends) may be subject to withholding tax in the country from which the income is derived. Generally speaking, this income will be taxable in Australia with foreign income tax offset available for the foreign withholding tax paid.

Taxation Reform

The Australian Federal Government can change taxation laws at any time. This could result in change to the taxation treatment of your investment. We strongly recommend that investors monitor reforms closely and seek their own independent professional advice on the potential application of those reforms to their specific circumstances.

Providing your Tax File Number

If you choose not to provide your Tax File Number (TFN) or Australian Business Number (ABN) during the Online Application process, we will not be able to proceed with opening your account.

Goods and Services Tax

GST will be charged on or incorporated in various expenses paid by the Service including the fees charged for managing the Model Portfolios and administering and promoting the Service. We may be entitled to input tax credits for certain costs or expenses that we incur in our capacity as Responsible Entity of the Service. If any claim for input tax credits results in us, in our capacity as Responsible Entity, receiving a payment from the ATO, the amount of the ATO payment will be applied towards costs and expenses that we may incur in our capacity as Responsible Entity.

All fees in this PDS are quoted inclusive of GST and net of reduced input tax credits.

Tax Reporting

Tax reports are available online at any time to assist you with your tax planning or in the preparation of your tax return.

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Our legal relationship with you

OpenInvest holds AFSL 504 155 which authorises us to operate the Service as its Responsible Entity.

Our responsibilities and obligations as Responsible Entity are governed by the Constitution for the Service, 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 investors and us. You may request a copy of the Constitution from us free of charge by contacting enquiries@OpenInvest.com.au

The main provisions which relate to your rights under the Constitution include:

- ▶ your beneficial interest in the investments and cash credited to your Investment Account;
- ▶ your right to withdraw from the Service and what you are entitled to receive when you withdraw or if the Service is wound up;
- ▶ your rights to attend and vote at meetings of the Service – these mainly reflect the requirements of the Corporations Act which also deals with investor rights to requisition or call a meeting; and
- ▶ that your liability is generally limited to the value of your Investment Account.



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In relation to our powers, duties and liabilities in respect of the Service, the Constitution sets out our broad rights:

- ▶ to refuse applications for investment, in whole or in part, at our discretion and without giving reasons;
- ▶ to act on properly authorised instructions, invest, and generally manage the Service;
- ▶ not to act on instructions in certain cases and that we are not liable for delays due to failure to act on unclear instructions or for other reasons beyond our control;
- ▶ to terminate Investment Accounts, including if an investor does not hold the required minimum balance or breaches the rules governing the Service as set out in this PDS;
- ▶ to determine minimum application, withdrawal and holding amounts and powers in support of these minimums;
- ▶ to extend the period for withdrawal in certain circumstances;
- ▶ to be reimbursed from the investments of the Service where we incur liabilities while acting in the proper performance of our duties as Responsible Entity and where such liabilities are not caused by our own negligence, breach of trust or fraud. We will however, only seek reimbursement where we incur liabilities while acting in your best interest. We may seek your approval before taking any action on your behalf which may incur such liabilities;
- ▶ to change the Constitution. Generally we can only change the Constitution where we reasonably believe that the changes will not adversely affect your rights as an investor. Otherwise the Constitution can only be amended if approved by special resolution at a meeting of investors;
- ▶ to charge fees and recover all expenses incurred in the proper performance of our duties as the Responsible Entity of the Service. We will however, not charge any fees or recover expenses that are not disclosed in the PDS;
- ▶ to appoint service providers including Investment Managers;
- ▶ to retire as Responsible Entity on 30 Days written notice or we can be removed in accordance with the Corporations Act; and
- ▶ to terminate the Service by notice to investors, and then to transfer cash to investors.

Please note that this is not an exhaustive list of our rights under the Constitution. In exercising our powers and rights under the Constitution, we will not act inconsistently with the terms of this PDS.



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Custodian

Whilst the Custodian holds the legal title of the Service on behalf of OpenInvest, you retain the beneficial interest in its underlying investments. The Custodian does not perform any supervisory role and is required to act in accordance with proper instructions received from us, for example, effecting settlements on behalf of the Service.

The Custodian is required to meet prescribed regulatory and financial requirements. We may change the custodian at our discretion from time to time. Any liability or responsibility which the Custodian has or may have under the custody arrangements are to OpenInvest only. Where there are any investments of the Service which OpenInvest elects not to deposit with the Custodian, the Custodian shall have no liability whatsoever in respect of such investments.

As at the date of this PDS, Sandhurst Trustees Limited ABN 16 004 030 737 has been appointed as the Custodian for the Service.

Differences between investing directly and investing in the Service

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

	Investing through the Service	Investing directly in the investment
Available Investments	You will have the benefit of investing in a portfolio of investments that is professionally managed by an investment manager. Your portfolio may also include investments in some securities or managed funds that may not be typically available to you directly, for instance managed funds that are only available for wholesale investment.	You may invest in securities directly through the ASX or other financial markets.
Trading	You invest through an IDPS-like managed investment scheme whereby trading in securities is conducted on a consolidated basis. You will not have your own Holder Identification Number (HIN) or Security Reference Number (SRN)	You invest directly in each relevant security and hold your own HIN or SRN.
Ownership of your investments	You are the beneficial owner of the investments but they are registered in our name or any custodian which we appoint. Consequently, you do not automatically: <ul style="list-style-type: none"> • receive notices from the issuer of the underlying investments; or • have voting rights in relation to the underlying investments. 	You receive notices directly from an issuer of an investment, including notices of meetings and annual reports and you retain full discretion to exercise voting rights.
Reporting	You receive comprehensive consolidated reporting regarding the investments in your Account which gives you a complete picture of your investment portfolio with us, and which you can access any time.	You receive reports from the issuer of each investment independently, not a single consolidated report.
Withdrawals	The time to withdraw from an underlying investment may be delayed by the administrative requirements of the Service.	Investments and withdrawals are made in accordance with the parameters of the particular investments.
Corporate Actions	We can exercise any rights to vote or participate in any investor schemes or proposals that may be available in respect of your investments. In dealing with corporate actions, we will act in the best interests of investors in the Service as a whole, and will generally not be obliged to act on any individual investor's directions	The investor's entitlement under a corporate action is determined by their individual holding and is not affected by the holdings of others.



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Cooling off rights

If you decide an investment in the Service is not right for you, you may withdraw your investment within the 14 Day Cooling Off period. The refund of your investment will be paid in cash. However, the value of your investment is likely to have changed over the period due to market movements and the amount returned to you may be greater or less than the amount you initially invested.

Compliance Plan

We are governed by a Compliance Plan for the Service which is lodged with ASIC. The Compliance Plan sets out the measures we will take to ensure we comply with the Corporations Act, our AFSL and the Constitution.

Auditor

The current auditor of the Service is Deloitte Touche Tohmatsu. As our external auditors, Deloitte will be responsible for amongst other things, reviewing our financial statements as well as auditing our compliance with our AFSL and our adherence to the Compliance Plan. Reports from our audit will be made available on your Investor Portal.

Enquiries and complaints

If you have a query or complaint, you can either:

- ▶ call OpenInvest on 1800 954 549 between 9:00am and 5:00pm;
- ▶ write to us at OpenInvest GPO Box 3038 Auburn VIC 3122; or
- ▶ send it by email to complaints@OpenInvest.com.au

Please provide us with all information relevant to the complaint that is in your possession or control. We will acknowledge receipt of the complaint as soon as practicable within two working days of its receipt.

We will deal with any complaint and respond to you as soon as practicable and may ask you for further information that we think is necessary to enable us to properly consider the complaint. If we cannot resolve the matter within 45 days of receiving your complaint we will provide a written explanation to explain our assessment.

If your complaint is not dealt with to your satisfaction within this timeframe, you may refer your complaint to the Australian Financial Complaints Authority (AFCA) of which we are a member and which is an independent entity at no cost.



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The contact details for AFCA are:

Mail: GPO Box 3, Melbourne, Victoria, 3001

Telephone: 1800 931 678

Website: www.afc.org.au

Email: info@afc.org.au

Privacy

The information requested on the Online Application process is used by us for the primary purpose of establishing and administering your Investment Account. We may be unable to process your Application and provide you with the requested investment without this information. We may pass information relating to your identity, including your full name, residential address and details of your identification documents (ie. your driver licence or passport) to a third party service provider in order to verify your identity against Government databases.

Our Privacy Policy detailing our handling of personal information is available on www.OpenInvest.com.au. The Privacy Policy outlines how we collect, use, protect, and disclose your personal information. It also explains how you can access your personal information and have it amended, as well as who you can contact should you have an enquiry or complaint.

You may request access to the information held by us about you and your investment, and we ask that you advise us of any changes to such information you may have provided.

Please note, that in accordance with the requirements of AML Laws, we may be requested to disclose your personal information to the Australian Transaction Reports and Analysis Centre (AUSTRAC).

You may contact our Privacy Officer at privacy@OpenInvest.com.au if you wish to update or request access to your information or if you have any queries regarding our Privacy Policy.

Anti-Money Laundering and Counter-Terrorism Financing

We are required to comply with AML Laws. AML Laws requires us to (amongst other requirements) verify the identity of investors making applications into the Service.

We cannot accept an application to invest in the Service until satisfied that the identity of the investor has been verified in accordance with AML Laws. The processing of applications may be delayed until the requested information is received in a satisfactory form and the identity of the investor is verified.



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By completing the Online Application process or any AML forms requested by OpenInvest during the application process, you agree that:

- ▶ you do not make an application for investment in the Service under an assumed name;
- ▶ any money used by you to invest in the Service is not derived from or related to any criminal activities;
- ▶ any proceeds of your investment will not be used in relation to any criminal activities;
- ▶ upon request, you will provide us with additional information we reasonably require for the purpose of AML Laws; and
- ▶ we may obtain information about you or any beneficial owner of an investment from third parties if we believe this is necessary to comply with AML Laws.

In order to comply with AML Laws, OpenInvest may be required to take action, including:

- ▶ delaying or refusing the processing of any application or withdrawal; or
- ▶ disclosing information that we hold about you or any beneficial owner of investments to the relevant regulators of AML Laws and may be prevented from informing you that such reporting has taken place; or
- ▶ request additional identification/verification documentation or other information from an investor to verify the investor's identity or comply with the AML Laws. Where documentation provided is not in English, an English translation must be provided by an accredited translator.

And in any of these circumstances, we will not be liable to you for any resulting loss.

Investor identification requirements

The Online Application process requires you to provide us with such information on your identify as we require in order to verify your identity. This includes your full name, residential address and details of your identification documents (ie. your driver licence or passport). The verification of individuals will be conducted electronically whereby your details are matched against personal details on Government databases. If you are investing through an SMSF, trust or company, we will require certain additional information (for instance, an ABN or ACN) which must be verified as well.

Unless requested, we do not require original documents or certified copies to verify your identity.

Reporting of financial account information on foreign tax residents

Where OpenInvest accepts investors who are foreign tax residents, OpenInvest may be required to comply with the Common Reporting Standards ('CRS') and/or US Foreign Account Compliance Act ('FATCA'). To comply with these requirements, OpenInvest will collect certain additional account information from you (if you are a foreign tax resident) and will disclose such information to the ATO or the US Internal Revenue Service, where required to do so.

Appointed representatives

OpenInvest is required to verify the identity of legal representatives and agents appointed to act on behalf of an investor. We cannot proceed to act on the instructions of a nominated legal representative until such time as we verify the identity of that representative. Appointed legal representatives include, but are not limited to, an attorney (appointed under power of attorney) and executors of estates.

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By applying for an Investment Account, you agree, declare and/or acknowledge that:

Documents

- ▶ You have read this PDS to which your application applies together with the Investment Menu.
- ▶ You have read and agree to the Terms of Use which govern the use of the OpenInvest Marketplace and the information and services provided by OpenInvest therein as may be amended from time to time.
- ▶ You have read the Privacy Policy and consent to the handling and disclosure of your personal information as described in the Privacy Policy.
- ▶ You agree to be bound by the provisions of the Constitution as may be amended from time to time which governs the operation of the Service.
- ▶ You will receive the PDS and other important information that is taken to form part of the PDS and/or your Investment Account electronically by email or via the Investor Portal.

Application

- ▶ All details given in your application are true and correct.
- ▶ In making a decision to open an Investment Account, the only information and representations provided by OpenInvest are those contained in the PDS and Terms of Use to which this application applies together with any other important information taken to form part of the PDS.
- ▶ You are not a US Person as defined under Regulation S of the US federal securities laws.
- ▶ You have the capacity and power to make an investment in accordance with the application.
- ▶ Joint applicants (including SMSF trustees) or signatories who allow other investors or signatories to give instructions in relation to an investment in the Investment Account will bind other investors or signatories for all transactions in connection with the investment including changes to account details.
- ▶ OpenInvest may request or require additional personal or customer entity information in order to fulfil its legal obligations. Failure to supply the information punctually may result in OpenInvest being prevented by law from carrying out your instructions.
- ▶ Even if all information requested on the Online Application process has been provided and received by OpenInvest prior to the cut-off time for receiving instructions, the processing of your application may be postponed or delayed while OpenInvest verifies and considers information, in which case your application will be processed at the prices of securities applicable for the Business Day as at which all information has been received and verified.



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- ▶ OpenInvest will not be familiar with, and is not responsible for being familiar with, the contents of any document that you provide in connection with this investment or subsequent investments, for example, trust deeds, partnership agreements, constitutions, governing rules and minutes of resolutions.

Investment Authority

- ▶ You are providing OpenInvest with a standing instruction to make investments on your behalf in accordance with the Model Portfolio that you have selected as part of the Online Application process or any other Model Portfolio you have selected from time to time.
- ▶ Under this authority, OpenInvest will rebalance your Investment Account by buying or selling investments in accordance with changes made to your selected Model Portfolio as advised by the Investment Manager.
- ▶ Instructions to change Model Portfolio may only be submitted by you through the Investor Portal and OpenInvest will act on this instruction on your behalf.
- ▶ You authorise OpenInvest to move funds within your Investment Account as described in the PDS to facilitate the payment of fees and settlement of trades or on your instruction in relation to a withdrawal.
- ▶ This authority will continue until your Investment Account is closed.

General Declarations

- ▶ You release OpenInvest from all responsibility and liability whatsoever in connection with any action or inaction by OpenInvest which constitutes or gives rise to an inconsistency with, or breach of, any such documents, and will indemnify OpenInvest in respect of any such liability.
- ▶ You agree that none of OpenInvest, third party investment managers or their related entities, directors or officers guarantees the performance of, the repayment of capital, or income invested in, the Investment Account.
- ▶ You acknowledge that by investing through OpenInvest, you do not have access to some of the rights and entitlements that would otherwise be available to you as a retail investor if you invested in the underlying investments directly. Please refer “Differences between investing directly and investing in the Service” of this PDS for details as to what some of the differences are.



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- ▶ You authorise OpenInvest to deduct from your income distributions payable from the Investment Account, on account of the Taxation Amount which OpenInvest is or may become liable to pay in respect of your entitlement to the capital or distributable income of the Investment Account to which your application applies.
- ▶ Withdrawal proceeds may be withheld if your nominated bank account does not match the details previously provided until such time as the correct details are provided.
- ▶ You have access to the internet on a substantial and continuous basis.
- ▶ The Service is online only. To continue to access the Service, you must agree to the Terms of Use as may be amended from time to time.

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Important Information

You cannot invest in the Service unless you first become a Registered User of the OpenInvest Marketplace and apply for an Investment Account via the Online Application process at www.OpenInvest.com.au.

Our communications to you, including the provision of this PDS, will be in electronic form and available through the OpenInvest Marketplace.

If you are printing an electronic copy of this PDS including the Investment Menu you must print all pages.

If you make this PDS available to another person you must give them the entire electronic file or printout.

How to apply to become an Investor

To apply for an Investment Account and become an Investor in the Service, you need to:

- ▶ become a Registered User of the OpenInvest Marketplace;
- ▶ complete the Online Application process; and
- ▶ deposit your investment amount to OpenInvest in accordance with your preferred method of payment.

An application will generally only be processed once the completed documentation is received at OpenInvest together with payment of the application amount.

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AFSL means Australian Financial Services Licence.

ARSN means Australian Registered Scheme Number.

AML Laws means the Anti-Money Laundering and Counter Terrorism Financing Act 2006 (Cth) and any supporting Anti-Money Laundering and Counter-Terrorism Financing Rules and Regulations as amended from time to time.

Business Day means an ASX trading day.

Cash Account means an account that forms part of your Investment Account in the Service. It is used to settle your investments and withdrawals from the Service.

Constitution means the constitution for the Service.

ETF means Exchange Traded Fund.

Investment Account means the account representing your interest in the Service that is issued under this PDS.

Investment Manager(s) means the person(s) responsible for providing and managing the relevant Model Portfolio(s) for your Investment Account as disclosed in the Investment Menu.

Investment Menu means the list of Investment Managers and Model Portfolios that are available for investment.

Investor Portal means the online portal provided by the Service which is accessible to you upon opening your Investment Account.

Managed funds means listed and unlisted managed investment schemes.

Minimum Cash Balance means the cash held in your Cash Account in addition to any cash held in the Model Portfolio(s) which may be used to maintain your Investment Account.

Model Portfolio(s) or Model(s) means the Model Portfolio(s) offered under the Service that are applied to your Investment Account.



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Nominated Bank Account means your external bank account that is linked to your Investment Account. All money withdrawn from your Investment Account will be paid into this bank account as nominated by you during the Online Application process.

Online Application means the application process to become an Investor of the Service.

PDS means this Product Disclosure Statement.

OpenInvest, us, we or our means collectively OpenInvest Limited ACN 614 587 183, AFSL 504 155, OpenInvest Holdings Pty Ltd ACN 618 128 859 and their related entities.

OpenInvest Marketplace or Marketplace means www.OpenInvest.com.au and all associated pages, portals, mobile applications and interactive tools owned and operated by OpenInvest.

Rebalancing Date is generally each Business Day.

Registered User means a person who registers to access and use the OpenInvest Marketplace.

Responsible Entity means OpenInvest Limited ACN 614 587 183 in its capacity as the responsible entity of the Service.

Securities means any ASX listed CHESS sponsored security and any unlisted investment as listed in the Investment Menu, or other investment given prior approval by OpenInvest.

Service means the registered IDPS-Like managed investment scheme which is known as the OpenInvest Portfolio Service ARSN 628 156 052

Terms of Use means the terms and conditions for the OpenInvest Marketplace as may be amended from time to time. .



Product Disclosure Statement
OpenInvest Portfolio Service
ARSN 628 156 052
Dated 12 July 2019

Responsible Entity & Issuer
OpenInvest Limited
ACN 614 587 183 | AFSL 504 155
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Hawthorn VIC 3122