
Investment Account

Product Disclosure Statement

Powerwrap Scheme
(referred to in this PDS as the "Scheme") a
registered Managed Investment Scheme
under the Corporations Act 2001 (Cth)
(ARSN 137 053 073).

Responsible Entity:
Powerwrap Limited (ABN 67 129 756 850)

27 March 2024

Directory

Investors with any questions regarding the Scheme should contact their Financial Advisor.

Distributor

Escala Partners Pty Ltd
Level 19 / 90 Collins Street
Melbourne Victoria 3000

Contact

Telephone: 1800 122 121
Web: www.escalapartners.com.au

Responsible Entity

Powerwrap Limited
PO Box 16071
Collins Street West Victoria 8007

Contact

Telephone: 03 8681 4600
9:00 AM to 5:00 PM Monday to Friday
Web: www.powerwrap.com.au



Contents

General information	3
Escala Investment Account	4
Key features	4
Operating your account	6
Investment options	11
Reporting	16
Risks	17
Taxation	19
Fees and other costs	20
Additional explanation of fees and costs	24
Important additional information	28
Glossary	35
How to complete the Application Form	36



General information

This Product Disclosure Statement (“PDS”) is issued by Powerwrap Limited (“the Responsible Entity” or “Powerwrap”) (ABN 67 129 756 850) (Australian Financial Services Licence No. 329829) and is marketed and distributed by Escala Partners Pty Ltd (ACN 155 884 236) (referred to in this PDS as “the Distributor” or “Escala”) pursuant to an agreement between the Distributor and Powerwrap. Escala Partners Pty Ltd is a Corporate Authorised Representative of Escala Wealth Management Pty Ltd (AFSL 456207) (ACN 162 573 828).

The PDS invites you to invest in the Powerwrap Scheme (referred to in this PDS as the “Escala Investment Account” or the “Scheme”), a registered Managed Investment Scheme under the Corporations Act 2001 (Cth) (ARSN 137 053 073).

This PDS has been prepared for and is distributed by Escala and is available only to clients of financial advisory firms who have entered into agreements with the Distributor.

General advice warning

The information in this PDS is general in nature only and is not personal advice. This means it does not take into account your personal circumstances. You should read this PDS carefully and assess whether the Scheme is appropriate for you in light of your financial objectives, situation and needs.

Investments in the Scheme are not deposits with or other liabilities of the Responsible Entity or the Distributor, and are subject to investment risk, including possible delays in repayment and loss of income and principal invested. The performance of the Scheme, the repayment of capital or any particular rate of return on investments is not guaranteed by the Responsible Entity, the Distributor, or the investment managers.

Financial Advisor

You can only invest in the Scheme if you are advised by a Financial Advisor so that you are informed about the investments you make in the Scheme. By purchasing this product, you will authorise your Financial Advisor to provide instructions, on your behalf, to the Responsible Entity and to access your Cash Operating Account (on a limited access basis).

Your Financial Advisor should give to you current disclosure information for each investment in the Scheme you are considering. A list of the accessible investments is available in the Available Products List, available at www.escalapartners.com.au. Disclosure information is important and should be read before making your investment decisions. The Available Products List is taken to be included in this PDS. You can also obtain a copy from the Responsible Entity at no charge on request.

The Scheme is a fully electronic product. When you invest in the Scheme you:

- agree to receive all disclosures and reporting electronically
- agree we can give copies of any regulated documents to you by providing them to your Financial Advisor

You also authorise your Financial Advisor to act as your agent for performing online transactions on your Scheme Account and any non-Scheme assets.

Eligibility

This PDS does not constitute an offer or invitation in any place where, or to any person to whom, it would not be lawful to make such an offer or invitation. This offer is only open to persons receiving this PDS as a hard copy or electronically within Australia.

Updating information

Information in the PDS may change from time to time. Updated information that is not materially adverse may be provided at www.escalapartners.com.au. A paper copy of the updated information will be provided without charge on request to your Financial Advisor. The Responsible Entity reserves the right to change features and terms of the Scheme at any time.

A Target Market Determination (“TMD”) for this product and some of the underlying investment options can be viewed at www.praemium.com.

All percentage and dollar amounts within this PDS are inclusive of GST (where applicable) unless otherwise specified.



Escala Investment Account

A single Investment Account

The Escala Investment Account is delivered through the Powerwrap Managed Investment Scheme and provides access to a comprehensive range of assets within a single consolidated investment account ("Scheme Account"). Your Scheme Account will be managed in accordance with instructions received from your Financial Advisor. Any assets you choose to invest in that are held outside the Scheme account will still be administered as part of a single portfolio for reporting and billing purposes.

Key features

Feature	Summary														
<i>Create your own portfolio of investments</i>	With the guidance of your Financial Advisor, you can select from a range of investments to create a unique portfolio that meets your personal requirements.														
<i>Choice of investments</i>	Choose from a range of investments which includes ASX-listed and international securities, term deposits, fixed income, model portfolios, managed funds, non-custodially held assets and cash. Your investments are chosen by you, with the assistance of your Financial Advisor.														
<i>Beneficial ownership</i>	You will be the beneficial owner of all assets held within your Scheme Account. The assets will be held in the name of the Scheme. The Scheme may appoint a custodian for these assets.														
<i>Fees and costs</i>	The fees and costs you will incur upon joining the Scheme are made up of Scheme fees and costs, investment management fees and costs, and fees and costs payable to your Financial Advisor. An administration fee is also payable for non-Scheme assets.														
<i>Minimum Scheme investments*</i>	<table> <tr> <td>Initial Investment:</td> <td>\$20,000</td> </tr> <tr> <td>Minimum balance:</td> <td>\$20,000</td> </tr> <tr> <td>Minimum Cash Operating Account Balance:</td> <td>\$2,000</td> </tr> <tr> <td>Minimum withdrawal:</td> <td>\$100</td> </tr> <tr> <td>Additional lump sum investment:</td> <td>\$100</td> </tr> <tr> <td>Additional regular investment:</td> <td>\$100 per month</td> </tr> <tr> <td>Regular withdrawal:</td> <td>\$100 per month</td> </tr> </table>	Initial Investment:	\$20,000	Minimum balance:	\$20,000	Minimum Cash Operating Account Balance:	\$2,000	Minimum withdrawal:	\$100	Additional lump sum investment:	\$100	Additional regular investment:	\$100 per month	Regular withdrawal:	\$100 per month
Initial Investment:	\$20,000														
Minimum balance:	\$20,000														
Minimum Cash Operating Account Balance:	\$2,000														
Minimum withdrawal:	\$100														
Additional lump sum investment:	\$100														
Additional regular investment:	\$100 per month														
Regular withdrawal:	\$100 per month														
<i>Cash Operating Account</i>	You will have a Cash Operating Account for liquidity purposes.														
<i>Model Portfolio minimums</i>	See the Available Products List for the minimum amount, if any, stipulated by each Model Manager.														
<i>Managed Fund minimums</i>	Generally, there are no minimum investment amounts for individual managed funds to be held within a Scheme Account, some managers, however, may impose minimum restrictions – please refer to each managed fund's PDS.														
<i>Additional investments</i>	You may make additional investments of \$100 or more at any time.														
<i>Regular Investment Plan</i>	A fixed, nominated amount can be invested each month and allocated pro rata across managed funds in your Scheme Account. The minimum Regular Investment Plan amount is \$100.														



Key features

<i>Feature</i>	<i>Summary</i>
<i>Regular Withdrawal Plan</i>	A fixed nominated amount can be withdrawn from managed funds in your Scheme Account on a monthly basis. The withdrawals will be funded by a pro-rata sale of assets held in your Scheme Account and paid to your Cash Operating Account. The minimum regular withdrawal is \$100.
<i>Distributions and dividends</i>	Distributions from your managed fund investments and dividends from your non-Scheme equities investments are paid to your Cash Operating Account as they are received. You can elect for income from Model Portfolio investments to be paid into your Cash Operating Account or to be re-invested. If your Portfolio includes ASX-listed securities, you can elect to have dividends reinvested pursuant to a dividend reinvestment plan.
<i>Online reporting</i>	The Scheme offers investors and their Financial Advisors a wide range of online reports, including: <ul style="list-style-type: none"> - Portfolio holdings - Portfolio valuations - Cash transactions to and from your Cash Operating Account - Portfolio transactions - Income and Expense Reporting.
<i>Suitability for SMSFs</i>	The Scheme can provide advantages to SMSF investors, as it alleviates the record keeping burden associated with holding investments directly, and may reduce the cost of preparing your accounts.
<i>Transparency</i>	You can view all investments, transactions and fees through secure online access, 24 / 7 for your entire Portfolio.
<i>Lower trading costs for investments in Model Portfolios as compared to other structures</i>	As trades are first netted across individual portfolios in rebalancing Model Portfolio transactions, fewer trades are required to go to market, resulting in lower brokerage costs, a benefit passed on to investors.

* Unless otherwise agreed between your Financial Advisor and the Responsible Entity.



Operating your account

Opening an account

To open an Escala Investment Account, your Financial Advisor will assist you with completing an Application Form online, which will then be processed by the Responsible Entity. The Responsible Entity may, at its discretion, reject applications for membership of and investment in the Scheme.

When opening your Scheme Account, the Responsible Entity will also facilitate opening of an account with an approved stockbroker to enable you to trade in ASX-listed securities. The Application form you sign also includes a Limited Power of Attorney which enables the Responsible Entity to act upon the instructions of your Financial Advisor to open any other accounts as required to facilitate transactions of both Scheme and non-Scheme assets.

Accessing your account online

When your Scheme Account has been opened, you will be sent a Login ID and a password that you can use to access your Portfolio online. You are responsible for keeping your Login ID and password confidential.

Cash Operating Account

When you invest in the Scheme you authorise your Financial Advisor to assist you to establish a Cash Operating Account, the Responsible Entity will access this account to:

- acquire investments for your Scheme Account (in accordance with your instructions)
- pay the fees and costs associated with administering and reporting on your Scheme and non-Scheme assets; and
- pay fees to your Financial Advisor as agreed by you and your Financial Advisor as disclosed in this PDS.

If there is a shortfall in your Cash Operating Account to pay any fees and costs the Responsible Entity has the authority to access your Scheme Account to redeem investments to cover the shortfall.

You can elect to hold your Cash Operating Account either outside the Scheme as a non-Scheme Asset, or inside the Scheme as a Scheme asset.

If you elect to hold your Cash Operating Account outside the Scheme as a non-Scheme asset, this account will be held directly in your name. You authorise the Responsible Entity to access your Cash Operating Account for any of the purposes outlined above.

If you elect to hold your Cash Operating Account inside the Scheme as a Scheme asset, this account will be held on your behalf by the Scheme or Scheme custodian (beneficial ownership).

If the Cash Operating Account is held inside the Scheme:

- the proceeds from the redemption of any investments of non-Scheme assets or income received from investments of non-Scheme assets which you have decided not to reinvest will be treated as Scheme contributions; and
- the withdrawal of funds from this Cash Operating Account to pay any fees or charges related to your non-Scheme assets will be treated as Scheme withdrawals.

The Primary provider of the Cash Operating Account is Australia and New Zealand Banking Group Limited, ABN 11 005 357 522 ("ANZ").

Except as agreed with you under the terms of this Product Disclosure Statement, the Responsible Entity will not withdraw any amount from this account except at your direction.

Cash contributions

When you open your Scheme Account, you must deposit funds into your Cash Operating Account before investment instructions can be made. You have the option of making deposits via cheque or Electronic Funds Transfer ("EFT"). Once cleared funds are available in your Cash Operating Account, you can make investments.



Operating your account

Maintaining the appropriate balance in your Cash Operating Account

You and your Financial Advisor are responsible for maintaining a minimum cash balance of \$2,000 to ensure there are sufficient funds to cover three months of fees as well as payments under any Regular Investment Plans you may have in place.

If the balance of your Cash Operating Account falls below the minimum required, and there are insufficient funds to cover monthly fees, then your investments in the Scheme may be sold down to meet these obligations. Where investments are sold down to meet liquidity requirements of your Scheme Account, your Scheme holdings will be sold in proportion, where possible. Where your Scheme holdings include illiquid funds, these funds may be excluded from the sell down process of your investments at any time to restore your Cash Operating Account balance to the required level. We may do this without seeking prior instruction from you.

Linked administration and reporting

If your Portfolio includes non-Scheme assets, the Responsible Entity will administer these assets and integrate reporting with your Scheme Account investments. You also authorise the Responsible Entity to access your Cash Operating Account as a Full Access Authorised Operator to undertake investment administration and pay the fees and costs associated with your non-Scheme assets as disclosed in this PDS. This facility provides you with access to consolidated reporting across your entire portfolio.

In-specie transfers

You may be able to transfer investment assets you already own into your Scheme Account. This will involve completion of various forms, which your Financial Advisor will provide and assist you to complete. Fees and charges may also be payable for such transfers (see Fees and Other Costs on page 25).

It is important to note that no further transactions affecting the assets subject to the in-specie transfer can occur once the in-specie transfer process has commenced and until it is finalised. We are not liable for any delays in the in-specie transfer process.

There may be times and circumstances outside of our control when we will not be able to transfer some custodially held investments out of your Scheme Account via in-specie transfer. Refer to the disclosure document of your chosen investment/s for more information.

Where securities are being transferred into a Model Portfolio, your Scheme Account will be marked as inactive and will be withheld from the rebalance process until the transfer process is complete. You may receive interest on cash balances held in your Model Portfolio over this time, and you may also incur fees. When all securities have been transferred, your Scheme Account will become active. The investment assets in your Scheme Account will then be included with your selected Model Portfolio(s) at the next rebalancing opportunity.

Investment authority and instructions

Please note that all investment instructions must be directed through your Financial Advisor. The Responsible Entity does not bear any responsibility for your investment instructions not being acted upon in a timely and accurate manner by your Financial Advisor.

Your Financial Advisor will receive communication from the Responsible Entity relating to your Portfolio and it is the responsibility of your Financial Advisor to provide these communications to you.

The Responsible Entity will not accept instructions from your Financial Advisor in relation to a change of your personal details or to the closure of your Scheme Account; these instructions must be provided directly by you.

The Responsible Entity will continue to act upon any instructions from your Financial Advisor until it receives a written cancellation from you of their appointment. If you cancel the appointment of your Financial Advisor, then unless you appoint another Financial Advisor acceptable to us, the Responsible Entity will terminate your participation in the Scheme by giving you 30 days notice.



Operating your account

Regular Investment Plans

If you would like to make regular investments into the Scheme, you can establish a Regular Investment Plan, subject to a minimum, and have this paid out of your Cash Operating Account. Regular investments are normally processed on the 15th day of each month. You can cancel the Regular Investment Plan at any time by providing instructions via your Financial Advisor. The amounts deposited under a Regular Investment Plan will be invested pro-rata across your managed funds in your Scheme Account.

To establish a Regular Investment Plan for a new Scheme Account, ask your Financial Advisor to assist you to complete the appropriate section of the Application Form. To add a Regular Investment Plan to an existing Scheme Account, or vary an existing Regular Investment Plan, please provide instructions via your Financial Advisor.

Investments excluded from Regular Investment Plans

Certain investments that may be available through the Scheme from time to time may impose minimum purchase amounts in either dollar or unit terms. You will not be able to acquire such investments through the Regular Investment Plan if the amounts you make available for investment do not meet the necessary minimum purchase amounts.

Switching between investments

If you want to change investments in your Portfolio, your Financial Advisor can provide the Responsible Entity instructions to sell an investment and purchase a different Investment on the Available Products List. Switching between investments may have tax consequences, and you should consider seeking professional taxation advice if you are uncertain about the consequences of switching. Also, fund managers may impose transaction costs (in the form of a buy / sell spread) when units are bought and sold. Some fund managers may have minimum investment application and redemption amounts, which will be disclosed in the managed fund's PDS.

If you want to change your investment in a Model Portfolio, your Financial Advisor will communicate your instructions to the Responsible Entity. Tax consequences may occur as a consequence, and again it is appropriate to consider seeking professional taxation advice if you are uncertain about the consequences. Brokerage will apply to any changes to the composition of your investments in Model Portfolio(s).

Making withdrawals

You can request a withdrawal of part or all of your Scheme Account.

Partial withdrawals from your Scheme Account are subject to a minimum withdrawal amount of \$100, and you are required to maintain a minimum combined balance in your Scheme Account of \$20,000. (Unless you advise the Responsible Entity specifically which Scheme investments should be affected by a withdrawal, the Responsible Entity will decide which managed funds to sell down and in what proportions, as appropriate).

Withdrawals will usually be actioned within one business day of receipt of the withdrawal request, but where you are withdrawing by selling down of units in managed funds the receipt of funds to your Cash Operating Account will be dependent on the timing of each fund manager.

To fund withdrawals from investments held in Model Portfolios, securities are sold proportionally across all your Model Portfolios. The value you will receive will be the value at which the investments are sold net of all fees, charges and expenses (including transaction costs such as brokerage).

Transfers or withdrawal payments from your Scheme Account may be delayed from time to time when events impact on the Responsible Entity's ability to transfer assets or sell sufficient assets to satisfy withdrawal requests (for example, where managed funds are illiquid, securities are suspended or due to other market factors).

Some investment options may have minimum holding requirements or, withdrawal conditions based on fund liquidity. Please refer to the product disclosure documentation of the investment option/s in which you choose to invest for more information. As each Scheme member has an individual holding in the underlying assets they choose to invest in, any minimum holding or liquidity considerations in the underlying assets held by a member will not have an adverse effect on any other member of the Scheme.



Operating your account

Regular Withdrawal Plan

You can set up a Regular Withdrawal Plan to have a pro-rata amount withdrawn from existing managed funds in your Scheme Account.

Regular withdrawals are usually processed on the 20th day of each month.

The date on which funds are released from the sale of managed funds to your Cash Operating Account will be dependent on each fund manager.

To establish a Regular Withdrawal Plan for a new Scheme Account, complete the appropriate section of the Application Form. To add a Regular Withdrawal Plan to an existing Scheme Account, or vary an existing Regular Withdrawal Plan, please provide instructions via your Financial Advisor.

If you have elected to hold your Cash Operating Account inside the Scheme, you will need to provide us with the details of an external bank account into which you would like the regular withdrawals to be paid.

Suspending withdrawals

In unusual circumstances (for example, the closure or disruption of a relevant security exchange), withdrawals may be suspended for a period of up to 90 days or such other period the Responsible Entity considers reasonable. In the event of a suspension, the Responsible Entity will notify your Financial Advisor.

Class Actions monitoring service

The Responsible Entity offers a Class Actions monitoring service to ensure that investors who are eligible can participate in any class actions related to securities held in their portfolio. This service includes registering for the class action, monitoring the progress of the class action and arranging for the payment of any compensation granted (to be paid into the Cash Operating Account unless otherwise directed).

Capital Gains Tax (CGT) allocation methods

You can select from the following CGT allocation methods:

- Minimise Gain – tax parcels are selected to minimise the capital gain on disposal of an asset.
- Maximise Gain – tax parcels are selected to maximise the capital gain on disposal of an asset.
- First In First Out (FIFO) – the earliest tax parcel is selected on disposal of an asset.
- Manual Selection – your Financial Advisor can manually allocate disposals to tax parcels, or parts of tax parcels.

The default CGT allocation method is Minimise Gain. The CGT discount factor applied to your Scheme Account is based on your 'tax entity type' e.g. Individual, Partnership, Joint Investors, Company, Superannuation Fund or Trust.

You can change the CGT allocation method used for your Portfolio reports at any time by instructing your Financial Advisor to notify the Responsible Entity in writing. The new method will apply from the date the change is processed, and all transactions from the start of the current financial year. If you wish to change your CGT allocation method retrospectively, this will need to be processed manually as a cost base reconstruction. Additional charges may apply. It is recommended that you consider seeking professional taxation advice before selecting or changing your CGT allocation method.

Closing your Scheme Account

You can close your Scheme Account at any time. When closing your Scheme Account, you can elect to have:

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

Closing your Scheme Account will also terminate the Responsible Entity's administration and reporting service in respect of your non-Scheme assets.

To close your Scheme Account, you need to provide written notice by completing the Account Closure Form available from your Financial Advisor or the Responsible Entity. Please note delays



Operating your account

may occur as a result of processes involving external providers such as fund managers, registries and custodians.

Prior to closing your Scheme Account, the Account balance will be applied to pay all outstanding fees and charges. It may be necessary to keep your Scheme Account open for a period of time pending the processing of any transfers and the receipt of any outstanding distributions. During this time, the minimum balance should be retained within your Cash Operating Account.

Upon request to close your Scheme Account, the Responsible Entity will:

- Finalise any uncompleted part of your instructions up to and including the termination date;
- Deduct any outstanding fees and charges from your Cash Operating Account;
- Sell assets in your Scheme Account if there is insufficient cash in your Cash Operating Account to pay any outstanding fees and charges relating to your Portfolio; and
- Continue to charge your Cash Operating Account for fees and charges associated with your Portfolio until such time as there are no further assets in your Scheme Account.

If you do not provide instructions relating to the transfer of Scheme investments, then investments will be sold, and the final proceeds paid to your Cash Operating Account (or in accordance with your instructions if you have elected to hold your Cash Operating Account Scheme).

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

Changing details

You should notify the Responsible Entity directly as soon as possible of any changes in your personal details relating to your Scheme Account. Your Financial Advisor or the Responsible Entity can provide you with the appropriate form.



Investment options

<i>Scheme assets held in custody</i>	<i>The following investments are held in custody*. You are the beneficial owner of these investments.</i>	<i>Further information</i>
<i>Managed funds</i>	You can choose from a selection of managed funds offered by a number of different fund managers as outlined in the Available Products List.	Available Products List and page 13
<i>Internationally listed securities</i>	You can choose from a selection of internationally listed securities from approved international exchanges.	Page 13
<i>Cash</i>	You can hold cash in your Account via your Cash Operating Account.	Page 13
<i>Fixed income investments</i>	You can choose from a selection of approved fixed income investments, such as bonds and debt securities.	Page 13
<i>Term deposits</i>	You can choose from a selection of term deposits, issued by approved ADIs, held custodially via Clearstream Australia Limited ("Clearstream").	Page 13
<i>Model Portfolios</i>	You can choose from a selection of Model Portfolios available through the Product.	Page 14
<i>Administration Service for non-Scheme assets</i>	<i>The following investments are not held in custody or by any appointed custodian. You are the legal and beneficial owner of these investments.</i>	<i>Further information</i>
<i>Australian listed securities</i>	You can choose to invest in Australian listed securities. Australian listed securities include ASX listed securities, ETPs, hybrids and Listed investment companies ('LICs') and other Australian listed investments. Australian listed securities are held via your own Holder Identification Number ('HIN') through a broker sponsor arrangement.	Page 14
<i>Term deposits</i>	You can choose from a selection of term deposits, issued by approved ADIs, held non-custodially in your own name.	Page 15
<i>Service assets</i>	Service assets include investments, such as direct property, which may be approved upon request.	Page 15

*The Responsible Entity may appoint one or more custodians for these investments at their discretion. The custodian holds legal title to the investments, and you will have beneficial ownership of these investments.



Investment options

Before you invest

You must read a copy of the current disclosure document for each investment you chose to invest in, and the Responsible Entity relies upon your Financial Advisor to provide this to you. This includes disclosure documentation for any underlying assets within a model portfolio which will include the fees and costs information (including the Indirect Cost Ratio (ICR) if applicable) for those assets.

These may describe the investment objective, investment strategy, risk / return profile, and investment timeframe of the investment manager. Your Financial Advisor will provide you with the current documents for the investments you are considering. You should also read a copy of the current disclosure document before making additional investments, as these may change over time.

The Responsible Entity has the right to change investments on the Available Products List from time to time at its discretion. If your Scheme Account is invested in an asset that is subsequently removed from the Approved Investments List, you may be allowed to continue to hold this investment in your Scheme Account, at the discretion of the Responsible Entity.

Alternatively, if it is considered necessary, the Responsible Entity may seek instructions to transfer this investment to another custodial arrangement for you or where this is impracticable, to sell the investment on your behalf and pay the sale proceeds to your Cash Operating Account.

Investment selection

The Responsible Entity's objective is to provide clients with a wide range of investment choices. As a result, the Available Products List is driven by demand from financial advisors and their clients. Provided the investment option being requested falls under one of the allowable investment option categories, the Responsible Entity can facilitate execution and administration, and is not aware of any reason why the option should be excluded, it may be made available for investment.

Making changes to the investments in your portfolio

You should always consult your Financial Advisor before you select any investment, or decide to increase or decrease your holding in any investment. Further, because your circumstances and investments can change, you should regularly consult with your Financial Advisor to ensure that your investments remain appropriate for you over time.

Investment decisions are your decisions

The value of investments may rise or fall from time to time, and neither investment performance nor the repayment of capital is guaranteed. The Responsible Entity does not assess the suitability or appropriateness of investments or investment managers for you, and does not seek to ascertain or disclose to you whether your Financial Advisor and / or its Licensee has an interest in any investment offered. You must form your own view as to the suitability of any investment for you, with the assistance of your Financial Advisor. Any investment decision is your decision.



**Scheme assets held
in custody**

Managed funds

You can choose from a selection of managed funds offered by a number of different fund managers as outlined in the Available Products List. Managed Funds are typically held by the Scheme's Managed Fund Custodian.

Wholesale managed funds may also be available for investment if you qualify as a Wholesale client under the Corporations Act. Your financial advisor is responsible for telling you whether you are a Wholesale client and the Responsible Entity will assume that if you choose to invest in one of these investments, you have received confirmation from your Financial Advisor that you are a Wholesale client. Please speak to your Financial Advisor for more information.

Treatment of Dividend Reinvestment Programs and Corporate Actions

There is no managed fund distribution reinvestment program, and all distributions relating to your managed fund holdings are received in cash to the credit of your Cash Operating Account. You may be able to instruct your Financial Advisor to acquire more units in the managed fund using the distribution amount received.

The Responsible Entity's policy regarding corporate actions affecting investments in managed funds is that it does not accept directions from individual investors since managed fund investments are generally held by a custodian. Generally, the Responsible Entity will adopt a neutral position and not vote at member meetings, although it may exercise its discretion and vote depending on the particular circumstances. Investors can request a copy of the Responsible Entity's Corporate Actions Policy which will be provided free of charge.

Internationally listed securities

Internationally listed securities are held in the name of the custodian, or its nominee, and you will retain beneficial ownership. You will be able to elect how you wish to participate in a range of corporate actions for your securities holdings, such as share purchase plans and rights issues. These securities include:

- Internationally listed direct shares
- Internationally listed property trusts
- Internationally listed Investment Company shares
- Internationally listed debt securities

As administrator, the Responsible Entity receives all communications relating to corporate actions affecting your internationally listed securities holdings and will notify your Financial Advisor accordingly.

Cash

You can hold funds in your Cash Operating Account, which you can elect to hold either outside the Scheme (linked to your Scheme Account), or inside the Scheme (treated as a Scheme asset).

Fixed Income

A range of Domestic and International fixed income assets may be made available. Acceptance of applications is subject to approval.

Term Deposits

You can choose from a selection of term deposits, issued by approved ADIs. Term deposits can be held in custody via Clearstream or non-custodially in your own name. Refer to the disclosure document for the relevant term deposit for more information regarding fees and costs and other terms and conditions that may apply.

Treatment of Term Deposits upon maturity

You may elect to have interest on maturity re-invested or have interest credited to your Cash Operating Account. Please read the disclosure documents for each term deposit product for further information.



Model Portfolios

You can choose from a selection of Model Portfolios. Descriptions of relevant Model Managers and their approaches to the Model Portfolio(s) they manage are available in the Available Products List, at www.escalapartners.com.au.

Customisations

Model Portfolios may be able to be customised in a range of ways in accordance with your needs. Your Financial Advisor will manage any customisation in accordance with your instructions. It is important to remember that if you apply a customisation, your Model Portfolio may not perform in the same way as the Model Portfolio disclosed in the Available Product List.

Model Portfolios and corporate actions

As these holdings are pooled and held by a custodian, the Responsible Entity will act in the best interests of investors in the Scheme as a whole when dealing with corporate actions, and is not obliged to act on any individual investor's directions.

The Responsible Entity's policy regarding corporate actions affecting investments held in Model Portfolios is that generally:

- Dividends and distributions will be taken in cash;
- The Responsible Entity will generally adopt a neutral position and not vote at meetings, although may exercise its discretion and vote depending on the particular circumstances; and
- The Responsible Entity will deal with corporate actions using its discretion and having regard to advice from the model manager.

Externally imposed limits or caps may affect your entitlement to participate in corporate actions – if this happens you may have a lesser entitlement than an investor holding the same number of securities directly.

Any income earned from a Model Portfolio will be paid directly into your Cash Operating Account unless you choose to have it reinvested in your Model Portfolio's cash holding (speak to your Financial Advisor).

***Administration
Service for non-
Scheme assets***

Australian listed securities

You can choose from a selection of listed securities (subject to availability and as approved) including:

- Listed Australian direct shares
- Listed Australian ETFs and other ETPs
- Listed Australian property trusts
- Listed Australian debt securities
- Australian Exchange Traded options

If you wish to invest in ASX-listed securities, a Holder Identification Number ("HIN") will be created in your name or in a nominee name. This means you will be able to elect how you wish to participate in a range of corporate actions for your securities holdings, such as share purchase plans and rights issues.

As administrator, the Responsible Entity receives all communications relating to corporate actions affecting your securities holdings. This includes annual reports and information about meetings relating to securities and information about dividend reinvestment plans. You are able to participate in dividend reinvestment plans. If any communications on corporate actions are received, the Responsible Entity will notify your Financial Advisor.



Term Deposits

You can choose from a selection of term deposits, issued by approved ADIs. Term deposits can be held in custody via Clearstream or non-custodially in your own name. Refer to the disclosure document for the relevant term deposit for more information regarding fees and costs and other terms and conditions that may apply.

Treatment of Term Deposits upon maturity

You may elect to have interest on maturity re-invested or have interest credited to your Cash Operating Account. Please read the disclosure documents for each Term Deposit product for further information.

Service assets

Service assets are those assets investors may include in their portfolio reporting upon request. These may include assets such as direct property and unlisted unit trusts.

Margin Lending

You can access a range of external margin lending providers.

Other investment options

In addition you can choose from a selection of other investment options. These are outlined in the Available Products List.

For assets held outside the Scheme, you are able to request that the Responsible Entity administer these assets and provide consolidated reporting of your Portfolio.

This is an administration and reporting service only.



Reporting

When you invest in the Scheme you agree to view all information relating to your Portfolio online, and to receive all communications electronically, except as otherwise indicated in this PDS.

Online reporting

The following reports are available online for any period, showing:

- A summary of the transaction activity on your Portfolio
- Portfolio valuation
- Investment transactions
- Cash transactions to and from your Cash Operating Account
- Distributions.

Reports generally include your Portfolio holdings and transactions up until the previous business day, using the most recent market prices supplied. Reports can be generated for any time period or date, as far back as your initial investment date.

Tax information

Throughout the year, income received from your investments may be recorded as unfranked income. Your Portfolio will be updated with the tax breakdown of the distribution information relevant to the preparation of your tax returns as it becomes available, after the financial year end. This will include details of any interest, assessable income, franked and unfranked income, foreign income, distributed capital gains, all associated tax credits and any other relevant items that may assist a registered tax agent to prepare your tax return. This process will generally be completed by the end of October each year. The Scheme's independent auditor performs an annual audit of the internal controls over investment management, administration services and related technology services to ensure reliability for both Scheme and non-Scheme assets.

Annual Reports

The Corporations Act requires the Responsible Entity to provide you with an annual report detailing your investments in the Scheme, transactions impacting your Scheme Account and the fees that you have paid.

These reports will be prepared each financial year after all investment income information has been received and will generally be delivered electronically.

The Scheme is also a disclosing entity as defined under the Corporations Act. As a disclosing entity, the Scheme is subject to additional regular reporting and disclosure obligations. Copies of documents lodged with ASIC to comply with these requirements may be obtained from, or inspected at, an ASIC office and will also be made available on the Responsible Entity's website. You have a right to request the Responsible Entity to provide you free of charge the half yearly condensed financial report and any continuous disclosure notices lodged with ASIC (in addition to the annual report referred to above). Continuous disclosure notices will also be published on the Responsible Entity's website.



Risks

The key risks associated with investing in the Scheme are described below. While the general investment risks are summarised below, you also need to refer to the disclosure document for each investment you are considering to understand the risks of making that particular investment.

Every investment decision involves an element of risk, and it is important that investors understand that these risks cannot be completely eliminated, and that the value of investments can rise and fall. The Responsible Entity and the Distributor do not guarantee the performance of, the repayment of capital from, or any particular rate of return of the Scheme assets or any available investment on the Available Product List.

When you select an investment, it is important to identify your investment objectives and the level of risk you are prepared to accept. Your Financial Advisor will assist you with this process, which should take into account a range of factors, including:

- The timeframe over which you require or expect a return on your investment;
 - The extent to which you need regular income, as opposed to long term capital growth;
 - Your level of comfort with volatility;
 - The general and specific risks associated with particular investments and investment strategies; and
 - Risk associated with the structures through which your investments are made.
-

Risks associated with the Scheme

Administration risk

Delays in the purchase and sale of investments in your Scheme Account can occur. There is some risk that systems failure may cause a delay in the processing of transactions on your Scheme Account. Delays can also be experienced as a result of transaction processing delays with brokers or fund managers, or if your Financial Advisor delays submitting a request to the Responsible Entity for the purchase or sale of investments.

Scheme risk

Risks particular to the Scheme itself include that it could be terminated, that fees and expenses could change (as described in Fees and Other Costs section), and that the Responsible Entity could be replaced. The Responsible Entity monitors risks to ensure the Scheme is operated in the best interests of investors.

General investment risks

Concentration risk

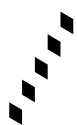
The fewer the number of investments in your Portfolio, the more concentrated your Portfolio. The more concentrated your Portfolio, the greater the risk that poor performance of a single investment may significantly affect the performance of your whole Portfolio. Concentration risk can also occur at an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

Liquidity risk

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

Leverage risk

If you have geared your Portfolio (that is, borrowed in order to invest), you will be subject to a number of additional risks including, but not limited to, margin calls as a result of market volatility, increased losses as a result of increased exposure, and interest rate risk. If you are utilising a margin loan and a margin call is made pursuant to the terms of that loan, it may be necessary to sell assets and use the net proceeds to reduce your loan balance. You should talk to your Financial Advisor before borrowing to invest and refer to your lender's disclosure documentation for full details of the risks involved.



<i>Regulatory risk</i>	Regulatory risk arises if regulatory or taxation changes introduced by a government or a regulator affect the value of investments. These regulatory or taxation changes may occur in Australia or other countries.
<i>Market risk</i>	Market risk generally refers to the risks associated with specific asset markets which cannot be mitigated by holding a broader selection of securities from the same market. Market risk relates to changes in the price of assets that are held in your Portfolio and can result in capital loss or fluctuations in the value of your Portfolio within short periods of time. Changes in the prices of assets are generally driven by changes to the profitability of companies and industry sectors, economic cycles, demand for securities, liquidity of securities, business confidence and government policy.
<i>Investment Manager risk</i>	Investment Manager risk refers to the risk that an investment manager fails to deliver returns that compare favourably with their peers or with the managed fund's or Model Portfolio's performance benchmarks. The key drivers of investment manager risk are the effectiveness of the manager's investment strategy; the implementation of the strategy; and the extent to which an investment manager is impacted by potential loss of key staff.
<i>Underlying managed fund risk</i>	There is a risk that investing in a managed fund may give different results than investing directly in the securities that the fund holds, because of income, capital gains or losses accrued in the managed fund, and the consequences of investments and withdrawals by other unit holders in those managed funds.
<i>Currency risk</i>	Changes in the value of currency exchange rates can impact the value of your investments, where your Portfolio is exposed to international investments.
<i>Volatility risk</i>	Changes in security and unit prices can affect the value of investments in your portfolio. Changes in investment prices can result from a number of factors including: the changing profitability of industries and companies, economic cycles, the volume of securities traded in a particular market, investor demand, business confidence, and changes to government and central bank policies, international events or natural disasters.
<i>Company specific risk</i>	The value of the investments in a particular company are subject to risks that are specific to the individual company. Risk, due to specific company factors, can mean that a company's return can be significantly lower than that of the market, which can negatively impact the value of your investments.
<i>Interest rate risk</i>	Changes in the general level of interest rates might have a negative impact on the value of your investments.
<i>Fixed Income risks</i>	If your Portfolio is exposed to fixed income investments, whether directly or indirectly, this involves credit risk, interest rate risk, and liquidity risk. Credit risk is the risk that a borrower may default on interest or principal repayments. Interest rate risk and liquidity risk have been explained earlier.
<i>Inflation risk</i>	The value of your investments may not keep pace with inflation. Broadly, this means prices may increase by more than the value of your investments. If this risk eventuates, you would not be able to buy as much with the value of your investments as you could today.
<i>Derivative risk</i>	A range of financial derivatives, for example futures and options, could be used to implement investment decisions and to manage risk in a Model Portfolio or within a managed fund. An investment in derivatives can cause a Model Portfolio or managed fund to make gains or incur losses. Derivative transactions may also involve the risk (including credit risk) that the counterparty on a transaction will be unable to honour its financial obligations.



Foreign market risk

Investing internationally carries additional risk. Risks inherent in this type of investment include, but are not limited to:

- Actions of foreign governments, exchange controls, political and social instability;
 - Differences between countries relating to accounting, auditing, financial reporting, government regulation, securities exchanges and transactional procedures;
 - Foreign markets may have different levels of liquidity, pricing availability and settlement and clearance procedures; and
 - Exchange rate movements.
-

Taxation

Given the complex nature of the Australian taxation system, investors should consider seeking specialist tax advice relating to their investment approach. The information in this PDS is for general information only.

As you are the beneficial owner of investments held in the name of the Scheme, these investments in the Scheme are taxed as if they are held by you directly.

Capital Gains Tax (CGT)

You may incur a CGT liability when investments within your Scheme Account are disposed of including when managed funds are sold, when securities are disposed of, when your investments are rebalanced and when withdrawals are made. You may also receive a managed fund distribution that includes a distributed capital gain.

If you are uncertain about how CGT rules apply to your circumstances or the most appropriate methodology for you, you should consider seeking tax advice.

Where capital losses are realised, these may be used to offset available realised capital gains. Capital losses not utilised in a financial year may be carried forward and utilised to offset your capital gains in future years.

Tax on investment income

Investments in your Scheme Account can derive income, such as distributions from managed funds and income from dividends. Income received will be taxable in your hands.

Tax on foreign investments

Income sourced from overseas investments may be subject to foreign taxes, such as withholding tax. You may be entitled to a tax credit in respect of foreign taxes paid.

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

It is not compulsory to provide your TFN or ABN and it is not an offence if you decline to provide them. However, the Responsible Entity reserves the right not to accept applications in the Scheme where a TFN or ABN is not provided. Without a TFN or ABN, tax may be deducted at the top marginal rate plus Medicare levy from your interest and investment income at the time it is paid.

Goods and Services Tax (GST)

The Scheme is registered for GST. This means, for investors, that while GST is payable on fees relating to the administration of your Scheme Account, the Scheme will generally be able to claim input tax credits and / or reduced input tax credits of the GST paid. Unless otherwise stated, you will be charged the net amount of GST.

Deductibility of fees

Some fees you pay in respect of your Scheme Account(s) may be deductible in the financial year in which they are incurred. You should obtain your own tax advice in this regard.



Fees and other costs

Did you know?

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

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

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

You may be able to negotiate to pay lower fees. Ask the fund* or your Financial Advisor.

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.

* The fees of the Scheme and investment managers are not negotiable

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

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 investments.

Fees and other costs for particular investment options are set out in the relevant PDS or other disclosure document for that investment option.

All fee amounts are represented in Australian dollars and are inclusive of GST (where applicable) and net of any reduced input tax credit.

Further information

If you require further information about your fees and other costs associated with your Scheme Account, please contact your Financial Advisor.

Fees for Model Portfolios are set out in the Available Products List. The Responsible Entity relies upon your Financial Advisor to provide you with disclosure documentation for any underlying assets within a model portfolio which will include the fees and costs information (including the Indirect Cost Ratio (ICR) if applicable) for those assets. Fees and costs for managed funds are shown in the fund's Product Disclosure Statement.

The table provides a summary of the main fees and costs. The Additional Fees and Costs section provides further details.



Fees and costs summary

<i>Type of fee or cost</i>	<i>Amount</i>	<i>How and when paid</i>
Ongoing annual fees and costs		
<p>Management fees and costs*</p> <p>The fees and costs for managing your investment</p> <p>The fees and costs disclosed in this PDS relate only to gaining access to investments offered by the Product and do not include fees and costs that relate to investing in those investments</p>	<p>Asset based Administration Fees¹ An administration fee of up to 2.0% p.a. payable on the part of your Scheme Account invested in International Model Portfolios.</p> <p>Cash Administration Fee¹ Estimated to be between 0.00% and 2.5% p.a.</p> <p>Account Fee¹ Up to \$1,650 p.a. (applicable to Wholesale clients only)</p> <p>Model Portfolio Fee¹ The fee for investing in a Model Portfolio. For the Model Portfolio Fee that applies to a particular Model Portfolio, refer to the Available Product List.</p> <p>Indirect Cost Ratio¹ For the Indirect Cost Ratio that applies to a particular Model Portfolio, refer to the Available Products List.</p> <p>Investment Costs¹ The amount you pay for specific managed funds/ETPs. For the investment costs that apply to particular managed funds/ETPs refer to the relevant disclosure document.</p>	<p>Deducted from your Cash Operating Account monthly in arrears, based on the average daily value of your Model Portfolio Securities over the month. This fee is paid to the Responsible Entity.</p> <p>The Cash Administration fee is the amount the Responsible Entity charges to arrange for the establishment of, and effect transactions relating to your cash holdings held with interest earning accounts. This fee is deducted from the interest rate you earn on your cash holdings and is not separately deducted from your account/s.</p> <p>The Account Fee will be payable to Escala Partners for its role in managing and maintaining your Account. The Account Fee will only be charged to your Account if you are a Wholesale client. The fee will be deducted from your Cash Operating Account.</p> <p>The Model Manager Fee, if applicable, is calculated monthly in arrears based on the daily value of the particular Model Portfolio(s) selected. It is deducted directly from your Cash Operating Account. This fee is paid to the Model Portfolio Manager.</p> <p>Deducted by the underlying managed fund/ETP prior to striking a unit/trading price, this fee is not separately deducted from your Account.</p> <p>Deducted by the underlying managed fund/ETP prior to striking a unit/trading price, this fee is not separately deducted from your Account.</p>
<p>Performance fees</p> <p>Amounts deducted from your investment in relation to the performance of the product</p>	Nil ^{1,2}	Not applicable
<p>Transaction costs</p> <p>The costs incurred by the scheme when buying or selling assets</p>	Refer to the “Additional explanation of fees and costs” section for further information.	Refer to the “Additional explanation of fees and costs” section for further information.
Member activity related fees and costs (fees for services or when your money moves in or out of the Scheme)³		
<p>Establishment Fee The fee to open your investment</p>	Nil	Not applicable
<p>Contribution Fee The fee on each amount contributed to your investment</p>	Nil	Not applicable



Fees and costs summary

<i>Type of fee or cost</i>	<i>Amount</i>	<i>How and when paid</i>
<i>Buy-sell spread</i> An amount deducted from your investment representing costs incurred in transactions by the scheme	Nil ⁴	Not applicable
<i>Withdrawal Fee</i> The fee on each amount you take out of your investment	Nil	Not applicable
<i>Exit Fee</i> The fee to close your investment	Nil	Not applicable
<i>Switching Fee⁵</i> The fee for changing your investments	Nil	Not applicable

* These fees may be negotiated between the Responsible Entity and the Financial Advisor.

1. Refer to "Additional explanation of fees and costs" for further details.

2. For Performance fees that apply to investments refer to the relevant PDS or other disclosure document for that investment.

3. Refer to 'Additional explanation of fees and costs' for information regarding Service fees (including advice fees) and other fees and costs.

4. For Buy-sell spreads that apply to investments refer to the relevant PDS or other disclosure document for that investment.

5. Transaction costs may be incurred in giving effect to the switch.

The total fees and costs that you pay include the fees and costs of the Scheme, the fees and costs for non-Scheme assets, the costs of your Cash Operating Account, the costs of the investments you choose, and the fees agreed between you and your Financial Advisor. It is important to understand the fees of any assets you acquire and that those fees will be in addition to the fees charged for the Scheme, together with transaction and account costs incurred.

The costs of your Cash Operating Account and the investments you choose will be set out in the disclosure document displayed with the Available Product List at www.escalapartners.com.au



Example of annual fees and costs for a balanced investment option

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

Example: MFS Concentrated Global Equity Trust		Balance of \$50,000 with a contribution of \$5,000 during the year⁶
Contribution Fees	Nil	For every additional \$5,000 you put in you will be charged \$0.
PLUS Management fees and costs	Cash Administration Fee⁷ Up to 2.5% p.a. on cash holdings PLUS Investment Cost⁸ 0.90%	And , for the \$50,000 you have in the Product, you will be charged \$482 ⁹ each year.
PLUS Performance fees	0.00% p.a.	And , you will be charged or have deducted from your investment \$0 in performance fees each year
PLUS Transaction costs	0.00% p.a.	And , you will be charged or have deducted from your investment \$0 in transaction costs
EQUALS Cost of MFS Concentrated Global Equity Trust		If you had an investment of \$50,000 at the beginning of the year and put in an additional \$5,000 during that year, you would be charged fees in the range of: \$482⁹ What it costs you will depend on the investment you choose and the fees you negotiate.

The fees and costs disclosed in this PDS relate only to gaining access to investments offered by the scheme and do not include fees and costs that relate to investing in those investments. Additional fees and costs will be charged by the issuers of the investments that you decide to invest in.

6. This example is based on an investment of \$50,000 and assumes that there is a constant Account balance throughout the year.

7. Charged on the Minimum Cash Operating Account Balance of \$2,000.

8. \$48,000 is available to be invested as \$2,000 is required to be maintained as the Minimum Cash Operating Account Balance.

9. For Wholesale clients, the Account Fee of \$1,650 p.a. also applies.

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 investment 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 products offered by managed investment schemes.

Name of product*	Cost of product*
The list of the investments available is set out in the Available Products List available at www.escalapartners .	For cost of product information that applies to a particular investment, refer to the relevant PDS or other disclosure document for that investment.

*Given the large number of investments available, we have determined that including the full list in this PDS would be unhelpful to investors. The list of investments available is set out in the Available Products List available at www.escalapartners. For cost of product information that applies to a particular investment, refer to the relevant PDS or other disclosure document for that investment.



<p>Additional explanation of fees and costs</p>	<p>The RE charges fees to cover the costs of operating the Escala Investment Account. Some of these fees are charged to Escala Partners and may be passed onto the investor by Escala.</p>
<p>Management fees and costs</p>	<p>Management fees and costs include fees and costs incurred by the Responsible Entity in managing your investments and fees and costs charged by Model Portfolio Managers. Management Costs represent both direct and indirect costs.</p> <p>For the purposes of this PDS, the Management fees and costs are set out in the 'Fees and costs summary' table.</p>
<p><i>Asset Based Administration Fees</i></p>	<p>An administration fee of up to 2.0% p.a. payable on the part of your Scheme Account invested in International Model Portfolios will apply. This fee is deducted from your Cash Operating Account monthly in arrears, based on the average daily value of your Model Portfolio Securities over the month. This fee is paid to the Responsible Entity.</p>
<p><i>Cash Administration Fee</i></p>	<p>The Responsible Entity has entered into an arrangement to deposit a portion of your cash in an omnibus account with an Australian bank, which attracts an interest rate on your cash holdings. The Cash Administration Fee is the fee charged for the additional tasks associated with managing your cash holdings in this way, including establishing and allocating the cash accounts and giving instructions (including deposits and withdrawals). The Cash Administration Fee is deducted from interest earned on your cash holdings prior to being credited to your Account and will not be deducted from your Account.</p>
<p><i>Expense Recovery</i></p>	<p>The Responsible Entity is entitled to be reimbursed for certain expenses, such as audit, legal, tax consulting fees, government levies, the costs of complying with legislative requirements and other expenses and liabilities incurred by or on behalf of the Scheme in accordance with any relevant law. Currently, the cost per investor will not exceed \$100 per annum.</p> <p>The Expense Recovery Fee is charged to your Account once per financial year. If you close your Scheme Account, there will be a pro-rata deduction made as part of your final fees and charges.</p>
<p><i>Account Fee</i></p>	<p>The Account Fee will be payable to Escala Partners for its role in managing and maintaining your Account. The Account Fee will only be charged to your Account if you are a Wholesale client. The fee will be charged once per year and will not exceed AUD\$1,650.00 (Inc GST) per account. The fee will be deducted from your Cash Operating Account.</p>
<p>Investment Management Fees</p>	
<p><i>Model Portfolio Fee</i></p>	<p>The Model Portfolio Fee represents the base fee component of the Model Portfolio Manager's Fee. This fee is charged on the value of your Account applied to the particular Model Portfolio and is not linked to performance of the Model Portfolio. This fee for each Model Portfolio is described in the Available Products List.</p>
<p><i>Indirect Cost Ratio</i></p>	<p>Indirect costs include costs which the Responsible Entity ought reasonably be aware or may reasonably estimate as reducing the return on your investment other than fees charged directly on your investment in interposed vehicles. Indirect costs generally attract most non-fee costs, but do not include the buy-sell spread or other costs associated with the acquisition or disposal of over-the-counter derivatives, used primarily for hedging. Indirect costs exclude amounts directly charged to members as fees.</p> <p>Some Model Portfolios invest in Exchange Traded Products (ETPs) and managed funds which have their own management costs (which are set out in their relevant disclosure documents). The indirect costs for managed funds and ETPs are taken into account in the unit price of the investment. The indirect cost varies and depends on the investments you select.</p> <p>For the Indirect Cost Ratio that applies to a particular Model Portfolio, please refer to the Available Products List. For the Indirect Cost Ratio that applies to a particular managed fund or ETP, please refer to the relevant disclosure document for the managed fund or ETP.</p>



Investment costs

Fees and costs for the managed funds and ETPs available in the Product are included in the relevant disclosure document of the managed fund/ETP issued by the investment manager. Fees and costs for managed funds and ETPs may include management costs and indirect costs charged and incurred by the investment manager and are reflected in the unit price of the managed fund/ETP.

Performance fees

Some investment managers (for managed funds or Model Portfolios) will charge performance-based fees when the investment return generated exceeds a certain benchmark or certain specified criteria, if applicable. These are described in the relevant disclosure document for that investment and in the Available Products List for Model Portfolios.

Transaction fees & costs

In-specie transfer out fees

The following fees will be charged to your account for the transfer out of investments from your Scheme account.

- Fee per in-specie transfer out of managed funds: AUD\$38.50 (Inc GST).
- Fee per in-specie transfer out of fixed income, bonds and international securities: AUD\$110.00 (Inc GST).
- Fee per in-specie transfer out of Australian listed and unlisted securities held in custody: AUD\$55.00 (Inc GST).

No fees will be payable for the in-specie transfer in of investments to your Scheme Account.

Term deposits held in custody

For the early withdrawal of term deposits held in custody, the following transaction fees will apply (as applicable) and will be deducted from your Cash Operating Account:

- Term deposit break (early withdrawals) - AUD\$50 (Inc GST)[#]

There will be no fee for applications or maturities for term deposits held in custody.

[#]Additional fees or interest penalties may be charged by the approved Authorised deposit-taking institution for breaking a term deposit. For more information, refer to the disclosure document for the relevant term deposit.

There are other various fees payable for transactions in various asset classes. Speak to your Financial Advisor for more information.

Service Fees

Advisor remuneration

Your Financial Advisor (through its Licensee) may receive payment in connection with the provision of financial advice to you, including in relation to recommending the Scheme to you. The level and the type of such fees are to be agreed between you and your Financial Advisor and reflected in your Application Form.

The Responsible Entity is authorised by you to deduct monies from your Cash Operating Account to pay to your Financial Advisor (legally, and in terms of process, monies are actually paid to the Licensee of your Financial Advisor) for financial advisory services provided to you, including in relation to facilitating your investment in the Scheme and your Portfolio.

The level and the type of fees deducted are determined as a result of the agreement between you and your Financial Advisor, and as reflected in your Application Form. We can only deduct and pay fees to your Financial Advisor with your consent and we will rely on your Application Form as evidence of your consent. The types of advisor remuneration you can agree with your Financial Advisor are set out below. Your reports will show the deduction of the agreed amounts.

**a) Initial Advice Fee
(Fee on initial investment)**

A flat dollar fee or percentage-based fee on the amount deposited to start your Investment Account.

Deducted from your Cash Operating Account based on the total initial investment (including in-specie transfers).

This fee is negotiated between you and your Financial Advisor and is capped at no more than 5.5% of the total initial investment.



<p>b) Ongoing Advisor Fee</p>	<p>A fee for the provision of ongoing financial advice to you. This can be either a percentage of your Portfolio, or a flat dollar amount.</p> <p>Whether the fee is a flat dollar amount or a percentage of assets charge, the fee cannot exceed 2.2% per annum.</p>	<p>Deducted monthly in arrears from your Cash Operating Account. Where the fee is based on a percentage of your Portfolio value, it is calculated daily. Where the fee is a flat dollar amount, it is calculated on a pro-rata basis based on the number of days in the month for which the fee applies.</p>
<p>c) Advisor Review Fee</p>	<p>A fee for the provision of specific ongoing reviews of your financial situation and Portfolio. This can be either a percentage of your Portfolio, or a flat dollar amount.</p> <p>Whether the fee is a flat dollar amount or a percentage of assets charge, the fee cannot exceed 2.2% per annum.</p>	<p>Deducted monthly in arrears from your Cash Operating Account. Where the fee is based on a percentage of your Portfolio value, it is calculated daily. Where the fee is a flat dollar amount, it is calculated on a pro-rata basis based on the number of days in the month for which the fee applies.</p>
<p><i>Initial Advice Fee</i></p>	<p>You can authorise the Responsible Entity to pay your Financial Advisor an Initial Advice fee from your Cash Operating Account as either a dollar amount or a percentage of the total initial investment (including in-specie transfers). This fee must be agreed by you and your Financial Advisor. Whether the fee is a dollar amount or a percentage-based fee, the fee cannot exceed 5.5% per annum of the total initial investment (including in-specie transfers).</p>	
<p><i>Ongoing Advisor Fee</i></p>	<p>You can authorise the Responsible Entity to pay your Financial Advisor an Ongoing Advisor Fee from your Cash Operating Account. You and your Financial Advisor can negotiate an Ongoing Advisor Fee that can be either an annual dollar amount or a percentage of assets charge. Where you agree a percentage-based fee with your Financial Advisor, that fee is calculated daily against the end-of-day value of investments held within your Portfolio and deducted from your Cash Operating Account on a monthly basis. Where you agree an annual dollar amount fee with your Financial Advisor, it is calculated on a pro-rata basis based on the number of days in the month for which the fee applies. Whether the fee is a dollar amount or a percentage-based fee, the fee cannot exceed 2.2% per annum.</p>	
<p><i>Advisor Review Fee</i></p>	<p>You can authorise the Responsible Entity to pay your Financial Advisor an Advisor Review Fee from your Cash Operating Account. You and your Financial Advisor can negotiate an Advisor Review Fee that can be either an annual dollar amount or percentage of assets charge. Where you agree a percentage-based fee with your Financial Advisor, that fee is calculated daily on the value of investments held within your Portfolio and charged to your Cash Operating Account on a monthly basis. Where you agree a dollar based annual fee with your Financial Advisor, it is calculated on a pro-rata basis based on the number of days in the month for which the fee applies. Whether the fee is a dollar amount or a percentage-based fee, the fee cannot exceed 2.2% per annum.</p>	
<p>Other fees and costs</p>	<p>Any government taxes and charges, such as stamp duty and GST, will be deducted from your Cash Operating Account, as applicable. For information about the tax implications of investing in the Scheme, see the 'Taxation' section of this PDS. These fees are subject to change.</p>	
<p><i>Changes to fees and costs</i></p>	<p>This PDS will be updated if the Responsible Entity's fees are changed. Fees and costs relating to investment manager charges and transaction costs will be updated in the Available Products List and in the PDS for each managed fund. The Scheme Constitution imposes maximum limits in relation to Scheme fees charged by the Responsible Entity to investors. These maximums are:</p> <ul style="list-style-type: none"> - Special Request Fees – up to \$100 per request - Withdrawal Fee - up to 5.5% of the withdrawal amount - Additional Service Fees – up to \$10,000 (as agreed with the investor). <p>The Responsible Entity does not intend to increase its fees, but you will be given 30 days' notice of any proposed increase.</p>	
<p><i>Negotiation of fees</i></p>	<p>Subject to the Corporations Act, the Responsible Entity may, at its discretion, offer differential fee arrangements including rebates to certain investors including Wholesale investors.</p>	



Product License Fees

Where permitted by law, the Responsible Entity may receive fees for the associated administrative activities of products on the Available Products List. These fees are the reasonable costs relating to the services provided to managed fund providers and other providers of investments for the review, ongoing monitoring, management, maintenance, administration and compliance of the investments available through the Scheme. These fees are paid to the Responsible Entity directly by the providers of the investments and are not an additional cost to you.

Managed funds: the amounts the Responsible Entity may receive are ongoing fees of up to \$5,500 p.a. per managed fund and up to \$5,500 p.a. per non-custodially held assets. This fee is not payable by you.

Model Portfolios: the Responsible Entity may receive up to \$11,000 per Model Portfolio or 0.22% p.a. of the total funds invested that are linked to the Model Portfolio. This fee is not payable by you.



Important additional information

Comparing investing via a Managed Investment Scheme to investing directly

It is important that you understand the differences between investing in the Scheme and holding investments directly. The key differences are set out in the table below.

<i>Key differences</i>	<i>Investing in a managed fund via the Scheme</i>	<i>Investing directly in a managed fund</i>	<i>Investing directly in shares</i>
<i>Cooling-off rights</i>	You may not have the same cooling-off rights as if you invested directly.	You have 14 days cooling off rights under the Corporations Act, which when activated will allow you to receive a refund of your investment amount, less reasonable fees and charges.	You generally do not have cooling off rights offered to you under the Corporations Act.
<i>Reports and statements</i>	The Responsible Manager is obliged to provide annual and quarterly reporting to you in respect of the Scheme. All the investments you hold in the Product (Scheme and non-Scheme assets) will be consolidated in the reports we issue.	Fund managers generally provide an investor statement annually. You will need to consolidate your investments yourself. Audit is generally conducted at the fund level, not at an individual account level.	Most companies issue annual reports including a director's report. You will need to consolidate your investments yourself. Companies are generally subject to strict audit requirements at the company level.
<i>How investments are held</i>	Investments are held in the name of our custodian/s (as legal owner) but you retain full beneficial ownership rights (subject to rights of the Scheme to deal with investments). Non-Scheme assets are held in your name.	You hold your investments in the fund directly, but underlying investments are held by the trustee of the fund. Non-Scheme assets are held in your name.	Investments are held directly in your name. Non-Scheme assets are held in your name.
<i>Communications</i>	Your Financial Advisor will receive communications from us relating to your Account and it is the responsibility of your Financial Advisor to provide these communications to you.	You receive investor communications directly from each fund manager rather than a consolidated report.	You will receive communications directly from the issuer of the security.
<i>Distributions and Dividends</i>	All distributions (including for non-Scheme assets) are deposited in your Cash Operating Account to be used for further investment or withdrawal when requested.	Distributions are generally credited directly to your bank account.	Dividends are generally credited directly to your bank account.



Important additional information

<i>Key differences</i>	<i>Investing in a managed fund via the Scheme</i>	<i>Investing directly in a managed fund</i>	<i>Investing directly in shares</i>
<i>Voting Rights</i>	You cannot participate in investor meetings and have no voting rights in respect of managed funds that you invest in. Where we receive notices of meetings or resolutions that relate to an investment, we will not generally pass this information on to you or your Financial Advisor. A copy of our Voting Policy is available from us free of charge on request	Typically, investors in unlisted funds are entitled to participate in certain resolutions.	Typically, investors are entitled to participate in certain resolutions of a company. Australian-listed entities must hold an Annual General Meeting at which investors have the opportunity to vote on remuneration resolutions.
<i>Withdrawal rights</i>	You can close your Account at any time by seeking a cash withdrawal and/or an in-specie transfer. Usual rights to withdraw from an investment in the event of a defective disclosure document may not apply. This means the issuer of the product may not be required to return your investment or provide you with the potential options to withdraw. Where practical, we will notify you of any options to withdraw and if applicable will generally act on your instructions.	Direct investors have the right to redeem their investment subject to the terms of the relevant disclosure document. Where a disclosure document is defective, typically investors will be notified directly by the product issuer of the right to withdraw or any options.	Where a disclosure document is defective, typically investors will be notified directly by the product issuer of the right to withdraw. Shares are not otherwise subject to a redemption facility.
<i>Distributor</i>	<p>The Scheme is marketed and promoted by Escala Partners Pty Ltd (ACN 155 884 236), pursuant to an agreement between Escala Partners Pty Ltd and the Responsible Entity.</p> <p>Escala Partners Pty Ltd is not responsible for this PDS and does not guarantee the performance of investments held within the Scheme or the repayment of capital or any particular rate of capital or income return.</p> <p>Escala Partners Pty Ltd may only act in accordance with the terms of the agreement between it and the Responsible Entity.</p>		
<i>Cooling off</i>	<p>A 14-day cooling off period applies if you change your mind about your initial investment in the Scheme. The 14-day period starts from the earlier of 5 business days after your Scheme Account has been established and the date you receive your Welcome Letter confirming that your Scheme Account has been established. You may exercise your cooling off right by giving written notice to the Responsible Entity. If your initial funds have been withdrawn from your Cash Operating Account outside the Scheme, they will be returned to your Cash Operating Account, less any reasonable transaction costs incurred in establishing your Scheme Account and any movement in the price of the investment(s) in which your Scheme Account was invested. If you had elected to hold your Cash Operating Account inside the Scheme, you will need to provide us with the details of an external bank account into which we can return your initial funds less any reasonable transaction costs and any movement in the price of investments.</p>		



Important additional information

PDS and the Scheme Constitution

Your relationship with the Responsible Entity is governed by this PDS, the Scheme Constitution, the Corporations Act and other laws. When you want to know your rights as a Scheme investor, the first place to look is the Constitution. You can inspect a copy of the Constitution at the head office of the Responsible Entity or you can request a copy. This PDS sets out some of the material provisions of the Constitution. Each investor should ensure that participating in the Scheme is suitable for them, and does not contravene any obligations binding on them.

Compliance plan and committee

The Scheme has a compliance plan which describes the procedures applied in operating the Scheme to ensure compliance with the Corporations Act, the Constitution and other laws. The compliance plan is lodged with ASIC and audited annually.

A compliance committee (of which the majority of members are independent of the Responsible Entity) monitors the Responsible Entity's compliance with the compliance plan.

Responsible Entity

As Responsible Entity of the Scheme, Powerwrap Limited is responsible for the administration and management of Scheme. Details regarding Powerwrap's AFSL can be found on ASIC's website www.asic.gov.au. Under the Constitution and the Corporations Act, the Responsible Entity must:

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

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

Rights and obligations

In relation to the Responsible Entity's powers, duties and liabilities in respect of the Scheme, the Constitution:

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



Important additional information

- Gives the Responsible Entity the right to terminate the Scheme by notice to investors, and then to transfer cash to investors.

Please note that this is not an exhaustive list of the Responsible Entity's rights under the Scheme Constitution.

In relation to your rights and obligations as a Scheme investor, generally the Constitution:

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

Custody

The Responsible Entity has appointed Citigroup Pty Limited as custodian for all domestic and foreign investments of the Scheme (excluding Directly Held Investments), other than term deposits and managed funds. Cash held in the Cash Operating Account is held by us as custodian. Term deposits held non-custodially in your own name are held by Australian Banking Institutions which are Authorised Deposit-taking Institutions.

The custodians do not perform any supervisory role and are required to act in accordance with proper instructions received from us and meet prescribed regulatory and financial requirements.

None of the custodians have been involved in the preparation of this PDS or caused or otherwise authorised the issue of this PDS. The custodians have not independently verified the information contained in this PDS, and, accordingly, accept no responsibility for the accuracy or completeness of this PDS. The custodians do not guarantee the performance of investments held within the Scheme nor the repayment of capital or any particular rate of capital or return.

The Responsible Entity generally holds investments (other than non-Scheme assets) on trust for investors. It may appoint custodians to hold these investments except where any of the investments are located outside of Australia (and where either the law in that jurisdiction does not recognise, trust or it is not reasonable for the investments to be held on trust pursuant to the laws in that jurisdiction). Where a custodian is appointed, the operator holds its beneficial interest in these investments on trust for you.

The custodians may only act in accordance with the terms of the custody agreement between them and the Responsible Entity. Under the Constitution, the Responsible Entity has the discretion to change a custodian at any time, subject to the terms of any custody agreement.

Wholesale investors

You are classified as a Wholesale investor if you meet the definition of a Wholesale Client as per the Corporations Act.

You must meet the relevant requirements for you to qualify as a Wholesale investor for the purposes of your investment in the Scheme or where you wish to access Directly Held Investments as a wholesale/sophisticated investor. If you do not maintain your Wholesale Client status i.e., valid qualified Accountant Certificate, your ability to access or make further investments into wholesale only investments, may be revoked or suspended.

It is important that you understand the differences between operating as a wholesale investor rather than as a retail investor because the advice process, compliance process, cooling off rights, trading restrictions and notifications may differ.



Important additional information

Investment disclosure documents

Where applicable, your Financial Advisor must give you a copy of the relevant disclosure document for each investment in which you are considering investing, before you make any decision to purchase or add additional investments.

Each disclosure document provides a description of the investment offered, the investment manager's approach to investing and objectives, what it invests in, performance information, any level of gearing of the fund's assets, information on associated fees and costs, risks and other relevant information relating to the specific investment. In addition, your Financial Advisor may have access to further information in relation to each of the investments offered that can assist you with your investment decision.

The role of your Financial Advisor

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

When you invest in the Scheme, you agree to appoint your Financial Advisor as your agent for the purposes of operating your Scheme Account, and providing the Responsible Entity with instructions in relation to your Portfolio.

Your Financial Advisor is not the agent of and has not been approved or endorsed by the Responsible Entity. Accordingly, the Responsible Entity is not responsible for any advice your Financial Advisor provides, including any investments they might recommend. The Financial Advisor is your Financial Advisor, and you are responsible for managing this relationship.

Providing instructions to the Responsible Entity through your Financial Advisor

By completing the Application Form to invest in the Scheme, you authorise your Financial Advisor to transact on your Portfolio. This means that the Responsible Entity (or its agents) can accept and act on such instructions given by your Financial Advisor without requiring your signature, additional proof, instructions or further confirmation from you.

The transactions for which this authority applies are:

- Purchasing and selling investments held within your Portfolio
- Withdrawing amounts from your Cash Operating Account for initial and additional investments to your Portfolio
- Full or partial withdrawals from your Portfolio to your Cash Operating Account.
- Starting, changing or stopping a Regular Investment Plan
- Starting, changing or stopping a Regular Withdrawal Plan
- Changing the tax accounting method to be used when reporting on your Portfolio.

The Responsible Entity is entitled to rely on the instructions of your Financial Advisor as if they were your instructions, unless it has reason to believe that the person providing the instructions is not your Financial Advisor. However, please note that the Responsible Entity requires direct instructions from you to change your contact details, and will not accept instructions from your Financial Advisor to transfer your funds to any account other than your Cash Operating Account.

The Responsible Entity will continue to act upon any instructions from your Financial Advisor until it receives a written cancellation of the appointment. If you cancel the appointment of your Financial Advisor, then unless you appoint another Financial Advisor acceptable to the Responsible Entity, your participation in the Scheme will be terminated by giving you 14 days notice. Your Cash Operating Account may also be terminated.

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



Important additional information

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

Past performance

Performance data for investments may be included in the particular investment's disclosure document available from the Available Products List and / or from relevant investment managers directly. Past performance should not be taken as an indication of future performance of any investment.

FATCA/CRS

Australia participation in the Automatic Exchange of Information (AEOI) regime means that you have obligations under the United States of America's Foreign Account Tax Compliance Act (FATCA) and the Common Reporting Standards (CRS) applying to most of the world.

The legislation requires Powerwrap and other investment managers with whom you invest with to identify and report tax residents of foreign jurisdiction(s) to the Australian Taxation Office (ATO). The ATO is required to exchange that information with the tax authorities in the relevant jurisdictions.

To comply with the obligations, you will be required to answer certain FATCA & CRS questions as part of your application form. This applies to all new account applications as well as existing accounts already held at Powerwrap or directly with an investment manager. The answers that you provide are used by Powerwrap and the investment manager to determine your reportable status.

The obligations also apply to your financial advisor. There are penalties for failing to provide information or providing false information.

Anti-Money Laundering and Counter-Terrorism Financing Act

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

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

Environmental, social and ethical considerations

Unless otherwise indicated in investment disclosure documentation, investment managers do not take into account labour standards, environmental, social or ethical considerations in making investment management decisions.

Termination of your Account

You can terminate your participation in the Scheme by providing the Responsible Entity with 14 days written notice. Generally this will take 5-10 business days to be processed, although the Constitution allows up to 60 days to complete your request. There may be additional delays as a result of external providers such as fund managers, registries and custodians. Your participation in the Scheme can be terminated if you breach any terms and conditions of the Scheme or the Scheme Constitution. Terminating your participation in the Scheme will also terminate the Responsible Entity's administration and reporting service in respect of your non- Scheme assets.

Complaints

The Responsible Entity has procedures in place to properly consider and deal with any enquiries and complaints about the operation and investments held through the Scheme. If you have a complaint, you can either call Powerwrap on (03) 8681 4600 or write to the Complaints Officer at:

The Complaints Officer
Powerwrap Limited PO Box 16071
Collins Street West VIC 8007



Important additional information

The Responsible Entity will acknowledge a complaint and respond as soon as practicable and within 30 calendar days. If you are not satisfied with the response, you may refer your complaint to the Australian Financial Complaints Authority (AFCA). AFCA provides fair and independent financial services complaint resolution at no cost.

Australian Financial Complaints Authority
GPO Box 3
Melbourne VIC 3001
Online: www.afca.org.au
Email: info@afca.org.au
Telephone: 1800 931 678

Any complaints you may have about financial product advice you have received from your Advisor in relation to the Scheme should be directed to your Advisor or their licensee.

Privacy

We are required to handle your personal information in accordance with the requirements of the Privacy Act 1988 and the Australian Privacy Principles. Please view our Privacy Policy online at www.escalapartners.com.au which sets out our full obligations regarding the handling of your personal information.

By signing the Application Form accompanying this document you agree to the Responsible Entity collecting personal information from you in order to process your application, and administer and manage your Portfolio. This includes administering and auditing your investments, modelling data, data testing, communicating with you and dealing with any complaints or enquiries. You need not provide any personal information requested in the Application Form or in any other document or communication relating to your Portfolio, however, without this information, your application may be rejected and/or you will not receive an appropriate level of service. You agree to allow the Responsible Entity to provide access to your personal information to external service providers, including overseas service providers which may include providers in the United States, the European Union, New Zealand and India, that provide services in connection with your Portfolio, including, technology providers, investment managers and approved stockbrokers. When you nominate a Financial Advisor in the Application Form, you are authorising the Responsible Entity to supply that Financial Advisor and its Licensee with information about your investments. Any other use or disclosure to a third party, body or agency is subject to the terms of our Privacy Policy.

Your personal information may also be disclosed:

- if, acting in good faith, the Responsible Entity believe that the law requires or permits it to do so;
- if you consent; or
- to any person proposing to acquire an interest in our business.

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

The Privacy Officer
Powerwrap Limited PO Box 16071
Collins Street West Vic 8007

Our Privacy Policy also contains information about how you can complain about a breach of the Australian Privacy Principles and how we deal with such complaints. Please note that, in accordance with the requirements of the Anti-Money Laundering and Counter Terrorism Financing Act, we may be requested to disclose your personal information to the Australian Transaction Reports and Analysis Centre (AUSTRAC).



Glossary

<i>AFSL</i>	Australian Financial Services Licence
<i>Application Form</i>	The Application Form you fill in to apply to join the Scheme.
<i>ASIC</i>	Australian Securities and Investments Commission
<i>ASX</i>	Australian Stock Exchange
<i>Available Products List</i>	The list of investments that you can invest in via the Scheme, together with descriptions of such investments, and which is available at the Escala website. This list includes Scheme assets and non-Scheme assets.
<i>Cash Operating Account</i>	A Cash Operating Account provided by a financial institution that will be accessed by the Responsible Entity for the purpose of processing transactions in your Portfolio. You can elect to hold your Cash Operating Account inside the Scheme as a Scheme asset, or outside the Scheme as a non-Scheme asset.
<i>Constitution</i>	The legal document that establishes and governs the Powerwrap Managed Investment Scheme.
<i>Escala Investment Account</i>	A badged presentation of the Scheme, configured in conjunction with the Distributor, and designed to suit the investing needs of you and Financial Advisors.
<i>FIFO</i>	First In First Out
<i>Financial Advisor</i>	The business or person that provides you with financial advice in relation to your Portfolio, and who holds an AFSL, or is licensed by a Licensee to do so.
<i>Fixed Income</i>	Fixed income refers to the type of investment under which the borrower or issuer is obliged to make payments of a fixed amount on a fixed schedule.
<i>Full Access Authorised Operator</i>	The authority given by you to the Responsible Entity to perform transactions on your Cash Operating Account that relate to the operation of your Portfolio.
<i>In-specie</i>	In-specie refers to transferring an asset from one entity to another without the need to convert to cash. In specie fees (for the purposes of this document) may be applied to custodially held assets when those assets are transferred in or out of the scheme (or custodian), when those assets are transferred between different tax treatments (for example, if a W-8BEN form were to expire) or when those assets are transferred between distribution methods (for example, a move from cash to Dividend Reinvestment Program distributions).
<i>Licensee</i>	The holder of an AFSL.
<i>Model Manager</i>	An investment manager who has entered into an agreement with the Responsible Entity to include its Model Portfolio(s) as available investments in the Scheme.
<i>Model Portfolio</i>	A notional portfolio of assets constructed by the Model Manager and managed in accordance with specified investment objectives, investment strategies and asset allocation guidelines, as described in the Available Products List from time to time, and which is used by the Responsible Entity for the purpose of determining the investments held in your Scheme Account.
<i>Non-custodially held assets</i>	Typically, an unlisted asset, held directly in the name of the client.
<i>PDS</i>	Product Disclosure Statement
<i>Portfolio</i>	Your Account in the Scheme, together with any non-Scheme assets you have asked us to administer (excluding your Cash Operating Account).
<i>Regular Investment Plan</i>	The facility for making regular investments.
<i>Regular Withdrawal Plan</i>	The facility for making regular withdrawals.
<i>Responsible Entity</i>	Powerwrap Limited, the licensed operator / Responsible Entity of the Scheme.
<i>RITC</i>	Reduced Input Tax Credit
<i>Scheme</i>	The Powerwrap Managed Investment Scheme (ARSN 137 053 073)
<i>Scheme Account</i>	Your Account in the Scheme which may comprise managed fund and Model Portfolio investments chosen from the Available Products List.
<i>SMSF</i>	Self Managed Superannuation Fund



How to complete the Application Form

You should complete the Application Form with the assistance of your Financial Advisor. Before you do this, you should read this PDS thoroughly, along with the disclosure documents of all investments in which you choose to invest.

Step 1
Establish the appropriate applicant type

The following types of investors can open an Account:

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

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

Step 2
Complete the Application Form with the assistance of your Financial Advisor

Your Financial Advisor will enter your details online in the Application Form, enabling applications for the Scheme, your Cash Operating Account, your broker account and any other accounts as required. The Application Form also contains an authority for the Responsible Entity to administer your non-Scheme assets. Once your Financial Advisor has entered your details and printed out the Application Form, you should check that all sections have been completed correctly and that your Financial Advisor has signed the advisor declaration. You should then read and sign the Application Form, as well as the application forms for the Cash Operating Account and broker account.

Step 3
Return signed Application Forms and relevant supporting documentation

Once the application forms are signed and completed, original copies must be returned to your Financial Advisor for forwarding to the Responsible Entity, Cash Operating Account provider and stockbroker. Your Financial Advisor may hold off sending in your Application Form until your Cash Operating Account details are received, to enable these details to be included in the Application Form.



How to complete the Application Form

Account names and designations for different types of investors

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

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

