



Dated: 1 July 2022

## AET small APRA fund investment guide

The information in this guide forms part of the AET small APRA fund Product Disclosure Statement (**PDS**) dated 1 July 2022. Together with the AET small APRA fund general reference guide (**General Reference Guide**) and AET small APRA fund product list (**Product List**), this document should be considered before making a decision to acquire the product. We recommend that you read this entire guide as it contains information about the range of available investment strategies and options that you can select.

The information is divided into the following sections:

	Page
Selecting your fund's investment strategy	1
About your fund's investments	4
Purchasing and disposing of assets	5
Acceptable and unacceptable assets	10
Online instructions	10
General advice warning	11

### Selecting your fund's investment strategy

#### Investment objectives

The overriding objective of any superannuation fund is to maximise each member's retirement benefits, within acceptable parameters of risk and diversity.

The investment strategies that are available have been designed to give you a level of flexibility in how you set about achieving your investment goals. Our minimum objective is to achieve an average annual growth rate for each member's benefits over the life of the fund which exceeds the increase in the consumer price index (CPI) for that period.

This investment objective is not intended to be a prediction of a return. The actual return achieved will be dependent on the investment strategy selected as well as the investments within the fund. We will not accept any liability for failure to meet this investment objective.

The investments in your fund are not guaranteed – neither the capital nor any particular rate of return. The value of your investment can rise or fall.

Before selecting an investment option, you should read the AET small APRA fund PDS, Target Market Determination (TMD), this guide and talk to your financial adviser. For each investment option you select, you should read the relevant product disclosure document, TMD or product guide provided by your financial adviser. These documents include information about performance, asset allocation, costs and the risks associated with investing a particular investment option.

#### Choosing a strategy

As your individual circumstances change over time, your investment strategy may also need to change to accommodate any new goals or objectives.

The investment strategy that best suits your needs will depend on a number of personal factors, such as your:

- attitude towards investment risk and return
- investment timeframe
- income needs.

The Trustee has approved five model investment strategies:

- 1 Conservative
- 2 Moderately conservative
- 3 Balanced
- 4 Balanced to moderate growth
- 5 Growth

On the application form in the forms booklet, each member of your fund is required to select their own investment strategy.

The five model investment strategies are explained on page 2 of this guide. Before making a selection, we recommend you discuss these with your financial adviser and select the one that best meets your individual needs.

Once an investment strategy has been selected, we will monitor your portfolio to ensure that it remains within your chosen strategy. We will review and rate all assets that may be considered for inclusion in the fund.

## How we classify assets

We categorise investments as either defensive investments or growth investments:

- **Defensive investments** include cash, Australian fixed interest and international fixed interest.
- **Growth investments** include Australian shares, international shares, property and others.

The ranges shown in the 'What are the risk profiles of the investment strategies?' table below show the minimum and maximum percentages of the total assets that can be invested in each asset class.

The investments you choose must align with your chosen investment strategy.

## Monitoring your investment strategy

As Trustee of your fund, we have a statutory obligation to monitor your investment strategy to ensure that it remains within the investment strategy selected for your fund. We will continue to do this on a regular basis and will alert your financial adviser if your fund is out of strategy.

If your fund remains out of strategy for a period of more than 180 days, we will select an appropriate alternative strategy for your fund, and as part of the monitoring process we will continue to work closely with your financial adviser.

## Changing your investment strategy

Subject to our approval, you can change your investment strategy at any time. You should also obtain advice from your financial adviser who can also provide you with a 'Change of strategy' form. This form should be completed in conjunction with your financial adviser to instruct us of the change.

## What are the risk profiles of the investment strategies?

Investment Strategy	Investment Objective	Underlying Investments	Usually held for a minimum of:	Risk Band	Risk Label	Est. negative annual returns over 20 yrs
Strategy 1 – Conservative	To provide a low risk investment over the short to medium term by investing predominantly in defensive assets.	Defensive investments: 80 – 100% Growth investments: 0 – 20%	1 – 3 years	3	Low to Medium	1 to less than 2
Strategy 2 – Moderately Conservative	To provide stable returns over the medium term by investing in a diversified portfolio of defensive assets with some growth asset exposure.	Defensive investments: 55 – 85% Growth investments: 15 – 45%	3 – 5 years	4	Medium	2 to less than 3
Strategy 3 – Balanced	To provide capital growth over the medium to long term by investing in a diversified portfolio of growth and defensive assets.	Defensive investments: 35 – 65% Growth investments: 35 – 65%	5 years	5	Medium to High	3 to less than 4
Strategy 4 – Balanced to Moderate Growth	To provide capital growth over the medium to long term by investing in a diversified portfolio of growth assets with some defensive asset exposure.	Defensive investments: 15 – 45% Growth investments: 55 – 85%	5 – 7 years	6	High	4 to less than 6
Strategy 5 – Growth	To provide capital growth over the long term by investing in a diversified portfolio of predominantly growth assets with minimal defensive asset exposure.	Defensive investments: 1 – 25% Growth investments: 75 – 99%	7 – 10 years	6	High	4 to less than 6

## Investment guidelines

Based on the following five broad principles, the set of investment guidelines has been designed to help you construct a balanced, yet diversified portfolio of investments that produces a retirement income within an acceptable level of risk:

- 1 Diversification
- 2 Investments must be on an 'arm's length' basis
- 3 Investments should produce income and/or capital gains
- 4 Highly speculative investments must be avoided
- 5 Specific investments precluded by legislation are unacceptable.

## Asset ratings

In order to maintain liquidity and diversification in your account, the Trustee has set limits on the amount of your account balance which can be allocated to particular assets. The limits are set out in the table below and are only assessed at the time an investment is made.

The Trustee will monitor these limits on an ongoing basis. We will generally not sell down assets if these limits are exceeded, other than where necessary to maintain liquidity in your account or for any other reason where the Trustee determines the sale to be in your best interests or the best interests of the fund as a whole. Before taking such action, we will attempt to contact your financial adviser.

- 'Non-speculative' assets are assets that the Trustee deems to have a low probability of capital loss.
- 'Cautious' assets are assets that the Trustee deems to have a medium probability of capital loss.
- 'Speculative' assets are assets that the Trustee deems to have a high probability of capital loss.
- 'Highly speculative' assets are assets that the Trustee deems to have a very high probability of capital loss.
- 'Property' are assets that are rated as 'Property'.

Within each investment strategy, there are maximum allowable allocations in any one investment that depend on the investment rating of that investment and these are outlined in the table below.

Investment rating	Maximum allocation in any one investment (%)				
	Strategy 1	Strategy 2	Strategy 3	Strategy 4	Strategy 5
Highly speculative	0	0	0	0	0
Speculative	0	5	5	10	15
Cautious	10	10	10	15	20
Non-speculative	30	30	30	30	30
Property	0	0	50	60	70

For example, if you select a 'balanced' investment strategy (strategy 3), and you select a particular Australian share that we rate as 'non-speculative', then this investment would be allowable in the 35-65 per cent range for growth investments (as per investment strategy) and 30 per cent of your account could be invested in this single share (as per investment guidelines).

Within each investment strategy, there are maximum allowable percentage allocations in all investments held with a speculative or cautious asset rating as outlined in the table below.

Investment allocation	Maximum allocation in account (%)				
	Strategy 1	Strategy 2	Strategy 3	Strategy 4	Strategy 5
Speculative investments	0	5	15	25	25
Cautious investments	10	15	25	35	40
Cautious & Speculative investments combined*	10	15	25	35	40

\* **Important Note:** The limits listed in the table above for speculative investments still apply when applying the total combined investment allocation limit in cautious and speculative investments.

## Termination or change of status of an investment

The Trustee and/or an external asset consultant, as appointed by the Board Investment Committee from time to time, reviews the investment menu periodically to identify investments that may no longer be suitable for continued investment menu inclusion.

The considerations for removal and/or closure include but are not limited to:

- a change in their research rating resulting in a lower probability that the investment will meet its stated objectives (factors may include a material personnel change or a change in operational risk, structural risk, underperformance or governance)
- an elevated probability of the investment closing (potentially due to declining profitability driven by low levels of funds under management)
- insufficient demand
- termination by the manager, the ETP provider or the listed investment is delisted from the ASX
- a TMD is not made available where required or due to the TMD's distribution conditions.

## Managing conflicts of interest

IOOF Investment Management Limited (Trustee) is a company in the Insignia Financial Group comprising Insignia Financial Ltd (ABN 49 100 103 722) and its related bodies corporate.

As Insignia Financial Group is a large financial institution that participates in both domestic and international markets, both real and perceived conflicts of interest may arise when adding to or removing options from the investment menu. For example, IOOF Investment Services Limited, a subsidiary of Insignia Financial Ltd, is the responsible entity for a number of investments on our menu. We have policies as to how conflicts are managed and these policies apply to the investment selection process. The same selection process is applied in selecting both related and unrelated managed investments to the menu.

## Labour standards, environmental, social or ethical considerations

The Trustee does not generally take into account Labour standards, Environmental, Social and Governance (ESG) considerations when selecting, retaining or removing fund managers and managed investments for the list of available investments. However, the Trustee acknowledges that ESG factors are considered by the underlying investment managers in investment decision-making processes in order to protect and manage investments for the long term. All other things being equal, entities that best manage ESG factors are more likely to be financially sustainable in the long term. ESG, especially good corporate governance, is a key contributor to sustainable positive outcomes for investors.

## About your fund's investments

Your fund's investments must be consistent with your nominated investment strategy.

### Key investment concepts

Within each member's account, the investments need to comply with two principles: asset class and investment rating. The asset class and investment rating that will apply to your account will depend on the investment strategy that you and your financial adviser select.

The asset class determines the weightings you may hold in the following asset classes: defensive investments and growth investments. The investment guidelines determine the maximum allocation you may have in any one investment, based on the risk associated with that investment.

### Investment risks

Different investment strategies carry different levels of risk, depending on the assets that make up the investment strategy. Assets with the highest long-term returns may also carry the highest level of short-term risk. All investments carry some level of risk and, while these can be managed, they cannot be completely eliminated so it is important to understand that:

- the value of your investment may go up and down
- investment returns will vary and future returns may differ from past returns
- returns are not guaranteed and there is always the chance that you may lose money on any investment you make
- laws affecting your investment may change in the future
- the appropriate level of risk for you will depend on a range of factors including your age, investment time frame, where other parts of your wealth are invested as well as your tolerance for risk.

It is important that you understand the risks before you invest. Your financial adviser can explain the risks to you and provide investment advice to suit your investment objectives.

Risks commonly associated with investments in your fund can include:

- Market risk – investment returns are influenced by the performance of the overall market. Unexpected changes in conditions (such as economic, technological or political developments) can have a negative impact on the returns of all investments within a particular market
- Company or security-specific risk – within each asset class, company or security-specific risk refers to the many risks that can affect the value of a specific security (or share)
- Interest rate risk – changes in interest rates can influence the value and returns of investments
- Credit risk – risk that a party to a contract will fail to perform its contractual obligations resulting in financial loss

- Currency risk – investments in international markets can be exposed to changes in exchange rates. If foreign currencies fall in value relative to the Australian dollar, this can have an adverse impact on investment returns from investments denominated in foreign currency
- Fund risk – there are risks that apply to managed funds and companies which use investment managers such as: they can be terminated or wound up, the management fees and costs can change, the responsible entity or the investment manager can be replaced or the investment professionals can change. There is also a risk that investing in a managed fund may give different results to investing directly, because of income or capital gains accrued in the fund and the consequences of investments and withdrawals by other investors
- Derivative and gearing risk – underlying managed funds may use derivatives and gearing (borrowing). The value of derivatives is linked to the value of the underlying assets and can be highly volatile. Gains and losses from derivative and geared transactions can be substantial
- Legal and regulatory risk – changes in laws, including tax laws
- Inflation risk – the risk that inflation increases, effectively reducing the value of your investment
- Liquidity risk – the risk that investments are not readily convertible to cash without loss of capital.

### How may investment risk be reduced?

An important way to help reduce your investment risk is to spread your investment over a number of assets, asset classes and even different investment managers. This process is called diversification. It is designed to help you achieve more consistent investment returns over time. Investment history shows that no asset class produces consistently above average returns over all time periods.

The investment strategies, investment menus and guidelines are designed to provide the minimum diversification the Trustee considers acceptable.

Your financial adviser can help you understand the various types of investment risk and assess which investments are appropriate for your specific requirements in light of your risk tolerance and risk/return investment objectives.

### Topping up your Cash Account

You should ensure your minimum cash balance is always maintained. If we are required to top up your Cash Account we will redeem some of your investments in order to pay fees, expenses, taxes and insurance premiums and to meet the minimum cash requirement. We will redeem investments in the following order:

- managed investment with the highest balance
- listed investments with the highest balance
- term deposits with the lowest balance (redeemed in full)

The normal fees, charges and penalties will apply to these transactions. There may also be tax implications. Please refer to the **General Reference Guide** for taxation information.

## Purchasing and disposing of your fund's assets

### Shares

Your fund can buy and sell listed investments within the S&P/ASX 300 Index plus other listed investments approved by the Trustee from time to time. Details of the Trustee approved investments can be found in the **Product List** available at AET My Portfolio.

Your financial adviser can place trades on your behalf through our secure online portal – AET My Portfolio – using our preferred broker or with your preferred broker (as long as they accept the following details on your application). Using AET My Portfolio, your adviser can place trades 'at market' or 'at limit'.

By providing us with your instructions, we will settle the trade from your Cash Account providing there is sufficient cash available and the trade is an approved investment option, and receive and hold all contract notes on behalf of your fund.

Account name: <FUND NAME>  
C/- Australian Executor Trustees Limited  
<FUND NUMBER>

Address: AET  
GPO Box 546  
Adelaide SA 5001

Account setup: Delivery Versus Payment (DVP)

Participant ID: 20120

### Features at a glance

Investment universe	You can invest in any listed investment forming part of the S&P/ASX 300 Index and other listed investments approved by the Trustee including exchange traded products, Listed Investment Trusts (LITs), Listed Investment Companies (LICs) and hybrid securities.
Minimum order	\$500 per investment. The order value must be greater than or equal to \$500 excluding brokerage unless the entire holding is being sold. If the residual holding balance is below \$500, the entire holding must be sold.
Dividend Reinvestment Plan	Where available in respect of a listed investment, you have full flexibility to participate in the DRP under the terms of the DRP rules.
Corporate actions	You will generally have the opportunity to participate in any capital corporate action such as renounceable and non-renounceable rights issues, off-market share buy-backs, share purchase plans and entitlement offers for approved listed investments.
Online order placement and corporate action elections	Your instructions must be submitted by your financial adviser electronically to us using the Order Pad or Corporate Action functions available through AET My Portfolio.

## You must have sufficient funds in your Cash Account to complete an order

When placing a buy order, your financial adviser must ensure there are sufficient funds available in your Cash Account at the time of placing the order to settle the order and pay the fees and charges. Where there are insufficient funds available, your financial adviser will not be able to submit the order.

An order to buy an ASX300 or approved listed investment involves an online instruction using the online portal to switch cash out of your Cash Account and the purchase of the listed investment or investments you wish to buy, after deduction of the transaction costs.

An order to sell listed investments involves an online instruction using the online portal to switch by selling the listed investments you wish to sell and the allocation of the settlement proceeds into your Cash Account where they will remain, after deduction of the transaction costs, until you provide a further instruction to switch the cash into another investment.

### Buy orders

Where a buy order is placed, we will validate that the minimum buy order is met, the order is for an approved investment, sufficient funds are available in your Cash Account to settle the trade (including payment of fees and charges) and ensure that the trade is completed. Buy instructions can only be submitted once this validation has been cleared. Your financial adviser must instruct us to purchase a specified number of investments at either a specified price (known as 'at limit') or at the market price (known as 'at market'). We will quarantine funds in your Cash Account based on the order attributes to ensure the trade can be settled and fees and charges paid. These funds will remain quarantined until the order is either settled or cancelled.

### Sell orders

Where a sell order is placed, we will validate that the minimum sell order is met. Sell instructions can only be submitted once this validation has been cleared.

The net proceeds from the sell order will be deposited into your Cash Account after deducting any payment of fees and charges.

Similar to a buy order, your financial adviser must instruct us to sell a specified number of investments either at limit or at market.

### Placement of orders to market

Once an order in an approved investment has been submitted to us, we will send your buy or sell order to our broker to be placed onto the market as soon as possible. If the online order system is down, and expected to remain down for longer than one day, we will advise you of any alternate arrangements made to receive and validate orders.

Whilst we and our broker will make all reasonable attempts to place your order to market as promptly as possible with due care and attention, by opting to invest in listed investments via the online portal you are agreeing that we will not be liable for any

loss to you resulting from a delay in the placement of an order to market (for any reason whatsoever) or any trade which is executed in a manner inconsistent with your instruction.

Orders will remain in the market for 20 business days unless filled or cancelled at your instruction. In addition, an open order may be cancelled where the market price moved too far away from the specified price of an 'at limit' order or where company specific events occur.

### Managed funds

Your fund can purchase managed funds that are approved for investment by the Trustee and are available in the **Product List**. This list provides a summary of the managed funds currently available for investment including the management costs and distribution frequency. Your fund can also dispose of units held in managed funds, subject to the redemption period mandated by the fund manager.

Your financial adviser can instruct the Trustee to buy and sell units in approved managed funds using the online portal, AET My Portfolio, and we will settle the purchase or redemption from your fund's Cash Account.

When considering an investment in a managed fund, you should take into account that different funds have different management fees. Before making any decisions, please read the product disclosure statement and the TMD for the managed fund selected and consult your financial adviser.

### Term deposits

We offer a variety of term deposits and process purchase instructions daily. Your financial adviser can place instructions on your behalf through our secure online portal, AET My Portfolio. Applicable rates are published daily on My Portfolio.

### Early redemption of a term deposit

Generally, early redemption of these investments is not available, except in exceptional circumstances where the institution may impose a fee. Any fee or reduction in interest is at the discretion of the institution.

We have the right on your behalf to redeem a term deposit early where your account has insufficient funds to meet required payments from the Cash Account. Depending on the terms and conditions of the term deposit, there may be a delay of up to 31 days in obtaining the funds when redeeming early from a term deposit. This may also result in the term deposit interest rate being reduced.

### Maturity

At maturity, the proceeds from the term deposit (principal and interest) will be paid into your Cash Account if you elect to redeem the term deposit. You can elect to rollover/reinvest your term investment principal into a new selected term deposit by providing an instruction prior to maturity (if available).

As a reminder that a maturity is approaching, communications will normally be sent to financial advisers approximately two weeks prior to a term deposit maturity. Alerts for maturing investments will also be on the Adviser dashboard in AET My Portfolio.

## Online instructions

Instructions to redeem/reinvest all or part of the principal amount into a new term deposit can be made via the Maturing Investments portal. The reinvestment must be submitted at least 24 hours prior to the next term deposit purchase date.

If no reinvestment instruction is received by the relevant cut-off date, the investment in the term deposit will be rolled over for the same term previously invested in and your account updated accordingly.

## Dividend Reinvestment Plans

Some listed investments have a Dividend Reinvestment Plan (DRP) which allows investors to use a dividend or distribution paid in respect of the listed investment to purchase additional investments. DRPs enable investors to increase their holding in a listed investment without incurring brokerage and transaction costs.

Where you purchase a listed investment which has a DRP, the AET small APRA fund enables you to participate in the DRP under the rules of that Plan. DRP rules vary for each listed investment.

## DRP and residual amounts

Reinvesting your dividends and distributions in listed investments under a DRP usually results in a small cash residual. For example, if a dividend payment was \$100, and the issue price of investments issued under the DRP was \$2.10, a total of 47 new investments would be issued, at a cost of \$98.70 (\$2.10 multiplied by 47 investments), leaving a residual cash amount of \$1.30 (usually referred to as a 'carried forward amount' or 'residual balance'). This amount will always be less than the value of one investment issued under a particular DRP allotment.

Depending on the DRP rules, this amount could be treated in various ways. It may either:

- be retained by the issuer of the listed investment on your behalf and added to future dividend and distribution payments and be allocated under a future DRP allocation
- be retained by the issuer of the listed investment with no future benefit to you. The amount may be retained by the issuer or is sometimes paid by the issuer to a charity
- be paid to us in cash – in which case the amount will be allocated to your Cash Account.

## Effect of DRP on re-investing income distributions

As part of your application, you will instruct us how income from your investments is to be managed in your fund. Where you elect to participate in a DRP, any dividend or distribution payment from the listed investment will first be used by the issuer of the listed

investment to allot investments in accordance with the DRP rules. Where any remaining portion of the dividend or distribution is credited to your Cash Account it will be invested in accordance with your instructions as to how income distributions are to be invested in your account.

## Requests to participate or vary your participation in a DRP

You must notify us at least ten business days prior to the listed investment going ex-dividend otherwise your election may not be processed by the share registry in time for the election to apply to that particular dividend or distribution.

## Effect of changes in your investment holding on a DRP election

Depending upon the DRP election you have made, and the relevant DRP rules, changes in your listed investment holding may affect the portion of your holding participating in a DRP for any given dividend or distribution. You should review your DRP election following any increase or decrease in your listed investment holding.

## Corporate actions

A corporate action is an event affecting an investor's holding in a listed investment. This could be a simple dividend payment or a complex capital reconstruction, off market share buy-back or renounceable rights issue.

Frequently, corporate actions provide investors with different options so each investor can elect the option they believe is best suited to their personal circumstances. Other corporate actions simply occur, and investors have no options available to them (a mandatory corporate action).

When we receive notice of a corporate action on any share held by your fund, we will notify your financial adviser of the nature of the action and participation period. Your financial adviser will provide us with your response and we will act on your fund's behalf. If no response is received within the stated participation period, your fund will not be eligible to participate in the corporate action and we will not be liable for any loss your fund may sustain as a consequence of not participating in the action.

A share held by your fund does not entitle you to a right to receive information or notices regarding shareholder meetings and does not entitle you to vote or direct us, as Trustee, to participate or vote at shareholder meetings.

## What types of corporate actions will you be able to make an election in?

You will generally be able to elect to participate in corporate actions which could affect the number of listed investments you hold. Examples include off market share buy-backs, rights issues (renounceable and non-renounceable), other entitlement offers and capital reconstructions which provide mixtures of cash and scrip alternatives.

## What corporate actions are not available through the AET small APRA fund?

Corporate actions such as voting at Annual General and Extraordinary Meetings are not available through the AET small APRA fund.

In addition, the Trustee may elect to not provide members with the ability to make an election in relation to a corporate action where the timeframe does not allow adequate time for the Trustee to lodge members' responses with the issuers' share registry or any other reason which the Trustee believes is not in their best interests, which cannot reasonably be administered by the Trustee or could have an adverse effect on the fund as a whole.

## How do you lodge your election for corporate actions?

When a corporate action occurs, and the Trustee determines to provide members with the opportunity to make an election with regard to the action, we will notify your financial adviser of the event. Your financial adviser will be required to submit your election to us in AET My Portfolio prior to our specified cut-off date and time. This cut-off date and time will be earlier than the cut-off date and time set by the issuer for the corporate action itself to allow adequate time for us to collate members' responses and communicate them to the issuer's share registry.

If an election is not made prior to our cut-off date and time, you will be taken to have made no election with regard to the corporate action, and the corporate action default as detailed in the relevant documentation relating to the corporate action, or an alternative default as determined by the Trustee, will apply.

We will make an initial ASX announcement relating to the corporate action available to your financial adviser in AET My Portfolio, however the Trustee will not make a recommendation with regard to any corporate action. The offer document will be accessible by your financial adviser in AET My Portfolio.

Following our cut-off date, you are required to have sufficient funds in your Cash Account or sufficient investments to ensure that your election can be executed under the terms of the corporate action.

## What happens when a corporate action is complete?

You will be able to view the changes to your portfolio as a result of the corporate action in AET My Portfolio.

## Corporate actions may limit your ability to trade investments

Following a corporate action, complex and extensive updates may be necessary to accurately reflect the effect of the corporate action on your fund. Depending on the nature of the update required, you may not be able to sell listed investments affected by a corporate action until after we have notified you of the completion of the corporate action.

## Differences between investing in listed investments directly and through your fund

The table below summarises the differences between holding listed investments directly in your own name and listed investments held in the AET small APRA fund.

Investing in listed investments directly	Investing in listed investments through the AET small APRA fund
You are the legal and beneficial owner of the listed investments and the listed investments will be held in your name in the issuer's share registry.	As Custodian, Australian Executors Trustees Limited (AETL) is the legal owner of the listed investments you have directed us to purchase and the investments are held in the name of AETL as Custodian. The listed investment forms part of your beneficial interest in the fund.
You receive and are responsible for responding to all communications from the listed entity in relation to your investment holding, including corporate action notices.	We will receive and review all communications received in relation to the investment holding. All responses to these communications (including corporate action notices) will be completed by us, in accordance with the terms outlined in this guide.
You are entitled to vote and to any additional benefits associated with your holding of the listed investment (such as shareholder discount cards and special offers).	You have no entitlement to vote or to any additional benefits associated with the investment holding.
You receive a contract note for each order executed by your broker.	If your financial adviser places an order via the online portal, the contract note will be available for your financial adviser to send to you. If your financial adviser executes the order via your preferred broker, the preferred broker will send you the contract note.

## Transferring assets into your fund

Where you hold investments outside of your fund, you may be able to transfer these investments into your fund subject to superannuation law. The Trustee reserves the right to refuse any request to transfer investments into your fund if the investment is not included in an approved menu.

Off-market transfers are the sale of assets to an existing fund in exchange for cash. The transfer must occur at market price. You can sell many different types of assets to your fund, subject to superannuation law, the investment rules and our approval.

All transactions must be at a valid market price that has been substantiated within the last 30 days and occur at arm's-length. For more information, please refer to the section 'Purchasing and disposing of your fund's assets' on page 5.

The transfer of assets into your fund may trigger a capital gains tax or income tax liability for the transferor depending on the circumstances of the transfer. A stamp duty liability may also arise for property assets. If you would like to sell assets to your fund off-market, you will need to complete the relevant standard transfer form or CHESS transfer form available from our secure online portal, AET My Portfolio.

### Non-standard assets

Your fund may invest in non-standard assets, subject to our approval. Before we permit your fund to invest in a non-standard asset, we need to determine whether we can provide administration services for the asset. You, or your financial adviser on your behalf, will need to submit a 'Non-standard Asset Request' form, available from our secure online portal, AET My Portfolio. The form outlines requirements for the different types of non-standard assets however these requirements are not limited to:

- a copy of the latest valuation
- a copy of the last audited financial statements
- details of distributions and history (last three years distributions)
- a copy of the trust deed
- a copy of the trustees and responsible entities constitution
- a statement from the asset's accountant as to the current value of the asset and the basis of that valuation.

Non-standard assets are those for which offer documents are not widely available to the public. These types of assets generally do not receive automated pricing feeds and require manual administration. Examples include:

- Unlisted unit trusts
- Private unit trusts (related and non-related)
- Private companies
- Art and collectables
- External investment portfolios

If we grant approval for your fund to invest in a non-standard asset, you or your financial adviser are responsible for providing us with all documentation that we require to administer these assets in a timely manner. If we do not receive the required information in the timeframe required or we cannot contact you, we may:

- have the asset independently valued at your fund's expense, or
- dispose of the asset.

If we are not provided with a valuation on a non-standard asset, your fund may receive a qualified audit report, or may lose its status as a complying superannuation fund (which has adverse tax implications for your fund).

### Direct property

Your fund can hold direct property, subject to our approval. All direct property requests must be submitted for assessment by completing the direct property conditional approval form. Please refer to the checklist for direct property investments available from AET My Portfolio.

For direct properties, we will appoint a property manager and ensure all property income and expenses are settled through your fund's Cash Account.

Business real property investments must be used wholly and exclusively in one or more businesses and a commercial lease arrangement must be in place.

Any property investment purchased by your fund must be at market value. We also require property valuations that consider both the property value and the market rental value.

### In-house asset investments

'In-house assets' are loans to, or investments in, a related party of your fund and assets which are subject to a lease or lease arrangement with a related party of your fund. Some exceptions apply, including an exemption for business real property.

In general, your fund's in-house assets cannot exceed 5 per cent of your fund's total assets. As defined in superannuation law, related party includes a member of your fund, a relative of a member of your fund, various associates (as defined) and a standard employer sponsor of your fund.

### Purchasing assets from a related party

While your fund cannot acquire assets from a related party, some exceptions apply. The following assets (subject to our approval) can generally be acquired at market value from a related party of your fund:

- approved listed securities (for example shares or units listed on an approved stock exchange)
- business real property (as defined in superannuation law), and
- an 'in-house asset' which does not result in the total in-house assets of the fund exceeding 5% value.

## Acceptable and unacceptable assets

The table below lists the types of assets your fund may acquire. Assets must be acquired on an arm's length basis.

Acceptable assets	Unacceptable assets
<ul style="list-style-type: none"> <li>Fixed interest investments including term deposits, bank bills, corporate fixed interest* (eg debentures and unsecured notes)</li> <li>S&amp;P/ASX 300 listed securities</li> <li>Trustee approved exchange traded products, Listed Investment Trusts (LITs), Listed Investment Companies (LICs), hybrid securities and listed property trusts</li> <li>Approved managed funds</li> <li>Direct property* (including income-producing property)</li> </ul> <p>Note: In all but exceptional circumstances (at our discretion), a management agent must be appointed. For all income producing property, we also require landlord contents insurance and we will determine the minimum amount of insurance.</p> <ul style="list-style-type: none"> <li>Vacant land*</li> <li>Commonwealth loans*</li> <li>Semi-government securities*</li> <li>Shares in private companies*</li> <li>Unlisted unit trusts*</li> <li>Private unit trusts (related and non-g geared)*</li> <li>Art and collectables (asset must be held in accordance with the Collectables Flyer)*</li> </ul>	<ul style="list-style-type: none"> <li>Investments in jointly owned assets</li> <li>Businesses, alone or in partnership</li> <li>In-house assets greater than 5% of the value of your fund</li> <li>Property development, direct or via another entity (eg private unit trust)</li> <li>Overseas direct property</li> <li>Futures and forwards</li> <li>Written call and put options including covered calls</li> <li>Registered first mortgages</li> <li>Shares listed on international exchanges</li> <li>Loans to private companies and individuals</li> <li>Wrap or external investment account</li> <li>Cryptocurrency</li> </ul>

\* While these assets are listed as acceptable, a further review is required by the Trustee before accepting these into your fund. Please ensure you are familiar with the requirements as set out in the Non-standard assets section on Page 9 of this guide. Please refer to the **Product List** for further details.

## Online instructions

### The role of your financial adviser

If you have appointed a financial adviser, you are taken to have authorised and agreed to your current financial adviser and their respective staff to operate your account and give any instructions on your behalf electronically using AET My Portfolio or any other method approved by us, without prior authorisation from you.

The authority allows your financial adviser to submit or re-weight instructions on investments, establish or change investment instructions in relation to your account, place orders to buy and sell listed investments and submit corporate action elections on your behalf using AET My Portfolio.

### What happens if you don't have a financial adviser?

You should consult a financial adviser before establishing your fund. If you do not have one you will need to appoint one.

Your financial adviser will help you select one of our approved model investment strategies for your fund. They will receive information about your fund and give us investment instructions on your behalf. They will also have the power to provide us with instructions to:

- buy or sell investments (either through us or via a third party), and
- participate in corporate actions.

## General advice warning

The information contained in this guide:

- does not and is not intended to contain any recommendations, statements of opinion or advice
- is of a general nature only and does not take into account your individual objectives, financial situation or needs.

You should consider the appropriateness of this information having regard to your objectives, financial situation and needs and you should seek advice before deciding whether to acquire this product.

We recommend that you consult a licensed financial adviser to obtain financial advice that is tailored to suit your personal circumstances.

## Updated information

Information in this guide is subject to change from time-to-time. Where a change is not materially adverse to you, updated information about your fund can be obtained by:

- referring to our website ([www.aetlimited.com.au](http://www.aetlimited.com.au))
- emailing us at [aetclientfirst@aetlimited.com.au](mailto:aetclientfirst@aetlimited.com.au)
- calling us on 1800 254 180.

A paper copy of the updated information and this guide will be provided on request.



## Contact details

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