

## Product Disclosure Statement

# Ventura Diversified 50 Fund

ARSN 099 585 092

### Read this

This Product Disclosure Statement (PDS) provides a summary of significant information and contains a number of references to important information, each of which forms part of the PDS, including the information set out in the Ventura Diversified 50 Fund Reference Guide.

**You should consider the information before making a decision about the Ventura Diversified 50 Fund (the Fund).**

The information in this PDS is general information only and doesn't take into account your personal financial situation or needs. You should consult a licensed financial adviser to obtain financial advice that is tailored to suit your personal circumstances. We consent to the use of this PDS by IDPS operators, masterfunds, wraps or similar platform products (referred to as IDPS) who include the Fund on their investment menus.

Equity Trustees Limited ('Equity Trustees', 'EQT', 'us', 'we', 'our', and 'Responsible Entity') is the Responsible Entity for the Fund. References to 'you' in this PDS is generally a reference to a unitholder in the Fund, except where the context requires or where it is intended to refer to an indirect investor investing through an IDPS. Information in this PDS may change from time to time. Updated information that is not materially adverse may be provided on our website at [www.venturainvestments.com.au/pds](http://www.venturainvestments.com.au/pds) or by contacting us. A paper copy of the updated information will be provided without charge on request. EQT reserves the right to change any terms and conditions set out in this PDS. The offer or invitation to subscribe for units in the Fund under this PDS is only available to persons receiving this PDS in Australia.

This PDS does not constitute a direct or indirect offer of securities in the US or to any US Person as defined in Regulation S under the US Securities Act of 1933 as amended (US Securities Act). EQT may vary its position and offers may be accepted on merit at EQT's discretion. The units in the Fund have not been, and will not be, registered under the US Securities Act unless otherwise approved by EQT and may not be offered or sold in the US to, or for, the account of any US Person (as defined) except in a transaction that is exempt from the registration requirements of the US Securities Act and applicable US state securities laws.

### Contact details

If you have any questions or would like more information about Ventura Funds

**phone** 1300 738 421

**fax** 1300 365 601

**mail** GPO Box 1406 Melbourne, Victoria 3001

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1 July 2014

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## 1. About Equity Trustees Limited

EQT, a company listed on the Australian Securities Exchange, is the Fund's Responsible Entity and issuer of this PDS. Established as a trustee and executorial service provider by a special act of the Victorian Parliament in 1888, today EQT is a dynamic financial services institution which will continue to grow the breadth and quality of products and services on offer.

EQT's responsibilities and obligations as the Fund's Responsible Entity are governed by the Fund's constitution ("Constitution"), the Corporations Act and general trust law. As Responsible Entity, EQT is solely responsible for the management of the Fund. EQT has delegated the investment management functions to Ventura Investment Management Ltd which will make investment decisions in relation to the Fund.

### Ventura Investment Management Ltd

Ventura Investment Management Ltd ABN 49 092 375 258, AFSL 253 045 (Ventura) has been managing client portfolios in Australia for more than 10 years. Ventura is owned by Centrepoin Alliance Limited, a diversified financial services company listed on the Australian Securities Exchange.

Ventura's investment philosophy for the Ventura funds focuses on delivering risk adjusted, consistent returns for our clients, using a multi-manager, multi-asset approach in investing the fund assets. Ventura effects this philosophy through the appointment of a specialist manager which decides the investments it will make in accordance with the performance objectives and risk management guidelines agreed with Ventura under an investment management agreement.

Ventura selects and supervises the appointed specialist manager, providing independent oversight. Ventura reviews the investment manager on an ongoing basis to ensure they are performing to our investment expectations and managing the investments of the Fund according to the agreed processes.

### Russell Investment Management Ltd

Ventura has appointed Russell Investment Management Ltd ABN 53 068 338 974, AFSL 247 185 (Russell Investments) as the specialist investment manager for the Fund. Russell Investments is a global asset manager headquartered in Seattle, USA. Russell's core capabilities extend across capital markets insights, manager research, portfolio construction, portfolio implementation and indexes. Russell combines this expertise to deliver multi asset solutions that are outcome-oriented to meet the unique needs of Australian institutional investors. At the heart of Russell lies a vision – a world where everybody is intelligently invested. Russell works toward improving the financial security for people every day, by helping investors of all sizes make better decisions using the best thinking from around the world. Russell has more than A\$286 billion in assets under management (as of 31/12/2013) and works with 2,500 institutional clients, and independent distribution partners and millions of individual investors globally.

You should read the important information about your interests, changing your regular investment or withdrawal plan, freezes on withdrawals, anti-money laundering requirements, privacy, unit value, the rights of EQT, the retirement of EQT and fax service conditions (the Important Information) before making a decision. Go to [www.eqt.com.au/insto](http://www.eqt.com.au/insto) and refer to the Reference Guide. The Important Information may change between the time when you read this PDS and the day when you acquire the product.

## 2. How the Ventura Diversified 50 Fund works

### Managed Investments

The Ventura Diversified 50 Fund is a managed investment scheme. When you invest your money in a managed investment scheme, your money is pooled together with other people's money. We use this pool of money to buy investments and manage them on behalf of all scheme members. This means that, through the managed investment scheme, you may access certain investments that you would not otherwise be able to access, your transaction costs may be reduced, and you have access to the knowledge of our independent investment manager through their investment decisions concerning the Fund. However, we, rather than you, have day to day control over the operation of the Fund.

### Your interests

So that you know what your interest in the Ventura Diversified 50 Fund is worth, the total value of the assets in the scheme (which are normally valued each business day) is divided into 'units'. We will quote you a price for each unit and will keep a record of the number of units you have bought.

The price of units will change from time to time as the market value of assets in the Fund rises or falls. We will be able to provide you with information about the current unit price to help you decide whether to sell your units or buy more.

You can get started with a minimum investment of \$20,000, or \$10,000 where you will be contributing to the regular investment plan. You can increase your investment at any time by buying more units in the Fund with a minimum of \$5,000 or for the regular investment plan, \$250 each month.

Generally, you can decrease your investment by selling some or all of your units, although in certain circumstances (such as a freeze on withdrawals) you may have to wait for a period of time before you can reduce your investment. The minimum amount you can reduce your investment by is \$5,000, unless you are withdrawing all of your investment. You can also set up a regular withdrawal plan from the Fund each month for \$250 or more. Regular withdrawal payments will usually be made within five business days after the 15th business day of the month into your nominated bank account.

We reserve the right to vary or waive the above minimum amounts. If investing through an IDPS, other minimums may apply and you can only increase and decrease your investment in accordance with the IDPS terms and conditions.

Properly completed requests for applications or withdrawals received by us before 3.00pm Melbourne time on a business day will normally take effect that day.

The Ventura Diversified 50 Fund invests all of its assets into a fund managed by Russell Investments. Investments in, or withdrawals from, the fund managed by Russell will usually be made within two business days after we process an application or withdrawal. Withdrawals are usually processed within five business days.

### Distributions

Income is distributed quarterly to investors within 30 days after the end of March, June, September and December. Distributable capital growth is usually distributed as at 30 June.

In special circumstances, such as where there is a large withdrawal during a distribution period, we may change distribution periods by notice to investors.

Depending on your selection, your distributions will be paid directly to your nominated account or reinvested. The unit price for reinvestment will be the price applying on the last business day of the distribution period, adjusted for distributions. There are no transaction costs for income reinvestment.

If you do not make a selection or distributions cannot be paid into your account, distributions will be reinvested (less any bank charges), until you advise us otherwise.

The income of the Fund is paid to investors in proportion to the number of units held by the investor on the last day of a distribution period. As distributions are part of the unit price, the unit price normally falls following a distribution. Investors who acquire units just before a distribution may receive some of their investment back immediately as income or investors who dispose of units just before a distribution may effectively turn income into capital.

### Holding of Fund assets – the Custodian

EQT has appointed National Australia Bank Limited ABN 12 004 044 937 (NAB or Custodian) as the custodian of the assets and administrator of the Fund. The Custodian's role is limited to holding the assets of the Fund as agent of the Responsible Entity. The Custodian has no supervisory role for the operation of the Fund and is not responsible for protecting your interests. The Custodian has no liability or responsibility to you for any act done or omission made in accordance with the terms of

the Custody Agreement. The Custodian makes no statement in this PDS and has not authorised or caused the issue of it. NAB has given and not withdrawn its consent to be named in this PDS.

Other than money deposited in the custodian's account, investments of the Fund do not represent investments in, deposits with or other liabilities of, NAB or any other member of the NAB group of companies (NAB Group). Neither NAB, nor any other member of NAB Group, in any way stands behind the capital value, nor do they guarantee the performance of the investment or the underlying assets of the Fund, or provide a guarantee or assurance in respect of the obligations of EQT, Ventura or its related entities.

### 3. Benefits of investing in the Ventura Diversified 50 Fund

Investing in the Ventura Diversified 50 Fund offers you a range of features and benefits:

- Independent oversight - investment manager appointment and monitoring.
- Diversification - a selection of asset classes and asset managers unique to the appointed investment manager.
- Rebalancing of asset classes to the ranges described in Section 5 – How we invest your money – keeping your investment within the desired asset class weightings.
- Services to make investing easier – we will send you a confirmation of investment or withdrawal plus regular statements to keep you up to date with your account, including an annual taxation statement (if investing through an IDPS they will provide you with this information).
- Dedicated client service – you can access our Client Service Centre by calling 1300 738 421 Monday to Friday between 9.00am and 5.30pm Sydney time (excluding NSW public holidays).
- Online information - you can obtain general information online about the Fund, including past performance, at [www.venturainvestments.com.au](http://www.venturainvestments.com.au), including audited annual financial reports.
- Investor protection - your rights are set out under the Constitution which established the Fund as well as under the Corporations Act.
- EQT has a compliance plan used to monitor compliance with the Corporations Act and the Constitution. The compliance plan and fund accounts are lodged with ASIC and independently audited each year.

Details of this Fund, including what assets it invests in, are set out later in this PDS at Section 5, How we invest your money.

### 4. Risks of managed investment schemes

#### Investment risks

All investments have some level of risk. Different strategies may carry different levels of risk, depending on the assets that make up the strategy. Managed investment schemes can invest in a range of asset classes – for example, cash, bonds, equities and property. The likely investment return, and the level of risk of losing money, is different for each investment option depending on the underlying assets. Those assets with potentially the highest return (such as equities), may also have the highest long-term risk of losing money on a shorter term view.

The following significant risks apply to this investment:

- The level of returns may vary and future returns may differ from past returns.
- The value of investments will vary in line with movement in the value of the Fund's assets.
- Changes in the price of shares held for the Fund may result in a loss to the Fund. Many factors drive share prices, including profits made by companies and industries, economic cycles, volume of trading, investor demand, business confidence and government and central bank policies.
- Changes in interest rates in Australia or overseas may adversely affect the value of fixed interest investments held by the Fund, as an increase in interest rates leads to a reduction in the value of a fixed interest investment and vice versa.
- Fixed interest assets of the Fund are exposed to credit risk. This refers to the issuer of a debt instrument failing to pay interest or repay the principal sum.
- As the Fund invests in international investments, it is exposed to currency risk. Changes in exchange rates may negatively impact the Fund. This currency exposure may be unhedged or partially or fully hedged, but as this involves derivatives, this can expose the Fund to other risks, as discussed below.
- Derivatives can be used to manage risks, but may expose the Fund to other risks. This includes the risk that a derivative may be difficult or costly to reverse, or that there is a negative movement in the asset, interest or, exchange rate or index the derivative is designed to track.

You should read the important information about the rights of investors before making a decision. Go to [www.eqt.com.au/insto](http://www.eqt.com.au/insto) and refer to the Reference Guide. The material relating to the rights of investors may change between the time when you read this PDS and the day when you acquire the product.

A derivative may involve gearing, that is, liability for a loss from a change in price of a security, currency or index which exceeds the amount of cash or assets initially required to establish the derivative. The types of derivatives which the Fund may invest in includes exchange-traded and over-the-counter derivative instruments including currency forwards and swaps, interest rate and total return swaps and futures and options.

- Transactions in over-the-counter derivatives involve additional risk as there is no listed exchange for their disposal. Performance also depends on the financial condition of the counterparty.
- The Fund invests in emerging markets which are subject to a greater risk of loss than investments in developed markets due to greater political, economic and regulatory uncertainty, additional volatility and low market liquidity.
- If Fund investments are difficult to buy or sell, this can prevent sale of an investment or the rebalancing of the Fund in a timely fashion and at a fair price. If the Fund is required to liquidate assets to settle withdrawals, there is a risk that liquidation may be made on unfavourable terms, subjecting the Fund to loss.
- Short selling involves selling securities that may or may not be owned by the seller and then borrowing these securities for delivery to the purchaser with the obligation to replace the borrowed securities at a later date. A short sale involves the risk of a theoretically unlimited increase in the price of the particular investment sold short, which could result in the inability of the investment fund holding the derivative to cover the short position. The Fund does not hold any positions directly, but may have indirect exposure to short selling risks through investment funds it is invested in.
- The specialist investment manager may not achieve returns comparable to its peers or the investment manager may be changed by Ventura.
- The Fund could be terminated or the Fund's rules could change.

When considering investing in a managed investment scheme, it is important to understand that:

- returns are not guaranteed and you may lose some of your money
- laws affecting your investment in a managed investment scheme 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 and how comfortable you are with the possibility of losing some of your money in some years.

Your financial adviser can help you understand investment risk and help you design an investment strategy that is right for you.

## 5. How we invest your money

**You should consider the likely investment return, risk and your investment timeframe when choosing an investment.**

The Ventura Diversified 50 Fund is a multi-manager fund. This means that the investment responsibility is shared across a group of investment managers – each chosen for what the lead investment manager, Russell Investments, believes are outstanding capabilities. This means that you have some of the world's best investment ideas and managers contributing to your investment.

The appointed specialist investment manager, Russell Investments, also manages the currency exposure of the Fund.

Russell Investments also determine the assets types into which the Fund may invest and the level at which they are invested in those types. We generally aim to invest in 50% growth assets and 50% defensive assets, but this may vary by 10% either side of the specified target. Both growth assets and defensive assets of are described below.

**Growth assets** – include Australian and International shares and property, each of which may be listed or unlisted on stock exchanges. Growth assets may include non-traditional assets types. For example, high yield, emerging markets, commodities, infrastructure as well as alternative strategies (e.g. hedge funds, long-short equities).

**Defensive assets** include cash deposits and money market securities, such as bank bills and certificates of deposits, corporate floating rate notes and interest rate swap contracts. They also include fixed interest investments issued by Australian and international governments and semi-governments and government agencies or companies, and structured credit investments including mortgage and asset backed securities.

You should read the important information about currency, switching and the extent to which environmental and ethical considerations are taken into account when we invest (the Important Information) before making a decision. Go to [www.eqt.com.au/insto](http://www.eqt.com.au/insto) and refer to the Reference Guide.

The Important Information may change between the time when you read this PDS and the day when you acquire the product.

The table below shows a summary of the Fund's investment profile. The Neutral Position is the starting point for all asset class allocation decisions.

<b>DESCRIPTION OF INVESTMENT OPTION</b>	The Fund typically invests in a diversified portfolio mix with exposure to around 50% growth and around 50% defensive investments. Derivatives may be used to implement investment strategies.		
<b>TYPE OF INVESTOR FOR WHOM SUITABLE</b>	Investors who are seeking some capital growth over the medium term and are willing to accept the possibility of negative returns over the shorter term.		
<b>MIX OF ASSET CLASS/TYPE</b>		<b>Strategic Asset Allocation (SAA) %</b>	<b>Range %</b>
	Australian shares	21.0	10 - 35
	International shares	21.0	10 - 35
	Property	3.0	0 - 20
	Alternatives	10.0	0 - 30
	Fixed interest	33.0	20 - 70
	Cash	12.0	
<b>INVESTMENT RETURN OBJECTIVE</b>	To provide returns over the medium term, with moderate volatility, consistent with a diversified mix of defensive and growth oriented assets.		
<b>MINIMUM SUGGESTED TIME FRAME</b>	Suggested minimum investment timeframe is 4 years.		
<b>RISK LEVEL</b>	The Fund is expected to have moderate return volatility.		

#### Changes to the investment option and other matters

We have the right to close or terminate the Fund and change the Fund's investment objective, asset classes and asset allocation ranges, investment manager(s) and investment approach, without prior notice to you. We will inform investors of any material change to the Fund's details.

Please see Ventura's website for any update, as well as for information on the current investment managers and their styles.

## 6. Fees and costs

### DID YOU KNOW?

Small differences in both investment performance and fees and costs can have a substantial impact on your long term returns. For example, total annual fees and costs of 2% of your account balance rather than 1% could reduce your final return by up to 20% over a 30 year period (for example, reduce it from \$100,000 to \$80,000). You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs. Your employer may be able to negotiate to pay lower administration fees. Ask the Fund or your financial adviser.

### TO FIND OUT MORE

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

You should read the important information about management costs, performance fees, financial adviser remuneration, maximum management costs, abnormal expenses and wholesale investors (the Important Information) before making a decision. Go to [www.eqt.com.au/insto](http://www.eqt.com.au/insto) and refer to the Reference Guide. The Important Information may change between the time when you read this PDS and the day when you acquire the product.

### Fees and costs

This table shows fees and other costs that you may be charged in the Fund and can be used to compare costs between different managed investment schemes. These fees and costs may be deducted from your money, from the returns on your investment or from the Fund assets as a whole. Details about taxes are set out in a later part of this PDS at Section 7, How managed investment schemes are taxed. You should read all of the information about fees and costs because it is important to understand their impact on your investment.



TYPE OF FEE OR COST	AMOUNT
<b>Fees when your money moves in or out of the Fund</b>	
Establishment fee	Nil
Contribution fee	Nil
Withdrawal fee	Nil
Exit fee	Nil
<b>Management costs</b>	
The fees and costs for managing your investment	0.79% of the net Fund value of your investment per year (inclusive of the net effects of GST) is the current estimated management costs for managing your investment. The investment manager fees are included in these costs and are not an additional cost to investors. This amount may vary from time to time and it is calculated on a historical basis. Performance fees may be paid to an underlying investment manager to achieve superior performance. If applicable, the performance fee is accrued in the unit price. This fee is included in the Fund's ICR and is not a separate fee payable by you.

### Transaction costs

When you invest or withdraw from the Fund we deduct transaction costs application to cover the costs of buying or selling the Fund's assets. Transaction costs are an additional cost to investors. Transaction costs are retained by the Fund and are not paid to the Responsible Entity or Investment manager. The estimated cost is 0.18% of the amount you invest and 0.25% of the amount you withdraw.

### Fees changes

Keep in mind that the amount of transaction or management costs may change without investor consent, except if required by the Corporations Act. We will if possible give you at least 30 days prior notice of any increase in the management fees. Updated transaction and management costs can be viewed online at Ventura's website.

### How fees and costs are charged to you

Fees and costs can be paid directly from your investment or deducted from investment returns.

### Example of annual fees and costs for the Fund

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

		<b>BALANCE OF \$50,000 WITH A CONTRIBUTION OF \$5,000 DURING THE YEAR</b>
Contribution fees	Nil	For every \$5,000 you put in, you will be charged nil.
<b>PLUS</b> Management costs	0.79% p.a. inclusive of the net effects of GST	<b>And</b> , for every \$50,000 you have in the Fund you will be charged \$395 a year.
<b>EQUALS</b> Cost of Fund		If you had an investment of \$50,000 at the beginning of the year and you put in an additional \$5,000 during that year, you would be charged a fee  <b>\$395.*</b>  <b>What it costs you will depend on the fees you negotiate.</b>

\* This example assumes the \$5,000 contribution occurs at the end of the year and so management costs are calculated using the \$50,000 balance only.

## Fees paid to a financial adviser

If you have a financial adviser, you may also have to pay other fees to your adviser. See the Statement of Advice given to you by your adviser. A service charge may be separately negotiated with your financial adviser and deducted from your investment at your request. These payments are separate from the management costs referred to in this PDS.

## 7. How managed investment schemes are taxed

Warning: Investing in a registered managed investment scheme (such as the Fund) is likely to have tax consequences. You are strongly advised to seek your own professional tax advice about the applicable Australian tax (including income tax, GST and duty) consequences and, if appropriate, foreign tax consequences which may apply to you based on your particular circumstances before investing in the Fund.

The Fund is an Australian resident for tax purposes and does not pay tax on behalf of its members. Australian resident investors are assessed for tax on any income and capital gains generated by the Fund.

## 8. How to apply

1. Read this PDS together with the Reference Guide.
2. Complete the Application available on [www.eqt.com.au/insto](http://www.eqt.com.au/insto) or by calling 1300 738 421. For IDPS investors, you should consult your IDPS operator about investing.
3. You can then start to make regular and/or ad hoc payments into your account.

A **cooling-off period** applies. We will return your money to you and no fees will apply (but the refund may be adjusted to reflect any change in unit prices, positively or negatively, and there may be some tax payable) if you cancel your account in writing. The 14 day cooling-off period commences on the earlier of you receiving confirmation from us that your investment has been accepted or five business days after the day on which units were issued to you. For IDPS investors, you should consult your IDPS operator about any cooling off rights you may have.

## Complaints

If you are not completely satisfied with any aspect of our services regarding management of the Fund, please contact us.

EQT Client Services  
Equity Trustees Limited  
GPO Box 2307  
Melbourne Vic 3001  
Telephone 1300 555 378  
Fax +613 8623 5395  
Email [equity@eqt.com.au](mailto:equity@eqt.com.au)  
Website [www.eqt.com.au](http://www.eqt.com.au)

EQT seeks to resolve potential and actual complaints over the management of the Fund to the satisfaction of investors. If an investor wishes to lodge a formal complaint please write to:

Compliance Team  
Equity Trustees Limited  
GPO Box 2307V  
Melbourne Vic 3001  
Email [compliance@eqt.com.au](mailto:compliance@eqt.com.au)  
Phone 1300 555 378

EQT will seek to resolve any complaint and will respond within 14 days of receiving the letter. If we are unable to resolve your complaint, you may be able to seek assistance from FOS:

Financial Ombudsman Service (FOS)  
GPO Box 3  
Melbourne Vic 3001  
Telephone 1300 780 808  
Fax +613 9613 6399  
Email [info@fos.org.au](mailto:info@fos.org.au)

Please include the EQT FOS membership number with your enquiry: 10395. FOS is an independent body that can assist you if EQT cannot. In order for a complaint to be considered by FOS, the claim must be less than \$150,000 (unless EQT and you agree otherwise in writing).

**Ventura's contact details are on the front cover.**