

## Additional Information booklet

# FirstStep Fund

ARSN 616 173 865

(FirstStep)

Dated 27 September 2017

FirstStep is a simple and cost effective way to save money and regularly invest small and large amounts.

### This document

This document is important.

Called the **Additional Information booklet**, it gives you more detail about some of the matters discussed in the Product Disclosure Statement (PDS) for the FirstStep Fund (FirstStep).

We here at OneVue RE Services Limited, the responsible entity (or trustee) of FirstStep, have prepared it. We hope you find it easy to read.

**Information additional to that in the PDS is in bold.**

We aren't the only ones involved with FirstStep of course. FirstStep Investments Australia Pty Ltd (**FirstStep Investments**) invented FirstStep, developed and runs the FirstStep App and website (together, the **App**), and decides which investments are available to choose from.

The law regulates documents like this, so we must tell you certain things, in a certain order, and we can't take more than 8 pages. Read all this document and read it carefully before you start to invest.

The App is covered by its own set of terms and conditions between you and FirstStep Investments. Read those carefully. Just do it.

### FirstStep Investment Options

FirstStep gives you access to a range of 'Investment Options'. Each represents a different mix of investments and each feels and is different. The Investment Options may change from time to time.

FirstStep's range of Investment Options allows you to choose what sort of investment portfolio you will have.

They are explained in the **Investment Options** booklet which we have sent you. That booklet is part of this PDS.

Further information can also be found in the App.

Take the time to explore the options that interest you. As Investment Options change, the App will let you know, and you can read about them on the App or in the updated Investment Options booklet.

### Additional Information booklet

**If you look at the Contents section of the PDS, you will also see that there are a few section headings marked with an \*. Those sections are actually a summary. This Additional Information booklet gives more detail on those sections. This booklet is also part of the PDS.**

### Thanks for signing up!

Thanks for signing up for the App!

We and FirstStep Investments now know a few things about you.

But (and this is **important**) we don't know you that well. Nor does FirstStep Investments.

Neither this document (nor the App) can do anything more than give you general advice.

Sure, the App has asked you a few questions, but still, neither us nor FirstStep Investments knows enough about you to give you personal advice, that is, advice that is based on your particular objectives, financial situation or needs.

And yes, the App suggests a choice of core Investment Options with differing risk profiles for you to choose from. You may add to that suggested mix, but still, neither us nor FirstStep Investments knows enough about you to give you personal advice.

Remember, the App is a robot. It isn't pretending to give you personal advice. It can't. It won't. If you are unsure, don't just swipe right.

Anyone that invests should ask someone professional, like a financial adviser, about what's right for them.

### And investing involves ...

And before we move on, here is something else to always remember: investing and risk go hand in hand.

Your FirstStep investment isn't a bank account, and your FirstStep account balance will go up and down as the value of your chosen investments goes up and down. Making money and losing money are both possibilities and the Investment Options are all designed for the long term.

### The past and the future

Past performance (good or bad) does not mean the same thing will happen in the future. You should not rely on past performance when making investment decisions.

And no-one knows the future for sure. Remember this too, especially when thinking about what your investments are aiming to achieve – it might not happen!

## 4. Risks of managed investment schemes

Making your money work better involves some risks.

**Warning:** you should consider (amongst other things) the likely investment return, the risks and your investment timeframe when deciding whether to invest.

### Risk is a part of investing

Risk happens. Risks can mean that you lose money as investments can go down in value.

The risks associated with investing through FirstStep range from low to high – it depends on the particular mix of Investment Options which make up your FirstStep account.

Changes in value can be big and can happen quickly. As a general rule, the higher the potential returns, the higher the level of risk.

Neither returns nor the money you invest in FirstStep is guaranteed.

The significant risks associated with FirstStep include those set out below. They are detailed more in our Additional Information booklet. It's available free from the App.

### Types of risk

**Market risk:** Entire sectors, markets, countries, regions change in value. Reasons include changes in economic, financial, technological, political, environmental or legal conditions, natural and man-made disasters, conflicts and shifts in how people perceive things.

**Risks include that the country's credit rating is downgraded, which reduces the nation's perceived creditworthiness, the purchasing power of currency changes (either through inflation or deflation), and/or other market-wide factors, like economic growth or the unemployment rate, deteriorate, which can cause a reduction in the value of FirstStep and increase its volatility.**

Change brings uncertainty and uncertainty often makes people afraid and markets more risky. The greater the change, the greater the fear and uncertainty, the greater the risk.

**Investment risk:** Individual investments change in value and reasons include changes in their operations, their business environment and in how people perceive them. Investments may not perform as hoped.

**Asset risk:** Some types of investments can be riskier than others. An investment in gold may be riskier than in a bank for example.

**International risk:** Some Investment Options give exposure to other countries. When exchange rates change, the value of the investment can rise or fall. Underlying managers don't always seek to hedge (or manage) this risk. **FirstStep Investments does not itself manage currency risk.**

**However, investments which make up an Investment Option may use various strategies to reduce the impact of movements in currency (that is, hedging) or use them to advantage (or speculatively). Unfortunately hedging is not perfect. It is not always successful, is not always used to offset all currency risk, and is sometimes not cost effective or practical to use.**

Some places are more risky. They can have greater corruption, less regulation, poorer reporting, and greater political, legal and other risks.

**International investments may be more affected by political and economic uncertainties, lower regulatory supervision, movements in currency and interest rates and possibly more volatile, less liquid markets.**

**Interest rate risk:** Changes in interest rates usually impact on investment returns. Reasons for interest rates changes are many and include variations in inflation, economic activity and Reserve Bank of Australia (RBA) policies. Higher interest rates can result in declines in the value of leveraged investments, including equities products like those held by FirstStep.

**FirstStep Investments does not itself manage interest rate risk. However, investments which make up an Investment Option may use various strategies to reduce the impact of movements in interest rates (that is, hedging) or use them to advantage (or speculatively). Unfortunately hedging is not perfect. It is not always successful, is not always used to offset all interest rate risk, and is sometimes not cost effective or practical to use.**

**Derivatives risk:** Some ways to invest or manage risk are complex. Derivatives are one such thing. They are contracts between two parties that usually derive their value from the price of a physical asset or market index. Types include futures, options, forward currency contracts and swaps, and these may be exchange-traded or over-the-counter. They can be used to manage certain risks in investment portfolios or as part of an investment strategy. However, they can also increase other risks in an Investment Option or expose an Investment Option to additional risks. We don't use derivatives. But companies in which we invest may use these to better manage risk and/or to try to make money. Derivatives use is not always successful. Losses can be disproportionate.

**Borrowing or leverage risk:** We don't borrow money to enhance returns and risk in FirstStep. But companies in which we invest may borrow. Derivatives – which can be used by investments which make up each Investment Option - can lead to leverage. Borrowing of course is another word for leverage. Borrowing magnifies returns and magnifies losses. By way of a simple example, assume FirstStep's investments were \$10m and leverage represented a further \$10m. A 1% increase in the return on the assets of FirstStep results in a 2% increase in return to FirstSteppers. But 1% decrease in the return on the assets of FirstStep results in a 2% loss to FirstSteppers.

It is not practicable to give FirstSteppers the maximum anticipated level of indirect leverage of an Investment Portfolio because underlying levels vary: some underlying investments use leverage whilst others do not, techniques can be used to offset the impact of leverage and the underlying investment mix of each Investment Option changes from month to month.

**Liquidity risk:** There can be delays in you getting access to your investment. Because cash is paid to your linked account when you withdraw, investments relating to the relevant Investment Options may need to be sold to pay you. Depending on factors such as the state of the markets, selling investments is not always possible, practicable or consistent with the best interests of FirstSteppers.

**Structure risk:** When someone invests for you, there can be additional risks. FirstStep could close. Investment options may close. Those involved could change or cause problems. Someone involved with your investment (even remotely) may not meet their obligations, assets may be lost, not recorded properly or misappropriated. Transacting technology can misfire. Laws change, insurers may not pay, systems and infrastructure may fail and insurance may be inadequate. Your bank may not do what you ask them to, like give us access to information about your bank account.

**Investing in FirstStep may give different results compared to investing directly where, for example, you avoid the impact of others coming and going and may be able to manage your tax situation better.**

**Technology risk:** Although we (and FirstStep) take steps we (and they) consider reasonable to protect information we (and they) hold, its security cannot absolutely be guaranteed. Data including log-ons and passwords can be compromised. If data is stored overseas, different privacy and other standards may apply there.

FirstStep Investments is responsible for the App and for access to your bank data. FirstStep Investments believes they have done all that is

reasonable to protect data they hold but you are trusting them, not us, with this access and information. Neither we nor FirstStep Investments is responsible for data from other places, such as your bank.

**Modern life risk:** the App may fail or be offline, or may carry a virus. It may not work on all devices. Changes to operating systems may cause it to stop working. Updates can take time. The Internet is not always available. Access to FirstStep depends on these things.

If you get a new device, don't forget to install the App again, and think about wiping the old one (not with a cloth – wipe its brain clean). Use passwords that are hard for people and machines to guess and mix them up across your apps and services. Don't share them and keep them safe.

Anyone with your FirstStep log-on and password can operate your account and neither we nor FirstStep Investments will know if it's not you. If someone has your device, they may be able to pretend to be you and neither we nor FirstStep Investments will know if it's not you. We will generally do what we see coming through the App. You can use the App to change passwords – do that regularly.

If you change your contact details – especially your email or mobile, update them through the App.

### Getting a handle on you and how you see risk

Through the App, FirstStep Investments will also help you think about risk. About what sort of attitude you have to risk, at least when it comes to investing. A risk measure like this can be wrong. It's just a rule of thumb. Performance doesn't necessarily go up if you choose riskier; nor go down if you choose less risky.

### Risk generally

The significant risks of investing in managed investment schemes generally include the risks that:

- the value of investments will vary,
- the level of returns will vary, and future returns will differ from past returns,
- returns are not guaranteed and FirstSteppers may lose some or all of their money, and
- laws change.

The level of risk for you particularly will vary depending on a range of other factors, including age, investment time frame, how other parts of your wealth are invested, your risk tolerance and what Investment Options you choose. If you are unsure whether this investment is suitable for you, we recommend you consult a professional financial adviser.

Further information about the risks of investing in managed investment schemes can be found on the ASIC's MoneySmart website at [www.moneysmart.gov.au](http://www.moneysmart.gov.au).

### Managing risk

Risk cannot be avoided. We and FirstStep Investments aim to identify and manage risk as far as is practicable. Many risks are difficult, impracticable or impossible to manage.

## 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.

You may be able to negotiate to pay lower contribution fees and management costs where applicable. Ask the fund or your financial adviser.

### TO FIND OUT MORE

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

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

Taxes are set out in another part of this document.

You should read all the information about fees and costs because it's important to understand their impact on your investment.

The information below can be used to compare costs between different simple managed investment schemes.

FirstStep Fund		
Type of fee or cost	Amount	How and when paid
<b>Fees when your money moves in or out of FirstStep</b>		
<b>Establishment fee</b> the fee to open your investment	nil	Not applicable
<b>Contribution fee</b> the fee on each amount contributed to your investment	nil	Not applicable
<b>Withdrawal fee</b> the fee on each amount you take out of your investment	nil	Not applicable
<b>Account close fee</b> the fee to close your FirstStep account	\$3.00 including net GST	if you close your account within 3 months of becoming a FirstStepper

### Management costs

#### The fees and costs for managing your investment

FirstStep monthly account fees

<b>Account fee</b>	0.275% per year including net GST	Payable monthly, subject to a minimum of \$1.25 or \$1.95 per month – see below for details
<b>Usual expenses</b>	Fixed at 0.20% pa of the net asset value of the Fund including net GST	Usual Expenses are paid from the Fund but are fixed. Any expenses above this are paid by the Investment Manager.
<b>Unusual expenses*</b>	nil estimate	Any Unusual Expenses (if incurred) are paid from the Fund.

<b>Exchange traded product costs</b>	0.15% pa - 0.50% pa of the net asset value of the Fund including net GST estimate	The cost associated with investing in exchange traded products.
--------------------------------------	---	---

Service fees		
<b>Switching fee</b> the fee for changing Investment Options	not applicable	not applicable

## Additional explanation of fees and costs

### Our account fee - half the cost of a decent coffee each month

Our account fee is simple. For most, it's just half the cost of a decent coffee each month.

\$1.25	if you link a bank account to your FirstStep account	<input checked="" type="checkbox"/> this is what most FirstSteppers do
\$1.95	if you don't (so that direct debit is used instead)	<input checked="" type="checkbox"/> this costs a little more to process

For most FirstSteppers, \$1.25 or \$1.95 per month will be their account fee forever.

When your account balance reaches about \$5,500, the minimum amount (whichever one) drops away, and instead you pay 0.275% of your FirstStep account balance per year.

To give you a feel for that, if you had \$10,000 in your FirstStep account, the monthly account fee would be about \$2.30. Still half the cost of a coffee each month. **You might be thinking: "Hey team FirstStep, \$1.25 or \$1.95 a month, as a proportion of a small balance - that seems a little steep". We get it. If looking at it that way bugs you, perhaps kick your account off with, say, \$250. With even that small balance, the account fees are still a whole lot cheaper than taking \$200 out of an ATM at a servo. And as your account balance grows, the minimum monthly account fee, as a proportion of your account balance, is less. It's just the math.**

If you pay \$1.95 each month and decide later to link to a bank account, we will charge you \$1.25 per month from then on, starting at the start of the next month. If you stop a link, we will do the opposite and up the fee.

Account fees are paid to FirstStep Investments and aren't negotiable.

One last thing: we talk about linking **bank** accounts: the App can link to a lot of banks and the list is growing. Check out the App.

### Usual expenses

Not much is free. Running FirstStep isn't free. There are lots of people apart from FirstStep Investments helping out, and most of them need to make a living. People like OneVue, the accountants, the smart lawyers - all the usual help.

All FirstSteppers help pay for these costs. We call them 'usual expenses' because, well, they are usual expenses: the costs associated with FirstStep which we consider in the ordinary course of operating FirstStep. But here is the deal: this amount is fixed.

And again, it's not a big amount: 0.20% per year.

To give you a feel for this, if you had a FirstStep account balance of \$500, then this would be \$1.00 a year.

**If usual expenses are more than this, FirstStep Investments will pick them up. This is likely to be the case for a little while as FirstStep grows. If ever FirstStep is big enough and somehow usual expenses were less than this, any balance would be for FirstStep Investments to keep.**

### Spread

You won't see 'spread' listed on your FirstStep account. That's because it's not anything payable to us or to FirstStep Investments.

The spread is us making sure that those coming and going don't impact unfairly on those just staying.

Think about this: when someone – call them Adam - invests, we need to take that little bit of cash and go buy some investments, and there is some cost in doing this. Unless we do something about it, all the other FirstSteppers would bear this cost – the cost of Adam deciding to invest. Which is sort of unfair – the other FirstSteppers are just minding their own business.

So, we put the price Adam pays to come in up just a little bit. By 0.20% to be exact. If Adam invests \$2, then he has paid about \$0.01 more than he otherwise would have. Adam has paid for the cost, not everyone else.

When Adam withdraws, the reverse happens – we put the price he receives down just a little bit. Again, by 0.20%. If he withdraws \$2, then he will receive about \$0.01 less than he otherwise would have.

Spread isn't payable for every Investment Option – but it's such a small amount we suggest it's easier to just assume that it's always paid.

### Netting

Again, you won't see 'netting' listed on your FirstStep account.

This isn't really an **additional** cost – it's more like a redirection.

Let us explain:

- say FirstStepper, Jaxon this time, asks to withdraw some money and so we go and sell a particular exchange traded product- to do this, we need to pay a stock broker for their help.
- imagine at the same time FirstStepper, Charlotte, adds cash to her FirstStep account, and so we need to buy some of the same exchange traded product, and to do so we need to again pay a stock broker for their help.

But say instead of buying and selling and paying the stock broker twice, the sell is balanced (or offset or netted) against the purchase, so we don't need the stock broker's help - there is much less of an actual transaction needed. Jaxon's and Charlotte's investment records just get adjusted.

For being smart, and to help them cover their costs and make a living, that saving on stock broker fees is redirected to FirstStep Investments.

In the end, it's neutral on you – transaction costs happen - but it ends up with FirstStep Investments, not the stock broker.

Looked at another way, the stock broker is helping FirstStep out! And this helps FirstStep Investments keep the monthly account fees lower!

**Netting won't be perfect. Buys and sells won't be able to be offset every day. So often things still need to be bought and sold. So, some brokerage will still be payable to stock brokers.**

It's hard to know with accuracy what stock broking fees or netting costs are. It depends on how much trading there is, when, and in what.

FirstStep Investments estimates them totaling at 0.20% per year. To give you a feel for this, if you had a FirstStep account balance of \$500, then this would be \$1.00 each year.

### What else?

**Government fees, taxes and duties, as well as charges made by your financial institution, may also apply to investments and withdrawals, and these are payable from your investment. Stamp duty is can be payable if you transfer your units in the Fund to someone else. FirstStep does not usually pay tax. You will usually pay tax in relation to your investment. See the Tax section for details.**

Also, running something like FirstStep is a little complex. One person that helps is the professional custodian. They too are making a living, and whilst their costs are for the most part paid by FirstStep or us, they do charge some transactional or operational costs when they help FirstStep buy and sell investments. They are modest in the scheme of things, but we wanted to let you know. The amount depends on how much actual buying and selling happens.

It's hard to know with accuracy what these costs are in advance.

FirstStep Investments estimates them at 0.03% pa. To give you a feel for this, if you had a FirstStep account balance of \$500, then this would be \$0.15 each year. Yep, 15 cents.

If you do owe us money (or owe someone money relating to your account, like the tax office) we can deduct this from your account or

**money we pay to you.**

### Unusual expenses

We are not expecting unusual expenses to happen often. But they may. If they do, we can additionally share them across everyone's account.

Examples include costs associated establishing FirstStep, professional assistance operating FirstStep, meeting approvals and directions, platform, exchange and rating costs, any tax liability FirstStep may have, change of responsible entity, investment manager or any service provider, and costs incurred by us especially for FirstStep.

Occasionally, costs which might otherwise be considered usual are of such a nature that we may deem them to be unusual.

At this time FirstStep Investments considers that it's not possible to estimate these going forward.

### ETP costs

There is an indirect cost associated with investing in exchange traded products (or ETPs). FirstStep Investments estimates these as between 0.15% per year and 0.50% of your FirstStep account balance per year. The actual cost may be more or less than this. Like all costs, these reduce overall returns. To give you a feel for this, if you had a FirstStep account balance of \$500, then this would be between \$0.75 and \$2.50 each year. Oh, and remember, estimates are estimates. Reality could be different. Refer to our website for any updates.

### Withdrawal fee

We and FirstStep Investments would hate to see you leave soon after you join. But we all know things can change.

Because it takes some work to get your FirstStep account set up, if you close your account within 3 months of becoming a FirstStepper we will deduct a \$3 processing fee (including net GST) from your account. It's not much – still less than the cost of a decent coffee - but every cent counts!

This is paid to FirstStep Investments and isn't negotiable.

### Payments to others

**We and FirstStep Investments may pay others, including associates, in relation to FirstStep, but in many ways, the law regulates such payments. Sometimes they can't be made at all. The law also regulates with whom we can negotiate fees.**

### Changes

**Our fees are not indexed. Fees and costs may change – we don't need to ask you to do this but we'd tell you first.**

## Summarise the main costs for me!

The law makes us give you a fees example set out below, but we are obliged to base it on an account balance of \$50,000. Which is a lot.

Assuming the same approach is used as in the example below, if your FirstStep account balance was \$5,500, then investing through FirstStep would cost between \$26.00 and \$34.40 each year.

This range also doesn't capture all the costs discussed above - but even adding those adds only \$3 or \$4 a year to your costs (assuming you stayed with us for 3 months or more!). If you skipped the detail above, back track.

### A warning!

**The law requires this, so we are letting you know! Fees may also be paid to your financial adviser. Ask your financial adviser, and refer to any Statement of Advice they may provide you.**

## Example of annual fees and costs

This table gives an example of how the fees and costs for FirstStep can affect your investment over a one-year period. You should use this table to compare FirstStep with other managed investment products.

Don't be freaked out: the law makes us do the example based on a \$50,000 account balance.

Example FirstStep Fund		Balance of \$50,000 including a contribution of \$5,000 at the start of the year
Entry Fees	nil	For every additional \$5,000 you put in, you may be charged a nil entry fee.
Monthly account fee	0.275% per year including net GST	And, for every \$50,000 you had in the Fund have in FirstStep you will be charged \$137.50
PLUS Usual expenses	0.20% pa	And, for every \$50,000 you have in the Fund you will be charged \$100 each year.
PLUS Unusual expenses*	nil estimate	And, for every \$50,000 you have in the Fund you will be charged \$nil each year.
PLUS Indirect costs*	0.15% pa - 0.50% pa estimate	And, for every \$50,000 you have in the Fund you will be charged between \$75 and \$250 each year.
<b>EQUALS</b> Cost of FirstStep		If you put in \$50,000 at the beginning of the year and your balance was \$50,000, then you would be charged fees of between \$312.50 -and \$487.50 each year.

Remember fees and costs will vary, estimates may prove to be incorrect and non-estimated figures are based on the past. The past can be an unreliable predictor of the future. This example assumes the \$5,000 contribution was made at the beginning of the year, as part of the \$50,000 investment, no other investments or any withdrawals or distributions were made through the year and the investment balance remained unchanged. Spread and netting are not included in this example.

## 7. How managed investment schemes are taxed\*

**Warning:** Investing in a managed investment scheme is likely to have tax consequences. You are strongly advised to seek professional tax advice.

### Tax implications

What follows is a general guide only. It's not a complete statement of relevant tax laws.

Tax is a part of life. There are some exceptions, such as where you don't earn much, but more often than not, you will need to pay tax.

Like risk, tax is part and parcel of investing.

The amount and type of tax you pay, and when you have to pay it, depends on the tax character of any amounts paid to you, their timing and on your personal financial circumstances.

Tax can be complex. Find an accountant you trust and speak to them before making investment decisions.

### At each 30 June

Investments often earn income, and each year after 30 June we credit this to your FirstStep account and (rather than paying it to your linked account) reinvest it to keep it working for you. You can withdraw any time.

FirstSteppers will usually incur an income tax liability on their distributions, whether reinvested or not.

**We can attribute different tax results according to which Investment Options a FirstStepper holds. This can be the fair thing to do: sometimes for example an Investment Option with overseas investments leads to**

**different tax outcomes. We must make these decisions fairly, and you have rights in limited circumstances to object.**

### Withdrawals

In normal circumstances, you can access your invested money pretty promptly. You will usually incur a capital gains tax liability when you make a withdrawal (including switching between Investment Options and portfolio rebalancing) and when you change your account name to someone else. **Sometimes are discounts available which reduce tax liability. Factors relevant include the kind of taxpayer you are, your tax residence and how long you have been invested.**

### Exotic?

Tax outcomes are usually different if you're not a resident of Australia for tax purposes. **For example, we may need to deduct withholding tax from amounts we pay. We ask this when you sign up. Let us know if this changes.**

**Additionally, certain laws focus on FirstSteppers who are not Australian residents for tax purposes. These laws include the US based 'FATCA' laws, and the 'Common Reporting Standard'. You must, in a timely way, give us such information concerning these matters as we may ask. Generally, we report this to the ATO, who then shares this with relevant foreign tax authorities.**

### Boring tax numbers

**You do not have to disclose your tax file number (TFN) or any Australian Business Number (ABN) you may have, but most FirstSteppers do. If you don't have a TFN yet, you can ask the tax office for one online. We suggest you do this before you sign up. ABNs are needed if you are running a business for yourself.**

**If you choose not to tell us your TFN or ABN and you do not have an exemption, we must deduct tax at the highest personal rate, plus the Medicare levy, before paying any distribution to you.**

### What else should you know?

**We can't tell you everything about tax but here are a few more things to keep in mind.**

**We will (through the App) send you information after the end of each financial year (June) to help you complete your tax return.**

**Investing through a trust like FirstStep can also mean some things are different for you from a tax viewpoint. Liabilities may be different and you may have less control. It's possible that a liability to pay tax arises on your investment even when we have not paid money to you, and in this case you may need to fund this liability independently of your investment.**

**Sometimes when we are administering FirstStep we learn things new about past tax matters and need to make adjustments. If this happens, it's possible that we will ask you to adjust your own tax records, or FirstStep may pay tax or receive a refund and it can be the FirstSteppers at the time that are subject to this.**

### Tax Reform

**Tax laws change, often substantially. You should monitor reforms to the taxation of trusts in particular and seek your own professional advice that is specific to your circumstances.**

## 8 How to apply\*

### Use the App to come and go

#### Take your first steps!

Keep reading – you must read and consider carefully this document before you become a FirstStepper.

The App gives you access to FirstStep.

FirstStep Investments always suggests that you link to an account with an Australian financial institution, like a bank or building society. For your linked account, FirstStep Investments suggests that you choose the one you use every day.

During the sign up FirstStep Investments will send a passcode to your device which will verify access and check you're not a robot.

Log on, set your preferences if you haven't already, choose your

Investment Options, and FirstStep Investments will do the rest – helping you become an official FirstStepper, rounding up those pesky small fry transactions and making that loose change go to work.

You will always have a core Investment Option. You can change the core Investment Option if you change your risk profile. It's up to you. We always suggest you get advice on things like that even if it's not about much money: investing is important and good advice is a good thing to have.

But you can add to the core with themes you choose! Are you into tech, or green? Or trends like ageing population? Or regions like Asia? The minimum for your first investment is just \$1.00 and the minimum ongoing investment is just 1 cent!

Unless you set it otherwise, the default preference is that each day every purchase showing up in your bank account that isn't a whole dollar is rounded up to the next whole dollar. 'Purchases' means everything that's not a deposit – for example, electronic funds transfers, PayPal payments, BPay payments, regular and one off direct debits, card payments, funds transfers between your accounts and fee transactions.

So, each day, FirstStep Investments will look at your bank account, to see if there are any new purchases that are less than a whole dollar. Say you bought a coffee for \$4.50. They then do some simple math, rounding up to the next whole dollar – in this case to \$5.00 – and they withdraw that difference - \$0.50 - moving the cash to your FirstStep account.

Or use the App to set a regular amount to be withdrawn from your linked account and invested.

From there, FirstStep Investments invest for you – read on!

Usually we can start investing for you within a couple of Melbourne business days of having all we need from you.

The App allows other preferences as well. For example, you can select particular merchants and set the rounding up as you decide - for example, round every Uber transaction to the nearest \$10. Or set it to withdraw a set amount each day or week or month such as \$1 or \$50 or \$500.

You can always change your preferences: use the App. FirstStep will implement changes as soon as we can.

## Investing

Whenever cash lands in your FirstStep account, it's used it as soon as is practicable. Cheques (Google it☺) and cash aren't accepted –FirstStep Investments only uses your linked account.

They can usually only place an order to buy investments on Sydney business days when the ASX is open. It usually then takes a couple of Sydney business days to be invested.

It can take longer if there are no sellers wanting to sell what we are trying to buy – but this is not common. There can also be delays if we don't have enough buy requests to buy a whole share in an underlying investment, but this usually wouldn't have much impact. Usually there are, it's just that sometimes the price we must pay for the investment is higher.

But once they have made the investment, the value will be reflected in your FirstStep account, usually the same day.

To do the actual investing, we pool your FirstStep cash with cash from other FirstStep customers. This pooling allows FirstStep Investments to go and buy investments more easily.

You don't own the actual investments - we do (or more accurately we get a professional custodian independent from us to hold them).

What you own is an interest in the trust that is FirstStep

We keep a track of how much relates to you and to other FirstSteppers.

Each year (after the end of June), if there is a distribution to pay you, we will transfer this into your bank account unless you have told us you want to have it invested again. Use the App.

## Checking in

Use the App to find your latest account balance.

## Withdrawing

Use the App to tell us how much you would like to withdraw and which

Investment Options you want us to sell.

Practically, there is no minimum amount you need to withdraw from your FirstStep account or any particular Investment Option.

If you don't say which Investment Options to use, FirstStep Investments will withdraw proportionally (or as closely as they can to that) from all of your Investment Options.

FirstStep Investments can usually only place an order to sell investments on Sydney business days when the ASX is open. It usually then takes a couple of Sydney business days to get our hands on the cash. Unusually it can take longer. One reason it can take longer is if there are no buyers wanting to buy what FirstStep Investments is trying to sell – but this would be pretty weird – there is generally somebody that will buy, although the price may be less than was thought. There can also be delays if we don't have enough sell requests to sell a whole share in an underlying investment, but this usually wouldn't have much impact. See the Risks section.

Whenever FirstStep Investments receives cash in your FirstStep account to pay to you, you usually will see the money in your bank account a day or two later. It depends on how quickly your bank or financial institution does the processing. Cheques and cash aren't paid.

## Your FirstStep account balance

FirstStep's investments will go up and down in value. So will your FirstStep account balance. There are lots of reasons for this. Keep reading, especially the Risks section.

**Always keep in mind the balance you see is based on the past. As too the prices you see quoted for investments (such as by the ASX online). The recent past for sure, but still the past. Don't get cosy with those numbers. When FirstStep goes to buy or sell investments, the price they get will be different, because buying and selling can take time, and markets move. And so the amount reaching your FirstStep account get may be a different from what you have seen. It could be more or could be less.**

## Oh no, broke again!

FirstStep Investments won't withdraw from your linked bank account if they know – like, they actually know - that doing so would mean your account would go negative. They will just let it go for that day and come back each day after to check on things.

But they can't **always** predict your account would go negative.

Sometimes you or your bank have arranged other withdrawals from your bank account that FirstStep Investments can't predict (like a new regular debit or bank fees).

So, your bank account could go negative and your FirstStep preferences may contribute to that. This may well mean you (not us) will need to pay a fee to your bank.

**Hot tip:** keep enough money in your bank account to cover these sorts of things. Banks have an annoying habit of charging you fees when your bank account is overdrawn.

## What else to know?

You need to be a human to have a FirstStep account – that is, not a company or a trustee or a partnership or robot or anything else.

You also need to be at least 18.

Your FirstStep account name needs to be your name – the one on your main ID (like your driver's licence).

If you change your name -say you get married and want to do that – then jump onto the App and tell us. The App may ask you for a photo of a document to help us establish this, like a new driver's licence. It may also ask you for an updated bank account with the new name.

If your ID expires then we may ask you to update our records when you get your new one or to provide another ID.

If you have given us a copy of something – for example a photo of your driver's licence – we may ask you to send us (in the post!) a certified copy of the original.

Your FirstStep account name also needs to be the same name as the bank account you link it to. You can change your bank account but the name still needs to be the same as your FirstStep account name.

Usually everyone that meets our criteria to be a FirstStepper is accepted into FirstStep. But we don't need to let everyone in and we don't need to tell anyone why.

#### Changing your mind - cooling off

You can change your mind about being a FirstStepper. This is called cooling off.

How? Just use the "Close my account" option in the App.

**In practice, cooling off is just the same as closing your account, except we won't charge you \$3.**

**Want to save that \$3? The law sets the timing: you have 14 days starting from the earlier of when we tell we have your first investment or the end of the 5<sup>th</sup> day after the day on which we made that investment to hit the "close my account" button.**

#### Closing your account

We would hate to see you go, but you can close your FirstStep account anytime!

How? Just use the "Close my account" option in the App.

FirstStep Investments will stop checking your bank account for money which can be invested, we will sell investments as we need to and you will be paid your FirstStep account balance less anything else you have to pay. We are usually done in a few days and FirstStep Investments will usually have the money in your bank account a day or two later.

If you close your account in the first three months we usually deduct a \$3 processing fee.

Closing your account isn't the same as withdrawing all your money from your FirstStep account. Closing it is the end! Unless you actually close your account FirstStep Investments will keep checking your linked bank account for other money they can invest for you through FirstStep!

If your account has been inactive for a while – as a rule of thumb, 3 months or more, we can close it without asking you and if you want to become a FirstStepper again you will need to rejoin.

#### Delays

**At any time you can request to withdraw your money from your FirstStep account. In unusual circumstances (and even after your request is processed) there can be delays in payment. Particularly, we can delay access to money invested in FirstStep if FirstStep becomes illiquid - the law and FirstStep's constitution dictate this or if it is not possible, or not in the best interests of Investors, for it to make the payment due to one or more circumstances outside its control.**

Account values are generally calculated at the time the delay ends. If there is a delay, we will make this known on our website and/or through the App and/or contact you.

#### Closing your account without you asking first

We can close your account without first asking you if you breach your legal obligations to OneVue, to satisfy money you owe OneVue or to anyone else relating to your investment, you fail to meet any minimum account balance OneVue may set from time to time, where law allows or where law stops you from legally being a FirstStepper.

### What else?\*

#### Need to know more?

Seek and ye shall find!

As a rule: if the issue is with the App, contact FirstStep Investments. If it is about FirstStep itself, contact them and then us.

If you still feel lost or still thirst for knowledge, contact FirstStep Investments. You can also contact us.

See the last page for contact details.

**FirstStep has regular reporting and disclosure obligations. Copies of documents we may lodge with the ASIC (such as any half-year and annual financial reports) may be obtained from or inspected at an ASIC office or distributor. We will send you copies of any document which we lodge, free on request.**

The information in this PDS is subject to change from time to time. If a change is not of such a nature that you would be materially adversely

affected by not receiving notice of it, the PDS may be updated by notice at [www.onevue.com.au](http://www.onevue.com.au) and you can request a paper copy free from us or your professional financial adviser. Otherwise, this PDS will be replaced or a supplementary PDS issued.

Information that OneVue is required to disclose to satisfy any continuous disclosure obligations will be available on our website and you can request a paper copy free from your professional financial adviser or by contacting OneVue.

Each September, FirstStep's audited accounts will also be available there (we will also email or mail them to you if you wish).

If you received this PDS electronically, a paper copy will be provided free from us during the life of this PDS.

#### Our custodian

We have appointed an independent custodian to hold the assets of the Fund.

AET Executor Trustees Limited (AET) is one of Australia's largest and oldest licensed trustee companies. AET has been providing custody and trustee services for over 130 years, having been established in 1880. AET is a member of the IOOF Holdings Limited ("IOOF") Group, a leading provider of wealth management products and services in Australia. IOOF is an ASX200 listed company.

AET Executor Trustees Limited is appointed under a Custodian Agreement. The Custodian's role is to hold the assets in its name and act on the direction of FirstStep Investments to effect cash and investment transactions.

AET Executor Trustees Limited has no supervisory role in relation to the operation of the Fund and has no liability or responsibility to a unit holder for any act done or omission made in accordance with the Custodian Agreement.

AET Executor Trustees Limited's role as Custodian is limited to holding the assets of the Fund.

#### Communications

Subject to relevant law, communications from us to you may be in any form we determine. We often use email. We use the last physical or electronic address we have as your contact details.

Subject to relevant law, communications from you to us must be in the form we determine. We can for example require this to be in writing, or for a document to be a certified copy.

FirstStep's constitution sets out the details of the rules for how and when communications are given and received, for example, emails are taken to be received by you an hour after sending (or the next morning of not a Sydney business day) provided we have no reason to doubt successful sending, and communications from you to us or to someone on our behalf are taken to be received only when actually received.

You should check your mail, emails and other communications regularly. If you suspect we haven't received something you sent us (for example, an email), please check with us.

#### Your rights and other important issues

Our legal relationship with FirstSteppers is governed by FirstStep's constitution together with this PDS and certain laws. Some provisions are discussed elsewhere in this PDS and others include:

- the nature of units of FirstStep - all units of each class are identical,
- our powers and how and when we can exercise them,
- when FirstStep terminates - we can terminate FirstStep at any time and eligible FirstSteppers share the net proceeds on a pro-rata basis,
- when we can retire and what happens if we do - usually another responsible entity will be appointed, and
- changing FirstStep's constitution - we usually need FirstSteppers' approval for any changes which are adverse to rights.

We will send you a copy of FirstStep's constitution free if you ask.

#### Meetings and changes of responsible entity

Investor meetings are uncommon.

Investors can generally attend and vote and meetings are largely regulated by the Corporations Act. The quorum is generally at least 2 FirstSteppers present in person or by proxy together holding at least 10% of all units in the relevant class.

Changes of responsible entity are also uncommon. They too are largely regulated by the Corporations Act. Investors can requisition a meeting as law allows.

#### Terminating FirstStep

We terminate FirstStep anytime, and if we do, we will generally sell all the investments, pay all monies owing (including fees and expenses) and distribute the net proceeds to FirstSteppers. It can take some time to finalise this process: winding up must be completed as soon as is practicable after FirstStep has terminated.

#### Limits on our responsibility

FirstStep's constitution has some limits on when we are liable to FirstSteppers for example, subject to any liability which the Corporations Act might impose on us which cannot be excluded, we may take and may act (or not act, as relevant) on any advice, information and documents which we have no reason to doubt is authentic, accurate or genuine. We are not liable in contract, tort or otherwise to Investors for any loss suffered in any way relating to FirstStep except to the extent that the Corporations Act imposes such liability.

FirstStep's constitution also contains a provision that FirstStep's constitution is the source of our relationship with direct FirstSteppers and not any other laws, except those laws we cannot exclude.

#### Limits on your responsibility

We have included provisions in FirstStep's constitution designed to protect FirstSteppers. FirstStep's constitution limits each FirstStepper's liability to the value of their investment in FirstStep and provides that they will not, by reason of being an FirstStepper alone, be personally liable to indemnify us and/or any creditor of ours in the event that the liabilities of FirstStep exceed the assets of FirstStep. However, an absolute assurance about these things cannot be given – the issue has not been finally determined by Australian courts.

#### Keep your details up to date

Don't disappear!

We understand things change but it's really important to keep your details up to date. Especially your email, your mobile, your name and your linked account. Use the App to correct them when required.

You must, in a timely way, and in such way as we or FirstStep investments or anyone on their behalf, requires (for example, through the App or by sending certified copies), provide all information reasonably requested or which you suspect any of them should know to perform their functions, for example, regarding your identity or the source or use of invested moneys.

#### Your promises when you become a FirstStepper

When you apply to invest, you are promising to us:

- you have received, read and understood the current PDS (including the Additional Information booklet and the Investment Options booklet),
- monies taken from your linked account are not associated with crime, terrorism, money laundering or terrorism financing, nor will monies paid to your linked account have any such association,
- you are not bankrupt or less than 18 years old, and
- you agree to be bound by FirstStep's constitution and this document (including the Additional Information booklet and Investment Options booklet) as supplemented, replaced, re-issued or updated from time to time.

#### Complaints

If something FirstStep Investments does disappoints you, contact them. Use the App.

If something we do disappoints you, contact us.

Or if you crave human contact, call FirstStep Investments or OneVue direct.

If you aren't sure who to speak to, call us.

#### Privacy

We and FirstStep Investments get it! Your personal information is, well, personal.

Obviously, we and FirstStep Investments use personal information to provide this service. We share it with those who help us provide the service. Like the company that helps FirstStep Investments check your identity as law requires.

It may also be used to make service enhancements such as looking for patterns in your transactions and offering suggestions to you on how you might manage your money differently.

**If you do not provide us with your contact details and other personal information which we ask for, we may not be able to have or keep you as a FirstStepper. You may access the personal information about you that we hold. If details we hold about you are incorrect, they will generally be corrected, always free, if you contact us.**

**Neither we nor FirstStep ever sell your personal information to anyone.**

More information on how FirstStep Investments manages privacy is available on the App. Our Privacy Policy on our website, available free of course.

#### Legal structure

FirstStep is an Australian unit trust regulated as a managed investment scheme under the Corporations Act.

It is available to both retail clients and wholesale clients as the Corporations Act defines these. Although it is registered by the ASIC under the Corporations Act, the ASIC takes no responsibility for FirstStep or this PDS.

#### Legal matters

The offer made in this document is only available to persons receiving this document in Australia, electronically or otherwise.

Dollars are Australian dollars inclusive of GST after allowing for any reduced input tax credits.

Your investment in FirstStep is governed by the terms and conditions described in the PDS as well as FirstStep's constitution, as those documents are supplemented, replaced or re-issued from time to time. Copies of those documents are available free from us.

Your use of the App is governed by the terms and conditions of the App as supplemented, replaced or updated from time to time. FirstStep Investments is responsible for the App, not OneVue. But you do promise to us that you will comply with the terms and conditions of the App.

#### Consents

FirstStep Investments has given and not withdrawn its consent to it being named in this PDS in the form and context in which those references appear, and to the inclusion of the statements describing it and those the Investment Options and the App. It makes no other statements or representations in this PDS.

AET Executor Trustees Limited has not withdrawn its consent to be named in this PDS as custodian of the Fund in the form and context in which it is named. AET Executor Trustees Limited does not make, or purport to make, any statement that is included in this PDS and there is no statement in this PDS which is based on any statement by AET Executor Trustees Limited.

To the maximum extent permitted by law, AET Executor Trustees Limited expressly disclaims and takes no responsibility for any part of this PDS other than the references to its name. AET Executor Trustees Pty Limited does not guarantee the repayment of capital or any particular rate of capital or income return.

## Help!

### Download the App

Apple's App Store

Google Play

The Windows Store.

If the App isn't there, it will be soon!!

### Visit the website

[getfirststep.com](http://getfirststep.com)

### Contact FirstStep Investments

E: [hello@getfirststep.com](mailto:hello@getfirststep.com)

FirstStep Investments Australia Pty Ltd

Australian company number 612 834 947

### Contact OneVue

T: +61 2 8252 2200

E: [reservices@onevue.com.au](mailto:reservices@onevue.com.au)

[www.onevue.com.au](http://www.onevue.com.au)

OneVue RE Services Limited

Australian business number 94 101 103 011

Australian financial service licence 223 271

Level 5, 10 Spring Street

Sydney NSW 2000 Australia