



VMAPS

# VENTURA MANAGED ACCOUNT PORTFOLIOS

ADDITIONAL INFORMATION BOOKLET

**Ventura Managed Account Portfolios**

ARSN 601 085 410

Responsible Entity:

Ventura Investment Management Limited

ABN 49 092 375 258

Australian Financial Services Licence No. 253045

VENTURAFM

Date: 1 October 2021

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# IMPORTANT INFORMATION

The information in this Additional Information Booklet forms part of the Product Disclosure Statement (PDS) dated 1 October 2021 for the Ventura Managed Account Portfolios (VMAPS) and should be read in conjunction with the PDS and the Investment Model Menu for VMAPS.

This document contains important additional information about:

- the operation of your VMAPS Account
- investments in VMAPS
- tax features
- fees and costs
- Ventura's policies
- It also contains information on:
  - the VMAPS Constitution
  - the VMAPS compliance plan and committee
  - the powers, duties and liabilities of Ventura as the Responsible Entity
  - your rights and obligations
  - anti-money laundering/counter-terrorism financing laws
  - privacy

We may update this document from time to time in accordance with the law. The updated document will be available at our website at [www.venturaFM.com.au](http://www.venturaFM.com.au) and you may also obtain a copy free of charge upon request from your financial adviser. You should keep a copy of this document and any updates to it for your reference.

The information in this document is general in nature only and is not personal advice. It has been prepared without taking into account your personal financial circumstances. You should read this document, the PDS and the Investment Model Menu carefully and assess whether an investment in VMAPS is appropriate for you in light of your financial objectives, situation and needs.

Capitalised terms used in this Additional Information Booklet have the same meaning as in the PDS unless expressly stated otherwise.

# DIRECTORY

Investors with any questions regarding VMAPS should contact their financial adviser.

## Responsible Entity

Ventura Investment Management Limited  
ABN 49 092 375 258 | AFSL 253045  
Level 2, 28 O'Connell Street  
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Website: [www.venturaFM.com.au](http://www.venturaFM.com.au)

## Administrator

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# OPERATION OF YOUR VMAPS ACCOUNT

## Your application

To invest in VMAPS you must complete the Application Form with your financial adviser, sign and send it to VMAPS. The deadline for receipt of an application request is 10:00am Eastern Standard Time (EST) on any Business Day. Requests received after this time may be treated as received on the following Business Day.

Where all required information is not received with your application this may delay the opening of your Account.

## Initial investment

You may choose to have a combination of cash and securities for your initial investment, however until we receive all components of your initial investment your Account will not be activated (start trading). All cheque contributions received (with our prior approval) and direct debit orders initiated will be treated as being cleared for trading purposes.

## Cash applications

Application amounts must be transferred electronically into VMAPS either via direct debit or BPAY®. Application amounts may also be received by cheque upon approval.

If a direct debit is rejected we will try to contact your financial adviser and will wait up to 2 Business Days to receive a response. If we do not receive a response, we may sell down your Account the next trading day and any loss will be your responsibility.

## Transferring securities

Any existing holdings of CHESS-eligible listed Australian securities may be transferred into your Account (any securities being transferred into your Account must be in the same name that you are applying for an Account under). Unless otherwise instructed, eligible securities transferred into VMAPS will be sold if they do not form part of the selected Investment Model(s). We wait for all securities and cash to clear before including your Account in the rebalance process.

Original documents will be forwarded to us by your financial adviser who will also complete the details of your Account. Your Account will only become active once details are completed and we have received your completed Application Form, together with your application amount and any securities you are transferring into your Account.

Until your Account becomes active any securities transferred will be held apart from the rebalance process, you will receive interest on cash balances held in this period but may also incur fees.

Once your Account is active, your investment amount will be applied to your selected Investment Model(s) at the next rebalancing opportunity after we receive your investment instructions – generally each Business Day.

## Making additional investments

Additional investments can be made at any time by electronic cash transfer, direct debits or by transferring eligible securities into your Account. The additional investments will be invested in or applied to (if eligible securities) your selected Investment Model(s) at the next available date for investment. Additional investment funds will be added to your Account and invested in proportion to your current Investment Model weights. Note that while a security transfer is in process, your Account will not be included in the daily rebalance process.

## Regular contribution plans

You can make regular contributions to your investment, either by signing up to our Regular Contribution Plan (where we debit an agreed amount from your external nominated bank account each month) or by making your own arrangements directly with your bank (where you instruct your bank to pay an agreed amount into your Account on a regular basis).

## Option 1 – Regular Contribution Plan

Under the Regular Contribution Plan we will withdraw a regular amount from your external nominated bank on or about the 15th day of each month. Once you make the initial election on the Application Form you need take no further action – we will arrange for the transfer of funds each month. Note that this direct debit facility is not available on all bank accounts, and that if you change your financial institution we require you to notify us of this change in writing. Your financial institution may also charge you a fee to provide you this service. You can reduce, change or stop investments at any time free of charge, however 2 Business Days notice is required prior to a change being effected. The minimum Regular Contribution Plan investment is \$100 per month. If a direct debit is rejected for a particular month we will sell down your Account the next trading day and any loss will be your responsibility. We will also try to contact your financial adviser to notify them of the rejection. If a direct debit is rejected for 2 consecutive months, we may cancel the direct debit and your Regular Contribution Plan will cease to operate.

## Option 2 – Your Own Savings Plan

Alternatively you can make your own arrangements directly with your bank to periodically transfer an amount into your Account via BPAY®. VMAPS places no restriction on the amount, frequency or timing of these investments.

These payments should be made by electronic transfer to:

Biller Code: 216630

Ref: Your BPAY® Customer Reference No.\*

\* You will be advised of your Account number and BPAY® Customer Reference Number when your Account has been opened.

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

Irrespective of the arrangements the money transferred will be invested in your selected Investment Model(s) at the next available date for investment.

As a regular contributor you should keep the PDS together with any updated information for future reference. You can download a current copy of the PDS from the website at [www.venturaFM.com.au](http://www.venturaFM.com.au) at any time. We will also inform your financial adviser each time a new PDS or Supplementary PDS is issued.

## Customisations

Investment Models are able to be customised in a number of ways (including income, fee payment options, substitutions, minimum trade size and minimum holding lock facility). Please note, if your selected Investment Model is customised, it may not perform in the same manner as the actual Investment Model due to the different nature of the holdings.

If a company changes its name and thus the share code changes, we will apply the change to any customisations you have involving that share. You need to be aware that corporate actions such as takeovers may require you or your financial adviser to review your customisations.

## Receiving income or dividends

Unless specified otherwise income or dividends received will form part of your cash holding within your Account. If you would like your dividends to be excluded from your cash holding and paid periodically into your external nominated bank account please ask your financial adviser to select this option for you.

If a direct credit to your external nominated bank account is rejected for a particular month, we will try to contact your financial adviser to notify them of the rejection. If a direct credit is rejected for 2 consecutive months, we may cancel the direct credit and all future income and dividends received will form part of your cash holding within your Account.

## Direct debit authority for fee payment (optional)

As outlined in the 'Fees and other costs' section of the PDS fees are paid from your Account on a monthly basis. We assess the level of all

cash holdings at each rebalance, and where appropriate, will sell down securities to top-up your cash holding (also taking into account any minimum trade size set).

Alternatively you may choose to authorise us to direct debit your external nominated bank account to top-up your cash holding each time a fee payment is made. Instead of nominating a set amount per month we will debit your external nominated bank account for the exact amount of the month's fees.

Note that this direct debit facility is not available on all bank accounts, and that if you change your financial institution we require you to send us this change in writing. If you choose to authorise us to direct debit your external nominated bank account you can ask us to discontinue this at any time, however 2 Business Days notice is required prior to a change being effected.

Where you instruct us to direct debit your external nominated bank account each month by the amount of the monthly fees we will use our best endeavours to carry out your instructions. Should the direct debit transaction fail for any reason whatsoever we will deduct the monthly fees from your cash holding. In the event of such an occurrence we will try to contact your financial adviser as soon as possible so that the appropriate action can be taken before the next month-end. If a direct debit is rejected for 2 consecutive months, we may cancel the direct debit and all future fees will be deducted from your cash holding.

## Maintaining a minimum cash holding

In order to ensure there is sufficient cash to pay fees and satisfy charges in connection with the settlement of trades that are carried out in respect of your Account, you must maintain a minimum amount of cash in your Account. This is in addition to any cash that an Investment Model may require to be maintained in your Account. The minimum cash amount is calculated as a percentage of your Account and is set at 1%.

If at any time the cash in your Account falls below the required minimum, we may sell some of the investments held in your Account to bring your cash back up to the required minimum level. Please refer to the section 'Going above or below the minimum cash holding'.

The cash will be held in a bank account or invested in a cash fund selected by us. Any interest or income earned on any cash that is held in respect of your Account will be credited to your Account as and when it is received by us less the Cash Administration Fee. If your Account has a negative cash holding (i.e. your cash holding is overdrawn as a result of trades carried out for your Account), your Account will be charged interest on the negative cash holding.

## Going above or below the minimum cash holding

Where cash in excess of the minimum cash holding accumulates, (for example from the receipt of income or dividends) it will be invested on the next Rebalancing Date (generally the next Business Day) subject to minimum trade sizes being achieved. To the extent practicable the funds will be invested in proportion to your current Investment Model(s) weights.

If the cash holding in your Account falls below the minimum required, additional securities will be sold (or purchases reduced) pro-rata across your Account (subject to any minimum holding locks). Any such transactions will not change the relative weightings of the Investment Models that your Account was constructed on, but will reduce the overall amount allocated to each Investment Model. Alternatively, you can elect to top-up your cash holding from your external nominated bank account, as outlined under 'Making additional investments'.

## Making a withdrawal

You will normally be able to request a withdrawal on any Business Day and requests will be complied with promptly, subject to any requirements of the law and as set out below. Withdrawal instructions must be given to us online by your financial adviser, or delivered to us by your loan provider if you are using an investment or margin loan. Once you give a withdrawal instruction, you cannot revoke the instruction unless we give our approval. Withdrawals from VMAPS can be made in cash (to your

external nominated bank account) or via a transfer of securities to your name, or a combination of cash and securities. Any investments that cannot be transferred will be sold and converted into cash.

If a combination of cash and securities is selected, the transfer out of securities must be confirmed before the remaining securities are sold to generate the cash portion of the withdrawal.

If a full withdrawal is requested, your investment in VMAPS will be treated as being terminated and your Account will be closed.

## Regular Withdrawal Plan

You can make regular withdrawals from your Account by signing up to our Regular Withdrawal Plan. Under the Regular Withdrawal Plan we will deposit a regular amount to your nominated bank account. You can start, change or stop withdrawals at any time free of charge, however 4 Business Days notice is required.

The frequency of the withdrawals can be either:

- Monthly
- Quarterly
- Half-yearly
- Yearly

There is no minimum amount for a Regular Withdrawal Plan and the date can be nominated to meet your needs.

If a direct credit is rejected we will buy back into your Account at the next trading day and any loss will be your responsibility. We will also try to contact your financial adviser to notify them of the rejection. If a direct credit is rejected for two consecutive payments, we may cancel the direct credit and your Regular Withdrawal Plan will cease operating.

## Transfer of investments

A withdrawal request for the transfer of securities must indicate the name and number of securities to be transferred and the account number into which they are to be transferred. Securities can only be transferred into the same name as your Account. Please note that if you are withdrawing by way of a transfer of securities a written approval from your loan provider may also be required.

Requests will generally be actioned on the Business Day following receipt of your request.

If following the transfer of securities your Account no longer reflects your Investment Model(s) (for example, because you requested a transfer of one share only), we will need to rebalance your Account at the next Rebalancing Date. Unless the rebalancing can be effected in full under the netting process described under 'Investments in VMAPS', the rebalancing may result in brokerage being charged to your Account.

While a security transfer is in process, your Account will not be included in the daily rebalance.

If insufficient cash is available in your Account to pay the In-Specie transfer fee, securities may be sold.

## Cash withdrawals

Cash withdrawals will be paid into your external nominated bank account. Any instruction to vary this account must be in writing and signed by you and accepted by the Administrator. We cannot accept these instructions from your financial adviser. The sale of securities in your Account will commence at the next Rebalancing Date following receipt of your withdrawal request. Generally, each Business Day is a Rebalancing Date.

Securities will be sold proportionately across all your Investment Model(s) unless a specific instruction has been applied to your account by your financial adviser. The value you will receive will be that at which the securities are sold net of all fees, charges and expenses including transaction costs such as brokerage. The sale of securities will generally be actioned on the Business Day following receipt of your request and the proceeds will generally be available within 24 hours of settlement of the sale of securities. While this is typically within 4 Business Days, this

cannot be guaranteed as there may be delays depending on liquidity of investments, market and other factors beyond our control.

Unless specifically requested, the withdrawal amount will accumulate as part of your cash holding until the full amount is available for transfer into your external nominated bank account.

## Suspension of withdrawals

In unusual circumstances outside our control such as the closure or disruption of a relevant security exchange, we may suspend withdrawals from investor Accounts for the period that these circumstances prevail.

## Margin lending or investment lending

If you wish to apply using a lending arrangement, you must complete Part 6 of the Application Form which accompanies this PDS as well as any separate loan application forms. The terms and conditions apply when you borrow to invest in VMAPS are set out in Part 6 of the Application Form.

## Closing your Account

You can close your Account in VMAPS at any time by providing written notice to us. When you close your Account, your investments will either be sold and the proceeds paid by electronic transfer to your external nominated bank account or transfer CHESS-eligible listed Australian securities in-specie to the same name as your Account.

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

Prior to closing your Account, the Account balance will be applied to pay all outstanding fees and charges. It may be necessary to keep your Account open for a period of time pending the processing of any realisation of investments in the Investment Models and the receipt of any outstanding distributions. During this time, the minimum balance should be retained within your Cash Account. Please note that fees will continue to be charged until this process is finalised.

## Changing details

You should notify us, Ventura directly via the Administrator as soon as possible of any changes in your personal details relating to your Account. Your financial adviser can provide you with the appropriate form.

## Operation of your VMAPS Account by your financial adviser

When you invest in VMAPS, you are required to appoint a financial adviser to provide instructions to us and to receive communications from us, on your behalf. By completing the Application Form you will be authorising us to take all instructions in relation to your Account from your financial adviser on your behalf. Where required, we will send certain communications relating to your Account to your financial adviser in electronic format. Your financial adviser will be responsible for providing these communications to you.

Generally, all instructions to transact in VMAPS must be made on your behalf by your financial adviser. However, your financial adviser is not able to change your bank account details for payment of any withdrawal proceeds. Refer to 'Investor authorisations, acknowledgements and agreements' for details of this authorisation.

The majority of instructions will be given online by your financial adviser or alternatively in writing or by fax. Terms and conditions relating to fax and online instructions are set out under 'Investor authorisations, acknowledgements and agreements'.

# INVESTMENTS IN VMAPS

## What investments are available?

The Investment Models that are currently available for investment through VMAPS are available in the Investment Model Menu at [www.venturaFM.com.au](http://www.venturaFM.com.au). We may update the Investment Model Menu at our discretion. The information relating to each Investment Model includes:

- the Model Manager;
- investment objective and strategy;
- asset allocation ranges and performance benchmarks; and
- fees applicable to the Investment Model.

As certain information about the Investment Models may change you should check for updated information at our website [www.venturaFM.com.au](http://www.venturaFM.com.au).

Our relationship with the Model Managers is governed by an agreement with each Model Manager which sets out the agreed investment objectives, strategy and any investment restrictions applicable to each Investment Model. Each of the Investment Models is managed by the relevant Model Manager within these investment guidelines.

Any changes to an Investment Model are advised to us by the Model Managers, and we then buy and sell investments to implement the changes across all Accounts that are based on the affected Investment Models.

We reserve the right to change Model Managers, change the Investment Models offered, offer new Investment Models or cease to offer Investment Models. Where an Investment Model ceases to be offered we will give prior written notice to your financial adviser, who will be responsible for seeking alternative instructions from you.

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

## Selecting investments

The investments selected for your Account will be determined by the Investment Model(s) that you select. We recommend that you obtain advice from your financial adviser before making your Investment Model selections.

When selecting an Investment Model you should carefully consider your investment objectives as well as your investment amount and any customisations, as this could impact on the ability of your Account to reflect the stated investment strategy of the Investment Model. You should discuss these Investment Models in detail with your financial adviser before selecting them for investment.

Ventura accepts no liability or responsibility for any advice given to you by your financial adviser or any Model Manager.

Your initial application amount will be invested, and your Account established, in accordance with your selection of Investment Model(s). Generally, this will occur on the next Business Day (after your Account becomes active)\* on which we buy and sell investments for VMAPS.

Where you have selected a combination of Investment Models, your Account will be viewed and treated as a single Account of your consolidated holdings. Your Account may include individually held investments that do not form part of an Investment Model where you have locked a share holding at a specified level.

*\* Your Account will only become active once details are completed and we have received your completed Application Form together with your application amount and any securities that you are transferring to your Account.*

## Substitution

Where for some reason you are unable or unwilling to hold a particular security (e.g. ethical concerns) you may substitute the individual security with another CHESS-eligible listed Australian security, with cash or reinvest what would have been invested in the excluded security evenly across the other securities and cash in the Investment Models. You should be aware that substitution may result in the performance of your Account deviating from the performance of the Investment Model(s).

## Investment Model weightings

If you select more than one Investment Model you have the choice of applying the Investment Model weightings on a floating or fixed basis. If no selection is made, this will automatically default to floating.

Applying your Investment Model weightings on a floating basis means that when your selected Investment Models perform differently from each other the relative proportion of your Account attributable to each Investment Model will move (float) away from the Investment Model weightings that you originally selected.

For example, if you originally invested \$100,000, allocating 50% to Investment Model 1 and 50% to Investment Model 2, your Account would notionally be broken down as:

	Model 1	Model 2	Cash	Total
Weighting	49%	49%	2%	100%
Value	\$49,000	\$49,000	\$2,000	\$100,000

If after one day Model 1 had a performance of -5% and Model 2 had a performance of +5% and you chose to apply the Model weights on the above floating basis, your approximate Account breakdown would be:

	Model 1	Model 2	Cash	Total
Weighting	46.5%	51.5%	2%	100%
Value	\$46,550	\$51,450	\$2,000	\$100,000

All values are approximate and indicative only, displayed purely to illustrate the effect of the floating or fixed basis for applying Investment Model weightings. It should not be inferred from this example that either basis is preferred or will result in higher value added.

Applying the Investment Model weightings on a floating basis means that we will not act to adjust the relative values of the Investment Models – they will continue to move independently from each other according to each Investment Model's relative performance.

If you choose to fix the weightings at every rebalance, the proportion of your Account attributable to each Investment Model will remain the same as the Investment Model weights that you originally selected. In the above example, this would involve selling down \$2,450 of securities from Investment Model 2 to apply to securities in Investment Model 1, restoring each to equal weightings.

You should be aware that choosing the fixed basis may mean that securities attributable to a highly-performing Investment Model are sold in order to purchase additional securities attributable to an Investment Model with lower performance.

You may change the basis at any time. If you have elected to use the floating basis you may reset your Investment Model weightings to your selected fixed percentages at any time, and then revert to a floating basis again.

Additional contributions and withdrawals are allocated to align with your current Investment Model weights. For fixed weightings this will be your nominated weighting, for floating weightings this will be the weights implied by your current Investment Model balances.

If no selection is made, this will automatically default to floating.

## Switching Investment Models

You can switch between Investment Models, or alter the combination of Investment Models on which your Account was constructed, at any time. Your instruction to switch between, or alter, Investment Models will generally be acted upon during the next Rebalancing Date following receipt of such instructions from your financial adviser. Refer to the 'Investment process and rebalancing' section.

## Investment process and rebalancing

Rebalancing within VMAPS is an automatic process whereby Investment Models are compared against investors' Accounts.

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

- a Model Manager advises us of a change to an Investment Model comprising your Account;
- you make an investment in or withdraw cash and/or securities from your Account;
- you switch Investment Models or make other alterations to your Account;
- where your cash holding has moved away from the minimum required as a result of income received or fees paid; and
- as a result of market movements, for those investors who have chosen to fix their Investment Model weights.

The Model Managers generally review their Investment Models each Business Day and may advise changes to their Investment Models at any time.

A cash holding of 1% of your total investment will be retained. Interest is paid on any cash that is retained in your Account. From time to time, subject to the minimum trade size, your Account may be rebalanced to reflect the changing values of the investments you own, or to retain your 1% cash holding. This will be undertaken automatically through the buying or selling of investments within your Account.

## Buying and selling investments

Buying and selling investments for VMAPS will be undertaken on the advice of the relevant Model Managers and occurs on an aggregate basis across all Investment Models within VMAPS to take advantage of scale and netting opportunities. All investments will be allocated to the relevant Accounts on a pro rata basis.

In order to minimise the amount of brokerage paid, we will generally use a single execution only broker. However, we may use other brokers if market conditions and specific factors warrant it, and may change brokers at any time.

## Netting

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

If applicable the netting of transactions occurs first within each investor's Account. For example, if you invest in accordance with two Investment Models each holding ABC Company shares, and one Investment Model is reducing their holding and the other is increasing their holding, this will not result in a transaction within your Account by the amount of the overlap. After this netting process has been applied within your Account, it will then be applied across all Accounts within VMAPS.

If there is an exact netting of transactions within VMAPS, the netted transactions are priced at ASX closing price. Other transactions are priced as traded. The value of the trades are averaged and attributed to all investors where trades were generated. Brokerage is applied on a pro rata basis to affected Accounts.

## Trades outside of the normal rebalance process

In the normal course of events trading for an individual security is aggregated across Accounts and transacted as a single net trade. However, from time to time, individual Model Managers may trade directly in securities held in their Investment Models.

These trades may attract differing rates of commissions and charges. These Model Manager initiated trades may result in multiple trades in the same security on the same day – as the Model Managers would not be aware of other trades within VMAPS.

## Minimum trade size

A minimum trade size is applied per investment, per trade. If no minimum trade size is set, then a default minimum trade size will be applied. This default is currently \$200 per investment, per trade.

You may specify a minimum trade size if you do not wish small trades to be undertaken within your Account. We will endeavour to ensure that trade sizes are within the limits specified, however, in some circumstances (such as due to market movements) this may not always be possible.

Setting a minimum trade size per investment will generally ensure that trades (buys or sells) of a value less than the nominated amount will not be executed. Note: If you select your own minimum trade size, this will override the default minimum trade size of \$200 per investment per trade described above. When you set a minimum trade size with multiple criteria (including for example the number of securities, percentage of account and/or dollar amount), the system will apply the largest (in dollar terms) of any of your nominated criteria.

Setting a minimum trade size may also result in the performance of your Account deviating from the performance of the Investment Model(s). A low minimum trade size will result in closer alignment with the Investment Model, but is also likely to increase the number of transactions in your Account.

## Minimum holding lock facility

Where you have transferred securities into your Account or for existing share holdings in your Account you may choose to lock your holdings at a level of your choice. When rebalancing your Account in accordance with your chosen Investment Model selection we will ensure that, for the nominated share, the holding is maintained at or above your selected level. You should be aware that the use of the minimum holding lock facility may result in the performance of your Account deviating from the performance of the Investment Model(s).

## Corporate actions

As the Responsible Entity for VMAPS, Ventura will receive communications relating to corporate actions affecting the investments held in your Account. For example, the issuers of the investments will send any notices of meetings relating to the investments, and any offers of dividend or distribution reinvestment plans, to our Custodian.

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

Our policy regarding corporate actions affecting securities held in VMAPS is that generally:

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

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

## Labour standards, environmental, social and ethical considerations

Unless otherwise indicated in the Investment Model profiles in the Investment Model Menu, our Model Managers do not take into account labour standards or social, environmental or ethical considerations in the context of making investment decisions relating to the Investment Models, except to the extent that they consider these issues when they have the potential to materially impact on the merits of those investment decisions.

## TAX FEATURES

Investing, and dealing with investments, often has tax implications which can be complex, and which are invariably particular to your circumstances. The tax information set out below is a broad overview of the possible Australian income tax consequences for Australian Residents who invest through VMAPS. As the taxation consequences of investing differ between investors, it is important that you seek your own professional advice before you make investment decisions.

### Taxation of VMAPS

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

### Tax on Income

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

If you receive franking credits your entitlement to use those credits to offset tax or obtain a refund of tax may be affected by your holding of the underlying securities which resulted in the credits. Generally speaking you must hold the relevant securities at risk for more than 45 days (90 days for preference shares) to be entitled to the credit. Please see your tax adviser for further information, as some exceptions do apply. Tax reporting available online includes an estimate of the available tax credits in relation to your Account.

### Tax on Capital Gains

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

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

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

VMAPS allows you to manage your own capital gains tax affairs. For securities transferred into your Account from outside VMAPS, your existing cost base can be maintained. You can select the tax parcel accounting method which best suits your own circumstances, and you can adjust and amend the allocation method online as required.

including after the trade has been completed.

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

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

## Foreign Investments

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

## Providing your Tax File Number

The Application Form includes provision to quote your Tax File Number (TFN), Australian Business Number (ABN) or exemption. As outlined there, you may choose not to do so, however if you do not quote your TFN, ABN or exemption we will be obliged to deduct tax at the highest marginal rate plus the Medicare Levy on your behalf.

## Goods and Services Tax

GST will be charged on or incorporated in various expenses paid by VMAPS including the fees charged for managing the Investment Models and administering VMAPS.

All fees in this PDS are quoted inclusive of GST unless otherwise stated.

## Tax Reporting

Various reports are available to assist you with determining the tax status of your Account. These reports are generally available for you to view and print from the investor website at any time.

# FEES AND OTHER COSTS

## Changes to Fees

The Constitution of VMAPS imposes maximum limits in relation to fees for VMAPS charged by Ventura to investors. These maximums are:

- Administration Fee: a maximum amount of up to 3% per annum calculated monthly based on the daily value of your Account over the month in which it has accrued, or part thereof if the investor has withdrawn from VMAPS during that month. This amount is payable in arrears from your Account within 7 days of the end of each month or such longer period as Ventura allows;
- Model Management Fee: a maximum amount of up to 3% per annum calculated monthly based on the daily value of your Account over the month in which it has accrued, or part thereof if the investor has withdrawn from VMAPS during that month. This amount is payable in arrears from your Account within 7 days of the end of each month or such longer period as Ventura allows; and
- Performance Fee (if applicable): a maximum amount of up to 50% of Outperformance. This amount is payable in arrears from your Account within 7 days of the end of each month or such longer period as Ventura allows (Performance Period). 'Outperformance' is, for any Performance Period notified to you by Ventura, income received and/or capital growth, in respect of any investments in your Account in excess of the applicable benchmark income or capital growth, as the case may be, and disclosed by Ventura to you for that Performance Period.

Ventura reserves the right to alter its fees at any time where it considers it reasonable to do so. You will be given 30 days' notice of any proposal to introduce new fees or an increase in fees.

## Alternative remuneration

We may provide alternative forms of remuneration which include professional development, sponsorship and entertainment to licensed financial advisers or Licensees. Where such benefits are provided, they are payable by us and not an additional cost to you. We maintain a public register of alternative forms of remuneration in accordance with FSC/FPA Industry Code of Practice on Alternative Forms of Remuneration. Please contact us if you wish to inspect this register.

## Differential Fees

Subject to the Corporations Act and the Constitution, Ventura may negotiate lower fees with certain investors or advisers of investors who are wholesale clients under the Corporations Act or come to different fee arrangements with different classes of investors. For more details, speak with your financial adviser.

We may also offer reduced fees to employees of the Responsible Entity and its related bodies corporate.

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

## Family Group Account Aggregation

Family Group Account Aggregation allows you to link up to six VMAPS and/or VMAPS Super accounts, which may in some instances reduce the overall administration fee payable on each 'linked' account by effectively 'aggregating' your family's account balance.

Family Group Accounts can include individuals, SMSFs, a trust or company – provided either director or trustee is an immediate family member. The definition of a spouse or child within a Family Group is assumed to be the same as the definition under the Superannuation Act for defining dependents.

The Family Group Account Aggregation is only applicable to the ongoing administration fees payable and not other types of fees charged under the PDS nor any member advice fees.

Administration Fees are charged on a tiered basis, therefore higher account balances typically can achieve lower average Investment Administration Fees.

- Each person applying to be linked must have the same financial adviser with each account held on the same VMAPS service.
- Any new Family Group Account Aggregation nomination will override any previous nomination.
- Family Group Account Aggregation will only apply if the nominated accounts are in an aggregated group at the time of monthly fee calculation.
- Signatories must be the Investor, Trustee, Member, Director, Secretary, Power of Attorney or Guardian.
- Praemium reserves the right to reject or cancel a Family Group Account Aggregation request.
- Family Group Account Aggregation applications cannot be processed while fees are being calculated.

## How much can family groups save with the new fee levels plus Family Group Account Aggregation?

Accounts	Account Balance	Admin Fee pa (current)	Admin Fee pa (new)	% Saving pa
Mr Smith investment	\$350k	\$1,280	\$1,008	21%
Mrs Smith investment	\$300k	\$1,140	\$864	24%
Patrick Smith (son)	\$100k	\$380	\$288	24%
<b>Total</b>	<b>\$750k</b>	<b>\$2,800</b>	<b>\$2,160</b>	<b>24%</b>

## OTHER ADDITIONAL IMPORTANT INFORMATION

### PDS and VMAPS Constitution

Your relationship with Ventura, and the terms and conditions of your investment in VMAPS, is governed by this PDS, the provisions of the VMAPS Constitution, the Corporations Act and other laws. You can inspect a copy of the Constitution at the offices of Ventura or you can request a copy. This PDS sets out some of the material provisions of the Constitution.

You should ensure that an investment in VMAPS is suitable for you, and does not contravene any obligations binding on you. This document can only be used by investors receiving it (electronically or otherwise) in Australia who are Australian residents for tax purposes.

### Compliance plan and committee

VMAPS has a compliance plan which describes the procedures applied by Ventura in operating VMAPS 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 external to Ventura) monitors Ventura's compliance with the compliance plan.

### Responsible Entity

As Responsible Entity of VMAPS, Ventura is responsible for the administration and management of VMAPS. Details regarding Ventura's AFSL can be found on ASIC's website [www.asic.gov.au](http://www.asic.gov.au). Under the VMAPS Constitution and the Corporations Act, Ventura has obligations to (amongst other things):

- act honestly and in the best interests of all VMAPS investors;
- have adequate arrangements for the management of conflicts of interest that may arise in providing financial services;
- ensure that property within VMAPS is clearly identified and held separately from other property, and that it is valued at regular intervals;
- ensure that the Constitution and compliance plan of VMAPS meet the requirements of the Corporations Act;
- report to ASIC any breaches of the Corporations Act that represent a significant breach of financial services law; and
- Ventura may retire or be removed in accordance with the Corporations Act.

### Rights and obligations

In relation to Ventura's powers, duties and liabilities in respect of VMAPS, the Constitution:

- allows Ventura to refuse applications for investment, in whole or in part, at Ventura's discretion and without giving reasons;
- allows Ventura not to act on instructions in certain cases and

provides that Ventura is not liable for delays due to failure to act on unclear instructions or for other reasons beyond its control;

- allows Ventura to terminate Accounts, including if an investor does not hold the required minimum balance or breaches the rules governing VMAPS as set out in this PDS;
- allows Ventura to set a minimum investment to be made in VMAPS;
- allows Ventura to extend the period for withdrawal in certain circumstances;
- provides that, unless the Corporations Act imposes liability, Ventura is not liable to you except for fraud, negligence or breach of trust;
- provides that Ventura is entitled to be indemnified from the investments of VMAPS for any liability incurred in properly performing or exercising any of its powers or duties in relation to VMAPS, except to the extent the liability is caused by its negligence, breach of trust or fraud;
- allows Ventura to change the Constitution, but only with investors' approval if the change would adversely affect the rights of investors;
- allows Ventura to charge fees and recover all expenses incurred in the proper performance of its duties in respect of VMAPS; and
- gives Ventura the right to terminate VMAPS by notice to investors, and then to transfer cash to investors.

Please note that this is not an exhaustive list of Ventura's rights under VMAPS 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 VMAPS, and what you are entitled to receive when you withdraw from VMAPS;
- defines when VMAPS 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 investors of VMAPS; and
- contains procedures for how Ventura deals with complaints.

### Anti-Money Laundering and Counter-Terrorism Financing Act

We are required to comply with the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (**AML/CTF Act**). The AML/CTF Act requires us to (amongst other requirements) verify the identity of investors making applications into VMAPS.

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

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

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

comply with AML/CTF Act.

In order to comply with AML/CTF Act, we may be required to take action, including:

- delaying or refusing the processing of any application or redemption; or
- disclosing information that we hold about you or any beneficial owner of investments to our related bodies corporate or relevant regulators of AML/CTF Act; or
- request additional identification/verification documentation or other information from an investor or their financial adviser to verify the investor's identity or comply with the AML/CTF Act.

Where documentation provided is not in English, an English translation must be provided by an accredited translator (who is accredited by the National Accreditation Authority for Translators and Interpreters Ltd at the level of Professional Translator or above).

## Investor identification requirements

We intend to rely on financial advisers\* to verify the identity of their investors in accordance with the AML/CTF Act. Part 8 of the Application Form requires a financial adviser to confirm that they have verified the identity of the investor and agree that we may access any document that has been used by the financial adviser to verify their identity.

Unless requested, we do not require original documents or certified copies used by the financial adviser to verify the identity of the investor. Where document(s) verifying the investor's identity are provided to us by a financial adviser, we will still (as permitted under the AML/CTF Act) be relying on the financial adviser to verify the identity of the investor.

If the identity of an investor has not been verified, the financial adviser must advise us in Part 8 of the Application Form. The Investor Identification Form which can be found at [www.venturaFM.com.au](http://www.venturaFM.com.au) must be completed and provided with the completed Application Form. This will enable us to verify the identity of the investor and accept the investor's application to invest in VMAPS.

*\*Financial advisers include a Licensee or a representative of a Licensee.*

## Reporting of financial account information on foreign tax residents

VMAPS will be required to comply with the US Foreign Account Compliance Act (**FATCA**) and the Common Reporting Standards (**CRS**) when arrangements are made under Australian tax law. To comply with these requirements, VMAPS will collect certain additional information from you and will disclose such information to the ATO or the US Internal Revenue Service, where required.

## Privacy

We are required to handle your personal information in accordance with the requirements of the Privacy Act 1988 (**Privacy Act**) and the Australian Privacy Principles. Please view our Privacy Policy online at [www.venturaFM.com.au](http://www.venturaFM.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 Ventura collecting personal information from you in order to process your application and administer and manage your Account. This includes administering and auditing your investments and 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 Account, however, without this information, your application may be rejected and/or you will not receive an appropriate level of service.

You agree to allow Ventura to provide access to your personal information to external service providers that provide services in connection with your Account, including, technology providers, Model Managers and approved stockbrokers. When you nominate a financial adviser in the Application Form, you are authorising Ventura to supply

that financial adviser 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, Ventura 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, you may request access to your personal information that is held by Ventura and seek the correction of such information. You can contact Ventura to make such a request or for any other reason relating to the privacy of your personal information by telephoning 1300 365 601 or writing to:

Ventura Client Services  
Ventura Investment Management Limited  
Level 2, 28 O'Connell Street  
Sydney NSW 2000

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.

# INVESTOR AUTHORISATIONS, ACKNOWLEDGEMENTS & AGREEMENTS

## Authorisations

To invest in VMAPS, you are required to appoint a financial adviser to provide instructions on your behalf to us.

By appointing your financial adviser, you are also giving us the authority to provide your financial adviser with information about your Account on your behalf. You acknowledge that your financial adviser will be responsible for providing this information to you.

## Appointment of a financial adviser

This appointment is subject to the following terms and conditions. Please read them carefully.

Your financial adviser will be permitted to:

- make applications on your behalf;
- provide all instructions relating to your Account and all investments of your Account including (without limitation) selecting and switching Investment Models and making additional applications;
- make enquiries regarding your investments and obtaining information about your Account and all investments held;
- provide instructions to the Responsible Entity of VMAPS on your behalf including the above and any transactions incidental to any of the above; and
- receive any communication regarding your Account in VMAPS on your behalf.

Directions or an enquiry from a person who we have no reason to believe is not your financial adviser shall be deemed to be your personal acts.

We will continue to act upon any instructions from your financial adviser until we receive a written cancellation of the appointment.

We may cancel or vary the terms of this appointment by giving you 14 day's notice at our absolute discretion.

You release, discharge, and indemnify us and all of our successors and assigns from and against all losses, actions, liabilities, claims, demands, and proceedings arising from your appointment of a financial adviser

and all acts, omissions, matters and things done, not done or purported to be done by a financial adviser even if not authorised by you and neither you nor any person claiming through you will have any claim or right against us or any of our successors and assigns in relation to any act, omission, matter and thing done, not done or purported to be done by your financial adviser or any person purporting to be your financial adviser provided that we do not have reasonable grounds to believe that they are not your financial adviser.

## Online and fax instructions by your financial adviser

Instructions may be given to us by your financial adviser online, in writing or by fax. Please be aware that fraudulent or other unauthorised instructions can be made by persons with access to your Account details. Accordingly, you agree to release and indemnify the Responsible Entity against all claims and demands arising as a result of our acting on what appeared to us to be instructions given by your financial adviser on your behalf.

If we receive instructions online or by fax and also in writing from your financial adviser, we will act in accordance with the written instructions to the extent of any inconsistency.

## Investment authority to the Responsible Entity

- by investing in VMAPS you are providing us with a standing instruction to make investments on your behalf in accordance with one or more Investment Model(s) that you/your financial adviser have nominated on your Application Form.
- under this authority, we will rebalance your Account by buying or selling securities in accordance with changes made to your selected Investment Models as advised by Model Managers and subject to any customisations you have selected.
- instructions to change Investment Model(s) or to customise your Account will be accepted from your financial adviser on your behalf.
- additionally, you authorise us to move funds within your Account as instructed by your financial adviser and as described in the PDS to facilitate the payment of fees and settlement of trades.

This authority will continue until your Account is closed.

## Online terms and conditions

Your financial adviser will be provided with online access to VMAPS when your Account is established. Your financial adviser will then provide you with read only access to your Account. Access to your personal Account details will be password protected.

Your password must be used in conjunction with your User ID. If your password is used by someone without your authority, we will not generally be liable for any loss incurred by you. Do not store your password with your VMAPS records. When using your password you release, discharge and agree to indemnify us from and against all actions, proceedings, claims and liabilities arising out of the use of your password, except to the extent that such liability is attributable to our own neglect.

## General declarations

I/We:

- agree to be bound by the provisions of the Constitution (as may be amended from time to time) which governs the operation of VMAPS.
- acknowledge and agree that the fees set out under 'Fees and other costs' will be deducted directly from my/our Account.
- acknowledge and understand that in order to invest in VMAPS, I/We must be advised by a financial adviser unless otherwise outlined in our Non-Advised Investor policy available at [www.venturaFM.com.au](http://www.venturaFM.com.au).
- authorise the Responsible Entity to deduct monies from my/our Account to pay my/our financial adviser through the Licensee in respect of any adviser fees as specified in the Advice Fee

Amendment and Consent Form.

- acknowledge and agree that neither the performance of any specific Investment Model offered through the Investment Model Menu nor any particular rate of return from, nor any repayment of capital invested in any investment is guaranteed by us, or any of its associates or subsidiaries, nor the Investment Model Manager.
- acknowledge that my/our Account will be managed in accordance with the relevant Investment Model(s) I/We have selected and notified to the Responsible Entity. Therefore investments will be purchased and sold from my/our Account to reflect any changes made to the Investment Model(s) from time to time in accordance with the process outlined in the PDS.
- acknowledge that during any period I/We have instructed my/our financial adviser to customise my/our Account on a basis that doesn't reflect the Investment Model(s) set out in the Investment Model profiles in the Investment Model Menu, my/our Account will not be managed in accordance with the relevant Investment Model(s) until such time as alternative instructions are received by the Responsible Entity from my/our financial adviser to make my/our Account reflect the Investment Model(s) exactly. During such time I/We acknowledge that the Responsible Entity has no liability for any loss incurred due to my/our decision to customise my/our Account.
- acknowledge that an Investment Model may cease to be offered at any time at the Responsible Entity's discretion and further contributions discontinued or Ventura may seek instructions to transfer these investments to another Investment Model, or custodial arrangement or where this is impracticable, to sell the investments on your behalf and pay the sale proceeds to your nominated account.
- represent that I/We have access to the internet on a substantial and continuous basis.
- agree to receive any PDS and other information by email or by a hypertext link sent by email, via my/our financial adviser and to access and read this information/PDS, except that all confirmations of any transactions in connection with my/our Account, including the establishment of my/our Account in VMAPS, will be provided to me/us by my/our logging onto my/our Account and using my/our password.
- agree that Ventura will not be responsible for any failure of a financial adviser to provide any such email or other communications to me/us.
- agree to notify the Responsible Entity in writing of any change in my/our email address before or as soon as possible after the change.
- agree to the disclosure and use of information as contemplated in the section titled 'Privacy'.
- authorise the Responsible Entity to provide my/our financial adviser with information regarding my/our investments.

## Direct debit request service agreement

This section outlines the terms and conditions of the direct debit request arrangement between yourself and Ventura.

## Ventura (and or its nominated agent) responsibilities

Ventura will only make direct debits from your external nominated bank account. Your initial contribution amount will be confirmed once Ventura receives your Application Form.

Ventura will not disclose your bank account details to any other party, unless:

- such disclosure is for the purpose of this agreement (including disclosing information in connection with any query or claim);
- you have agreed in writing that it can or the law requires Ventura to do this.

If a payment date is a weekend or public holiday, your external

nominated bank account will be debited on either the Business Day preceding or the Business Day following the weekend or public holiday. If you are unsure about which day your bank account has been debited, you should ask your financial institution.

Ventura reserves the right to cancel the direct debit arrangement without notice if any debits are returned unpaid by your nominated financial institution.

Ventura will give at least 14 days notice to your financial adviser if it proposes to change these terms and conditions.

## Your responsibilities

Before making a direct debit request you should:

- check with your financial institution that the account you want to nominate can support direct debits. Additional charges may also be applied by your financial institution for this service. We recommend that you contact them for further details.
- confirm that the account details that you have provided are correct.
- ensure that you have sufficient cleared funds in your account to cover the payment when due. Your financial institution may charge a fee if payment cannot be met.
- ensure that the direct debit request is signed in the same way as the account signing instruction held by the financial institution for the nominated accounts.

You must tell us in writing if you close or change the account that you have previously nominated.

You may cancel your direct debit request, stop or defer an individual debit or request a change to the debit amount online through your financial adviser, in writing or by fax.

It is your responsibility to arrange with Ventura a suitable alternative payment method if the direct debit arrangements are cancelled, either by you or the nominated financial institution. You should check your account statement from your financial institution to verify that the amounts debited from your account are correct. If you believe that a debit has not been correctly processed you should immediately contact the Praemium Client Services Team on (03) 8622 1222.

Any disputes will be dealt with in accordance with Ventura's complaints process, which is outlined under 'Other Important Information' in the PDS.

You agree to indemnify us against all losses, costs, damages and liability that we incur arising from you breaching these terms and conditions or providing us an invalid or non-binding direct debit request. This indemnity is a continuing obligation, separate and independent from your other obligations and survives termination of this agreement. This indemnity does not apply as a result of our fraud, negligence or breach of trust.



VMAPS

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**Client Services**

Phone: 1800 571 881

Email: [support@praemium.com.au](mailto:support@praemium.com.au)

Email applications: [applications@praemium.com.au](mailto:applications@praemium.com.au)

**Correspondence Address**

Praemium Australia Limited

PO Box 322

Collins Street West

MELBOURNE VIC 8007