

# United Capital Secure Fund

## Product Disclosure Statement



The Responsible Entity of the United  
Capital Secure Fund is  
Australian Executor Trustees Limited  
ABN 84 007 869 794  
AFSL No 240023

The Investment Manager is  
United Funds Management Limited  
ABN 65 073 186 419  
AFSL No 240973

This Product Disclosure Statement was  
issued on 9 January 2007



## Important information

Australian Executor Trustees Limited is the issuer of this Product Disclosure Statement (PDS) and the Responsible Entity of the United Capital Secure Fund (Fund).

The offer made in this PDS is, subject to the terms and conditions described in this PDS, available to persons receiving an electronic PDS within Australia. Australian Executor Trustees Limited reserves the right to change the terms and conditions relating to the offer set out in this PDS. The distribution of this PDS (including being made accessible on any computer network) in jurisdictions outside Australia may be subject to legal restrictions, therefore any person residing outside Australia who receives or accesses this PDS should seek independent legal advice and should comply with any such restrictions as failure may constitute a violation of securities laws.

This PDS does not constitute an offer or invitation in any place where, or any person to whom, it would not be lawful to make such an offer or invitation. You should rely only on the information set out in this PDS.

This PDS does not take into account the objectives, financial situation or needs of any particular investor. You may wish to obtain advice from a financial adviser before making an investment decision.

Applications can only be made on the Application form attached to the back of this PDS or an Application form that is accompanied by an electronic version of this PDS available from [www.united.com.au](http://www.united.com.au). Details of where to lodge the Application form and the method of payment are set out in the Application form.

A copy of the constitution governing the Fund and further information may be obtained by contacting the Investment Manager at the address or telephone number shown on page 2.

If you have received this PDS and Application form from the internet or other electronic means and would like a copy of the printed PDS, you will be sent one, free of charge, on request.

None of United Funds Management Limited, Australian Executor Trustees Limited, Australian Wealth Management Limited or its subsidiaries, nor their respective officers, guarantee the repayment of capital from, or the performance of, the Fund. Investments in the Fund are subject to investment risk, including possible delays in repayment and loss of income and principal invested.

# Contents

|   |    |
|---|----|
| Important information                           |    |
| Introductions to the United Capital Secure Fund | 2  |
| Key features and benefits                       | 3  |
| What are the benefits                           | 3  |
| Investing and redeeming                         | 4  |
| Fees and other costs                            | 6  |
| Additional explanation of fees and costs        | 8  |
| Example of annual fees and costs                | 10 |
| What are the investment risks?                  | 10 |
| United Capital Secure Fund profile              | 11 |
| Taxation information                            | 12 |
| Investor information                            | 13 |
| Completing the Application form                 | 17 |
| Declarations                                    | 18 |
| Application form                                | 19 |
| Directory                                       |    |

# Introduction to the United Capital Secure Fund

## About the United Capital Secure Fund

The United Capital Secure Fund (Fund) is a managed investment scheme established under the United Capital Secure Fund Constitution (Constitution). The Fund is a wholesale fund managed by United.

The Fund aims to provide investors with income and the potential for capital gains.

The Fund is designed for use by professional investors and in conjunction with master trust and Investor Directed Portfolio Service (IDPS) and IDPS-like schemes. The Fund is suitable for investors who:

- seek a medium risk investment to be viewed over a rolling one year period;
- require some exposure to growth asset but require regular income; and
- seek to diversify the fixed interest or income-product segment of their portfolio and who are willing to accept some risks in return for higher performance.

## The Fund's investment objective

The investment objective of the Fund is to earn a positive rate of return, after tax, fees and expenses, over a rolling one-year period.

## The Fund's investment approach

The intended investment approach of the Fund is to adopt multi-manager sector-specialist, by outsourcing the security selection function to a range of high-quality investment managers, who have specialised skills and expertise at managing investments within a specific asset class. United blends a selection of investment managers with complementary investment styles to achieve a style neutral portfolio, which it believes will provide superior returns to any single manager. United adopts a passive asset allocation strategy.

## About the Responsible Entity

Australian Executor Trustees Limited ABN 84 007 869 794 is the responsible entity of the Fund and is referred to in this document as the 'Responsible Entity'. The Responsible Entity is responsible for the operations, management and administration of the Fund and has appointed certain parties to provide some services on our behalf, as outlined in this PDS. The Responsible Entity is a wholly owned subsidiary of Australian Wealth Management Limited. In this PDS, 'us', 'we' or 'our' means the Responsible Entity, or someone acting on our behalf.

## About the Investment Manager

United Funds Management Limited ABN 65 073 186 419 is the investment manager of the Fund and is referred to in this document as 'United' or 'Investment Manager'. The Investment Manager has been appointed by the Responsible Entity to invest the assets of the Fund. The Investment Manager also administers the Fund on behalf of the Responsible Entity. United is a wholly owned subsidiary of Australian Wealth Management Limited.

## About the Custodian

BNP Paribas Fund Services Australasia Pty Ltd ABN 71 002 655 674 is the Custodian of the Fund and is referred to in this document as the 'BNP Paribas'. BNP Paribas has been appointed by the Responsible Entity to hold and value the Fund assets.

## About Australian Wealth Management Limited

Australian Wealth Management Limited ABN 53 111 116 511 is an integrated financial services company with a suite of products and services designed to provide continuing services to clients from the wealth accumulation phase, into retirement and across into the next generation. Australian Wealth Management Limited is listed on the Australian Stock Exchange Limited.

## For more information

After reading this PDS you may have further questions. United will be happy to supply you with the information you need to be comfortable with your investment choice. If you have received this PDS and Application form from the internet or other electronic means and would like a copy of the printed PDS, United will send one to you, free of charge, on request. Their contact details are as follows:

|           |  |
|-----------|--|
| Phone     | 1800 333 700<br>(8:00 am to 6:00 pm Eastern Standard Time) |
| Facsimile | 03 6215 5933   |
| Email     | email@united.com.au  |
| Website   | www.united.com.au  |
| Address   | Level 3, 30 Collins Street<br>Melbourne VIC 3000           |

## Labour standards, environmental, social and ethical issues

Labour standards, environmental, social and ethical considerations are not considered when United selects investment strategies or appoints investment managers.

# Key features and benefits

| United Capital Secure Fund          |                        |
|-------------------------------------|------------------------|
| Australian Registered Scheme Number | 122 582 405            |
| APIR code                           | AUX0007AU              |
| Features                            |                        |
| Risk profile                        | Medium                 |
| Asset class                         | Multi-sector           |
| Date of Constitution for the Fund   | 1 December 2006        |
| Minimum initial investment          | \$100,000 <sup>1</sup> |
| Minimum balance                     | \$100,000              |
| Minimum additional investment       | No minimum             |
| Minimum redemption                  | No minimum             |
| Unit price                          | Daily                  |
| Income distributions                | Quarterly              |
| Reporting                           |                        |
| Newsletter                          | Monthly                |
| Distribution statement              | Quarterly              |
| Tax statement                       | Annually               |

Notes:

1. Or a lesser amount as agreed with the investor, subject to requirements of the Corporations Act. Refer page 4 'Who may invest in the Fund'.

## What are the benefits?

The Fund has features that make it an attractive part of an investment portfolio including:

- adding further diversification to an investment portfolio;
- providing access to, in our opinion some of the best and most experienced investment talent; and
- receipt of income – you will generally receive regular income from your investment in the form of distributions. Further information regarding the frequency of distribution is contained on page 4.

# Investing and redeeming

## Master fund and IDPS Investor

The Responsible Entity has authorised the use of this PDS as disclosure to clients or prospective clients of Investor Directed Portfolio Services (IDPS) and IDPS-like schemes (Services).

These Services provide investors with a menu of investment opportunities and allow the investor to make all the investment decisions.

Investors who invest through Services (Investors) may rely on the information in this PDS to give a direction to the operator of the Service to invest in the Fund on their behalf. The Responsible Entity agrees to provide notice to the operators of the Services promptly of any supplementary or replacement PDS that is issued under the Corporations Act 2001 (Corporations Act).

Investors who invest in the Fund through Services do not themselves become unitholders of the Fund (Unitholders). The Unitholder's rights set out in this PDS may only be exercised by the operator of the Service on behalf of the Investor for whom they have acquired the units. Investors should read this PDS in conjunction with the offer documents issued by the operators of their Service.

Investors complete the application forms for their Service and receive reports concerning the Fund from the operator of their Service. Enquiries should be directed to the operator of the Service.

## Who may invest in the Fund?

You may only invest in the Fund through this PDS if you are a 'Wholesale Client' as that term is defined in section 761G of the Corporations Act 2001, or if you are investing through a Service.

## How to invest

If you are investing through a Service, the operator of your Service will complete Application form for you. Do not complete the Application form attached to this PDS.

If you are a Wholesale Client – please complete and return the Application form accompanying this PDS to the Custodian. See 'Returning your Application form and application monies' on page 17.

The minimum initial investment amount for investors is \$100,000. If you are investing through a Service the operator of the Service will be able to provide you with your minimum investment requirements.

If we are unable to process an application, the application monies will be placed into an application account. Any interest earned in the application account will not be paid to you but will be paid into the Fund. We will return the application money within 30 days of its receipt or, if it is not reasonably practicable to do so, by the end of such longer period as is reasonable in the circumstances. If we cannot process an application during this time, we will return the application money by cheque.

## Unit price and valuations

Your investment is represented by the number of units you are allocated at the time of investment.

The value of each unit of the Fund is the net asset value of the Fund including any accrued income not yet distributed, divided by the number of units issued in the Fund. This is known as the 'unit price'. Normally, we value the Fund and calculate the unit price on each business day. The unit price may rise or fall accordingly.

## Purchase price of units

The purchase price of a unit is the unit price plus an allowance for transaction costs and taxes. For further information on transaction costs refer to page 9. We calculate the purchase price using the value of the Fund on the day of the application. We process valid Application forms and application monies received by 3:00 pm Sydney time on any business day at the purchase price calculated for that day. We process Application forms received after this at the purchase price calculated for the next business day.

## Additional investments

There is no minimum additional investment amount. You can make additional investments at any time by:

- completing and returning another Application form attached to a current PDS. Tick the box 'Additional investment' in the Investor Details section of the form and write in your Investor Number; or
- writing a letter signed by the appropriate signatories.

## Income distributions

The Fund distributes income quarterly and any income from the Fund is usually paid within 3 days (and in any event within 60 days) after the end of the relevant distribution period. Income is distributed to all Unitholders who hold units at the end of each distribution period.

Because a distribution reduces the Fund's assets, if you invest just before the end of a distribution period, you may find you have some of your capital back as income. This may effect your tax position.

You can tell us to:

- pay your distributions directly into your bank account; or
- reinvest them in the relevant Fund.

Tell us in the relevant section of the Application form. If you tell us to pay them to your bank account, fill in your bank account details on the Application form. If you do not tell us, we will pay your distribution to you by cheque.

## Redemption of units

There is no minimum redemption amount. You can redeem all, or part, of your investment in this Fund at any time (after your application monies have cleared) by completing and returning a Redemption Request form, available from United. It is our policy to pay redemptions within 20 business days of receiving a written request. However, under the Constitution we have up to 30 days (after receiving the redemption request) to pay and, in some circumstances, even longer. This may happen, for example, where we cannot sell Fund assets to meet your redemption request at the prices that we would get if the assets were sold in an orderly fashion over a reasonable period in a stable market.

Fax or send signed redemption requests to the custodian at:

- BNP Paribas Securities Services Registry Team  
PO Box R209  
Royal Exchange NSW 1225  
Facsimile 02 9222 0010

If an investor's withdrawal request would cause the balance to fall below the minimum amount, United may treat it as a request for a full withdrawal.

See 'More about redemptions' on page 14.

## Transfer of units

Unitholders may transfer their units but, under the Constitution we may refuse to register the transfer. Contact United on 1800 333 700 if you wish to transfer your units.

## Redemption price of units

The redemption price of a unit is the unit price less an allowance for transaction costs and taxes. We calculate the redemption price using the value of the Fund that applied on the day we receive the redemption request.

Valid redemption requests received by 3:00 pm Sydney time on any business day will be processed at the redemption price calculated for that day, except in certain circumstances as referred to on page 14.

Redemption requests received after this time will be processed at the redemption price calculated for the next business day.

## Unit classes

Presently there is only one class of units on issue per Fund. However, we intend to create separate classes of units in the future. If we create different classes of units in the Fund, only the fees may be different. When we negotiate reduced fees for particular Unitholders we may create a new class of units to reflect those reduced fees. See 'Investment Manager Fee' on page 8.

## Cooling-off

There is no cooling off period because only 'Wholesale Clients' may invest in the Fund. If you are investing into the Fund through a Service, contact the operator of the Service for information about any cooling off period that applies in relation to the Service.

## Borrowing

Under the Constitution the Fund can borrow but we do not currently intend to do so. If we decide to borrow we will provide at least 30 days' notice to Unitholders and we will re-issue or supplement this PDS.

## Keeping track of your investments

You will receive regular information about your investment and the Fund from United. This information includes:

- a confirmation statement each time a transaction occurs on your account, including when we issue units or you redeem them;
- an income distribution statement at the end of each distribution period when a distribution has been made;
- an annual tax information statement;
- audited annual accounts of the income, expenditure, assets and liabilities of the Fund; and
- access to regular newsletter discussing relevant issues in the economy and financial markets and the performance of the Fund, available from [www.united.com.au](http://www.united.com.au).

# Fees and other costs

## Consumer Advisory Warning

### **DID YOU KNOW?**

Small differences in both investment performances 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 Fund's 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 Investment Commission (ASIC) website ([www.fido.asic.gov.au](http://www.fido.asic.gov.au)) has a managed investment fee calculator to help you check out different fee options.

This document shows the fees and other costs that you may be charged. These fees and costs may be deducted from your account, from the returns on your investment or from the Fund assets as a whole.

Taxes are set out in another part of this document.

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 <sup>1</sup>   | How and when paid   |
|--|---|---|
| <b>Fees when your money moves in or out of the Fund</b>  |   |   |
| <b>Establishment Fee</b><br>The fee to open your investment  | Nil   | Not applicable  |
| <b>Contribution Fee</b><br>The fee on each amount contributed to your investment, either by you or your employer | Nil   | Not applicable  |
| <b>Withdrawal Fee</b><br>The fee on each amount you take out of your investment                                  | Nil   | Not applicable  |
| <b>Termination Fee</b><br>The fee to close your investment   | Nil   | Not applicable  |
| <b>Management Costs</b>  |   |   |
| <b>Management Costs<sup>2</sup></b><br>The fees and costs for managing your investment                           | <b>Responsible Entity Fee</b><br>0.02% pa<br><br><b>Investment Management Fee</b><br>0.41% pa <sup>2</sup><br><br><b>Underlying Investment Management Fee</b><br>0.10–1.00% pa<br><br><b>Performance Fee</b><br>0.10% pa (estimate) <sup>3</sup><br><br><b>Other Fund Expenses</b><br>0.20% pa (estimate) <sup>4</sup><br><br>For a worked dollar example of the fees see 'Example of annual fees and costs' on page 10 | These fees and costs are calculated daily and paid monthly out of the Fund's assets |
| <b>Service Fees</b>  |   |   |
| <b>Investment Switching Fee</b><br>The fee charged for changing the investment options                           | Not applicable  | Not applicable  |

Notes:

1 Amounts shown include GST net of any applicable Reduced Input Tax Credits.

2 This fee may be negotiated. See 'Investment Manager Fee' in the 'Additional explanation of fees and costs' on page 8.

3 This is an estimate. The amount payable may be more than the estimate. See 'Performance Fees' in 'Additional explanation of fees and costs' on page 8.

4 This is an estimate. The amount payable may be more than the estimate. See 'Other Fund Expenses' in 'Additional explanation of fees and costs' on page 8.

# Additional explanation of fees and costs

## **IDPS and IDPS-like Investors**

If you are investing through a Service there may be additional fees or other costs. Please check with the Service operator.

## **Management Costs**

The most recently calculated Management Costs for the Fund are available from [www.united.com.au](http://www.united.com.au) or from United Investor Services on 1800 333 700.

The Management Costs are made of five components.

## **Responsible Entity Fee**

This is the fee paid to the Responsible Entity for acting as the responsible entity of the Fund. The Responsible Entity Fee is 0.02% pa (or \$10 annually if you have invested \$50,000). However, the maximum fee that the Responsible Entity can charge under the constitution for the Fund is 5% pa (See 'Increases or alterations in the fees' on page 9).

## **Investment Manager Fee**

This is the fee paid to United for managing the Fund's investments. The Investment Manager Fee is calculated and accrued daily within the Fund and paid monthly.

Currently, this fee is 0.41% pa of the gross asset value of the Fund (or \$4.10 annually per \$1,000 invested).

United may agree to rebate some of the Investment Manager Fee for certain investors who come where this is considered appropriate, given the scale of the investment. We will pay any rebates from United's own fee and will not affect other Unitholders in the Fund. Prospective investors should contact United on 1800 333 700 to directly negotiate the Investment Manager Fee.

## **Underlying Investment Management Fee**

These are the fees charged by underlying investment managers. The Underlying Investment Management Fees are calculated and accrued daily within the Fund. Payment is generally made on a quarterly basis, but frequency of payment may vary between underlying investment managers.

Currently, all security selection decisions within the Fund are managed directly by United. Therefore, no fees are presently paid to external underlying investment managers. However, United, with the agreement of the Responsible Entity, may outsource all or part of the security selection investment management responsibilities to one or more external investment managers.

Any Underlying Investment Management fees payable to underlying investment managers would be payable by the Fund in addition to the Investment Management Fee payable to United. These fees will be between 0.10% and 1.00% pa of the gross value of the asset of the Fund.

**For example:** if you have invested \$50,000 in this Fund, and the Underlying Investment Management Fee is between 0.10% and 1.00%, the Underlying Investment Management Fee will be between \$50 and \$500 pa.

## **Performance Fees**

Some Underlying Investment Manager Agreements may include performance based fees. Where they apply, the underlying investment manager may be entitled to additional fees if they out-perform a tailored benchmark over a defined period of time. The benchmark may consist of an explicit index plus a margin. Some agreements may take into consideration any underperformance from a previous period(s) when calculating performance fees and some limit the performance fee payable in any one period. If a performance fee is paid to an underlying investment manager in relation for a period, it would be the result of a corresponding increased in performance from the specific investment manager over the period.

The estimated Performance Fees are shown on page 11.

**For example:** if you have invested \$50,000 in the Fund and the estimated Performance Fee is 0.10%, the Performance Fee is \$50 pa.

## **Other Fund Expenses**

Only properly incurred expenses that are referable to all Unitholders will be deducted from the Fund. These include custodian, audit, legal, printing, postage, regulator expenses. The Constitution does not place any limit on the amount of expense that can be paid from a Fund.

The estimate of Other Fund Expenses shown in the fee table on page 7 will vary from time to time. The actual percentage amount charged will vary, depending on the amount of the expenses relative to the size of total assets within the Fund and may exceed the estimates shown.

An allowance for expenses is calculated daily is excluded from the value of the Fund when the unit price is calculated. The expenses themselves are paid as they fall due.

**For example:** the estimated Other Fund Expenses for the Fund is 0.20% pa. If you have \$50,000 invested in the Fund, the estimated Other Fund Expenses is \$100 pa.

## Transaction costs

### Buy/Sell Spread

The redemption price of your unit holdings may be up to 0.25% lower than the purchase price.

This is an indirect cost, which is reflected in the difference between the purchase price of units (see page 4) and the redemption price of units (see page 5) and is an additional cost to you. It is incurred at the time you purchase or redeem units in the Fund. The most recently calculated Buy/Sell Spread for the Fund is available from [www.united.com.au](http://www.united.com.au) or from United Investor Services on 1800 333 700.

No part of the Buy/Sell Spread is paid to us or United or any underlying investment manager.

The estimated Buy/Sell Spread for the Fund is 0.25%.

**For example:** if you invest \$5,000 in this Fund, the estimated Buy/Sell Spread will be \$12.50.

### Incidental fees

The Responsible Entity may recover from the Unitholder or from their redemption proceeds costs incurred with Real Time Gross Settlement (RTGS) redemptions. RTGS is a payment mechanism that enables funds to be received that day, rather than the traditional banking system exchanges that occur each night.

## Taxation

The impact of taxes is described on page 12 of this PDS.

## Effects of GST

The fees and costs described in this section are inclusive of the net effect of the GST.

## Promotional services fees

The Responsible Entity may pay a portion of the Investment Manager Fee to a Unitholder's financial planner and/or AFSL holder. This is not an additional charge to a Unitholder.

The Responsible Entity may also pay a portion of the Investment Manager Fee to the operators of some master trust and Services that offers this Fund on their investment menus. United may also offer resources for marketing and product support to the master trust or the Service. This is not an additional charge to the Unitholder for investing in the Fund.

## Alternative remuneration register

As a member of IFSA, we maintain an Alternative Forms of Remuneration Register. The register, which you can review by contacting us, outlines some alternative forms of remuneration that we may pay to or receive from licensees, fund managers or representatives (if any is paid or received in relation to the Fund).

## Increases or alterations in the fees

The Performance Fees, Other Fund Expenses and transaction costs shown in this PDS are estimates only. The actual fees and cost may exceed the estimates shown. If they do the increase will be passed on to you without notice. Prior to any other increase in fees United will give you at least 30 days' written notice.

Under the Constitution, the Responsible Entity may charge contribution, conversion, withdrawal and additional performance fees up to the limits specified in the Constitution. The Responsible Entity will give you at least at least 30 days' written notice of the imposition of any of these fees.

# Example of annual fees and costs

The following table gives an example of how the fees and costs in the United Capital Secure Fund can affect your investment over a one year period. You should use this table to compare the Fund's costs with other managed investment products.

| Example – United Capital Secure Fund |                 | BALANCE OF \$100,000* WITH A CONTRIBUTION OF \$5,000 DURING THE YEAR.   |
|--------------------------------------|-----------------|---|
| Contribution Fee                     | Nil             | For every additional \$5,000 you put in you will be charged \$0.  |
| <b>PLUS</b> Management Cost**        | 0.83 – 1.10% pa | And, For every \$100,000 you have in the Fund, you will be charged \$830 – \$1,100 pa   |
| <b>EQUALS</b> cost of the Fund       |                 | If you had an investment of \$100,000 at the beginning of the year and you put in an additional \$5,000 during that year, you would be charged fees from<br><br><b>\$830 to \$1,100</b><br><br>What it costs you will depend on the fees you negotiate with the Fund. |

\* This includes the contribution of \$5,000 which is made at the beginning of the year.

\*\* Includes estimate of Performance Fees and Other Fund Expenses which may vary. See 'Management Costs' in the table on page 7 for a more detailed description of how the management costs are calculated.

## What are the investment risks?

All investments in the Fund carries risks and is subject to different and potentially greater risk than an investment in a traditional fixed interest fund. The reason for the potential increased risk is that a significant portion of the Fund may invest hybrid debt/equity securities and high yield securities that are either unrated or rated below investment grade.

Risk commonly associated with investing in the Fund include:

**Market risk:** economic, technological, political or legal conditions, and even market sentiment, can (and do) change, and this can mean the investments in those market can change in value.

**Investment manager risk:** the risk that the Investment Manager fails to anticipate market movements, manage risks or execute the Fund's investment strategy effectively.

**Investment specific risk:** the risk that the performance factors relating to a particular security, for example credit rating, could deteriorate.

**Equity risk:** the risk that the value of a company's shares fall because of unexpected and adverse changes in the company's operations or its environment.

**Interest rate risk:** changes in interest rates can have a negative impact directly or indirectly on investment value

or returns, for example the income return on a fixed interest security can become less favourable and your invest investment amount can depreciate.

**Currency risk:** the risk of incurring losses in relation to the value of overseas investments as a result of movements in international exchange rates, that is, the price of a currency in terms of another.

**Credit risk:** the risk of suffering loss owing to another party defaulting on its financial obligations.

**Conversion risk:** the risk associated with a hybrid security that can convert into an ordinary share that cannot be readily changed into an equivalent value of cash.

**Basis risk:** the risk derivatives used to hedge the risk in physical securities do not accurately reflect valuation for the underlying physical securities on which they are based.

**Liquidity risk:** the risk that an investment may not be easily converted into an ordinary share that cannot be readily changed into an equivalent value of cash.

**Regulatory risk:** the risk that the value of some investments may be adversely affected by changes in government policies, regulations and taxation laws. In particular, changes in tax rates may affect the price of franked securities.

# United Capital Secure Fund Profile

|  |  |                                      |           |
|--|--|--------------------------------------|-----------|
| <b>Inception date</b>                  | December 2006  |                                      |           |
| <b>Investment objective</b>            | The investment objective of the Fund is to earn a positive rate of return, after tax, fees and expenses, over a rolling one-year period.   |                                      |           |
| <b>Investment strategy</b>             | The Fund is an actively managed portfolio which invests primarily in a diversified portfolio of yield focussed investment grade and non-investment grade securities. These include, but are not limited to: cash, fixed interest, high yield, mortgages, asset-backed securities; property trusts, infrastructure trusts, high yield equities, credit linked securities, structured yield transactions and interest rate derivatives.  |                                      |           |
| <b>Asset class ranges</b>              | 0 – 20% ■ Australian Equities<br>0 – 20% ■ International Equities<br>0 – 20% ■ Property<br>30 – 70% ■ Fixed Interest<br>30 – 70% ■ Cash<br>0 – 60% ■ Alternatives  |                                      |           |
| <b>Asset allocation as at 30/09/06</b> | Strategic  |                                      |           |
|  | Australian Equities  | 5%                                   |           |
|  | International Equities   | 5%                                   |           |
|  | Australian Property Securities   | 2.5%                                 |           |
|  | International Property Securities  | 2.5%                                 |           |
|  | Australian Fixed Interest Securities   | 15%                                  |           |
|  | International Fixed Interest Securities  | 15%                                  |           |
|  | Alternatives   | 25%                                  |           |
|  | Cash   | 30%                                  |           |
| <b>Investment risk</b>                 | <p><b>Upside:</b> Diversification across multiple asset classes can enhance returns and reduce risk, compared to investing in only one or relatively few asset classes. A weighting largely towards low risk assets generally results in more stable returns over the short term compared to portfolios with higher allocations to high risk assets.</p> <p><b>Downside:</b> A weighting towards low risk assets generally results in lower expected returns over the long term compared to portfolios with higher weightings to high risk assets.</p> |                                      |           |
| <b>Investment horizon</b>              | 1 Year   | Income distribution                  | Quarterly |
| <b>Buy/Sell Spread</b>                 | 0.25%  | Underlying Investment Management Fee | 0.10% pa  |
| <b>Other Fund Expenses*</b>            | 0.20% pa   | Estimated Total Management Cost**    | 1.10% pa  |

\* This is an estimate. The amount payable may be more than the estimate.

\*\* This is an estimate that includes the Responsible Entity Fee, the Investment Manager Fee, and estimates of each of the Underlying Investment Management Fee, the Performance Fee and Other Fund Expenses. The amount payable may be more than the estimate.

The United Capital Secure Fund commenced in December 2006 and therefore at the time of publication there is no performance history.

For up-to-date performance information, call United on 1800 333 700 or see 'Investment Profiles' on United's website at [www.united.com.au](http://www.united.com.au).

# Taxation information

Investing in managed funds has tax and often social security implications which can be complex and which are invariably particular to your individual circumstances, including the type of taxpayer you are (for example individual, company, super fund, trust etc). We urge you to seek professional advice on the tax implications of investing. This information is a general guide only (it is not applicable to units held for trading purposes), and should not be solely relied upon as it does not relate to your individual circumstances and tax laws change frequently.

Any taxable income derived by you during a financial year will form part of your assessable income. Normally, you will be taxed on your distributions in the financial year to which the distribution relates, even if it is reinvested or received in the next year. Interest and dividend income will generally be assessable in the year it is received into your account. The benefits of any imputation credits or foreign tax credits arising from your investment are generally passed to you.

If investments are redeemed to enable you to withdraw money from the Fund, this is treated as a disposal of investments for tax purposes. You may be subject to Capital Gains Tax on the disposal of these units.

The ongoing management fees paid by you for investing through the Fund are deducted from the income of the Fund prior to the calculation of any distribution. Any Management Fee Rebate you receive will be taxable income to you.

The government has been undertaking substantial income taxation changes following the Review of Business Taxation (RBT). Some of the RBT recommendations have already been introduced into law, others are in bill form or are the subject of general public announcements. Other proposals have been deferred. Accordingly, against this background of change, we strongly recommend that you seek professional taxation advice in relation to your investment.

Collection of tax file numbers (TFN) is authorised and their use and disclosure are strictly regulated by the tax laws and Privacy Act. Quotation of a TFN is not compulsory, but tax is required to be deducted from your distributions at the highest marginal rate plus Medicare levy if you do not quote your TFN or claim an exemption. By quoting your TFN, you authorise us to apply it to your investment and you authorise its disclosure to the Australian Taxation Office (ATO). For more information about the use of TFNs, contact the ATO.

If you are not an Australian resident, Australian non-resident withholding tax will be withheld from distributions at the prescribed rates. You are subject to the tax laws in your country and should consult a taxation adviser before investing. An income tax report and a capital gains tax report will be forwarded to you each year to assist you in preparing your income tax return. As a consequence of recent legislative amendments, non-resident investors should not be subject to Australian Capital Gains Tax on the disposal of units, unless the underlying investments consist principally of Australian real property. The Federal Government announced in the May 2006 Federal Budget that the withholding tax regime for taxable income (other than dividends, interest or royalties) distributed to non-residents by Australian managed funds will be simplified. This measure will take effect from 1 July following the enactment of the legislation. All Australian managed funds will be required to collect a non-final withholding tax at the company tax rate (currently 30%) on this income. To date no legislation has been drafted to affect this change.

The above taxation information has been prepared by Deloitte Growth Solutions Pty Limited based on taxation legislation in force as at 13 October 2006. The above information may not be applicable to your investment and we strongly advise you to seek professional taxation advice in relation to your investment.

# Investor information

## Managed investments schemes

The Fund is a registered managed investment scheme under the Managed Investments Schemes provisions in Chapter 5C of the Corporations Act (Chapter 5C). Australian Executor Trustees Limited is the Responsible Entity who operates the Fund.

Chapter 5C contains various provisions dealing with the duties and responsibilities of the Responsible Entity and its officers, changing the Responsible Entity, the contents of the Constitution and the requirement for the Responsible Entity to have in place a compliance plan for the Fund.

We have registered a compliance plan with ASIC for the Fund. The plan sets out the procedures in place to ensure that the Fund is operated in accordance with the Corporations Act and the Constitution.

As the Responsible Entity presently has a board, at least half of which are external directors, a compliance committee is not required under Chapter 5C, but we may establish a compliance committee at any time.

We have a complaints handling procedure (see page 15). Details are available to Unitholders on request.

## The Constitution and Chapter 5C — a brief summary

### (a) Introduction

The Fund is governed by a Constitution under which Australian Executor Trustees Limited is the Responsible Entity. Some of the provisions of the Constitution – as augmented by Chapter 5C – are summarised below.

### (b) The Responsible Entity

Subject to the provisions of the Constitution, the Responsible Entity may deal with the assets of the Fund as if it were the absolute owner of them. For example, the Responsible Entity may borrow and give guarantees.

The Responsible Entity is responsible for the management and administration of the Fund and its investments but may appoint expert service providers to invest and administer the Fund.

### (c) Term

The Fund will terminate 80 years from its commencement unless terminated earlier by the Responsible Entity. If the Fund is terminated, the Responsible Entity will sell all assets of the Fund and distribute the net proceeds to the Unitholders in proportion to their unit holdings.

### (d) Retirement and removal of the Responsible Entity

The Responsible Entity must retire in the circumstances set out in Chapter 5C. The Responsible Entity may also retire subject to compliance with Chapter 5C.

### (e) Rights and interests of Unitholders

The principal rights of Unitholders include the right to:

- redeem their units;
- requisition, attend and vote at meetings of Unitholders;
- share in the distribution of assets if a Fund is wound up; and
- share in income and capital distributions.

Except as provided by the Constitution (or in the terms of issue of any class of units), each unit will confer an equal beneficial interest in a Fund but no unit will confer an entitlement to interfere with the exercise of the Responsible Entity's powers or exercise any rights in respect of any investment or require a transfer of property.

The rights of a Unitholder may be varied by changes to the Constitution, Chapter 5C and other applicable laws.

### (f) Unitholders' liabilities

Generally, the Constitution limits Unitholders' liability to the value of their investments in a Fund. The effectiveness of provisions of this type is, however, yet to be finally determined by the courts.

### (g) Expenses

The Constitution authorises the Responsible Entity to claim reimbursement out of the assets of the Fund for all expenses and liabilities that it incurs in connection with the Fund and its compliance obligations. Appropriate provisions are made in the Constitution for recovery of goods and services taxes.

### (h) Income distributions

The distributable income of the Fund as determined by the Responsible Entity will be distributed as set out in this PDS.

### (i) Distribution of capital

The Responsible Entity may distribute the capital of a Fund to the Unitholders in proportion to the number of units held by them.

### (j) Redemption of units

There is a redemption facility in relation to units as set out in this PDS on page 5.

### **(k) Modification of the Constitution**

Subject to Chapter 5C, the Responsible Entity may amend the Constitution. Chapter 5C currently prevents a Constitution being amended without the approval of Unitholders unless the Responsible Entity reasonably believes that the change will not adversely affect Unitholders' rights.

### **(l) Limitation of the Responsible Entity's liability**

Subject to the Corporations Act, except in the case of fraud, negligence, breach of duty or breach of trust on the part of the Responsible Entity, the Responsible Entity will not be liable to Unitholders collectively to any greater extent than the assets of the Fund they are available to the Responsible Entity to satisfy such liability.

### **(m) Classes of units**

The Constitution allows for multiple unit classes. Each class may have fees, income and capital rights which are different.

## **Investment Management Agreement**

We have entered into an Investment Management Agreement (Agreement) with United Funds Management Limited. Under the Agreement, we appoint United as the Investment Manager to:

- manage and invest the assets of the Fund;
- undertake promotional activities in respect of the Fund; and
- provide any other services as agreed with the Responsible Entity.

## **Custody of assets**

We have appointed BNP Paribas as Custodian to provide custody and related services to the Fund.

Please note that Cogent Nominees Pty Ltd was purchased by BNP Paribas in 2002 and the name 'Cogent Nominees Pty Ltd' continues to be used by BNP Paribas as the registered name for holding securities.

## **Associated investments**

We may invest the assets of the Fund in other unit trusts for which we are the Responsible Entity and/or United is the Investment Manager (subject to restrictions under the Constitution). United and the Responsible Entity may receive additional fees (in accordance with the constitutions and offer documents for those unit trusts) if this occurs.

## **Derivative investments**

Derivatives in the Fund may be used for hedging purposes only and for more efficient and cost effective implementation of investment strategies. Where derivatives are used, United will ensure to the best of its endeavours that, at all times there is sufficient liquid funds to discharge our liabilities in relation to these investments. United does not intend to leverage the Fund. Further information about derivatives and how United uses derivatives can be found in the current United Risk Management Statement which can be obtained from United by calling 1800 333 700.

## **Interest offered**

The interest offered by this PDS comprises units in a unit trust. Each unit confers a beneficial interest upon the Unitholder. The beneficial interest conferred relates to a proportion of the total assets of the Fund, not a particular part of the trust or specific asset.

## **More about redemptions**

See 'Redemption of units' on page 5.

Extensive delays in the payment of redemptions may also happen if the Fund is not liquid. Then, redemptions can only be made in accordance with s601KB and s601KE of the Corporations Act. A Fund is illiquid if less than 80% of the value of the assets of the Fund comprises liquid assets. Liquid assets include money in a bank account, bank accepted bills, marketable securities (as defined in s9 of the Corporations Act including shares, debentures and bonds) and other prescribed property (unless we establish we cannot reasonably expect to realise them in time to satisfy redemption requests).

Redemptions may also be delayed if there is a closure or restriction of trading on securities exchanges, the imposition of currency controls or declaration of a moratorium in a country where the Fund has investments or an emergency or other state of affairs is declared. We are not obliged to redeem units if the Fund is being wound up.



## Consents and declarations of interest

Deloitte Growth Solutions Pty Limited has given its written consent and has not withdrawn that consent to be named in this PDS and has approved the taxation information on page 12 in the form and context in which it appears. Deloitte Growth Solutions Pty Limited received a payment of \$750 for providing the taxation information. They have not authorised nor caused the issue of this PDS.

United Funds Management Limited has given and not withdrawn its consent to be named in this PDS in the form and context in which it is named.

BNP Paribas Fund Services Australasia Pty Ltd has given and not withdrawn its consent to be named in this PDS in the form and context in which it is named.

Australian Wealth Management Limited has given and not withdrawn its consent to be named in this PDS in the form and context in which it is named.

Except for fees, remuneration and other interests disclosed in this PDS and ordinary remuneration of directors, the Responsible Entity, the Investment Manager, their respective directors and experts have no interest in the promotion, or in the assets proposed to be acquired for the purposes of the Fund. No amounts have been paid by any persons in the two year period prior to the lodgement date of this PDS:

- to the Responsible Entity to procure subscriptions for interests in the Fund or for services in connection with the Fund;
- to the Investment Manager to induce it to act in any capacity or for other services in connection with the Fund;
- to the directors of either the Investment Manager or the Responsible Entity to induce them to become or to qualify them as a director or for other services in connection with the Fund; or
- to an expert for services rendered in connection with the promotion or inception of the Fund.

## Privacy

When you apply to invest in the Fund, we will collect personal information from your Application form. We will use this information to process your application, issue your units and correspond with you about your investment. We may also use your personal information to tell you about our other products and services that could be useful to you (unless you inform us that you prefer not to be told about those products and services).

By signing the Application form, you agree to us collecting, storing and using your personal information. You also agree to us disclosing your personal information to:

- our related companies, in relation to services that they provide to us and to enable them to inform you about other products that you may be interested in;
- third parties that we engage to provide services such as custody, administration, reporting, technology, mailing or printing services;
- Government bodies and other third parties, when required by law; and
- any professional advisers to the Fund, including legal and accounting firms, valuers and auditors.

If you do not agree to us disclosing your personal information in this way, please tell us (see section 5 of the Application form).

You may choose not to give us your personal information. However, depending on the type of information that you withhold, we may not be able to process your application, issue or redeem your units or pay distributions.

You can request access to your personal information that we hold by writing to us. If you think our records are wrong or out-of-date, including your address or email address, it is important that you contact us, and we will correct them free of charge. In certain circumstances, we can withhold your personal information (for example, if required by law). We may charge a reasonable fee for providing information to you.

## Enquiries and complaints

If you have any questions or a complaint please:

- telephone our Enquiries and Complaints Officer on 1800 333 700; or
- write to us.

If you feel that the matter has not been dealt with adequately, please write to us at the following address

Enquiries and Complaints Officer  
United Funds Management Limited  
GPO Box 529  
Hobart TAS 7001.

We will acknowledge receipt of a complaint within five business days of receiving your letter.

We will endeavour to resolve the situation within 21 days of receiving your letter. However, some matters are more complex and can take longer to resolve. If that is the case we will keep you informed of our progress.

If you have complained to us and your complaint has not been resolved to your satisfaction within 45 days (or 90 days where we inform you more time is required), you have the option of contacting the Financial Industry Complaints Service Limited, an independent complaints handling body of which we are a member. The Financial Industry Complaints Service Limited will then be able to advise you as to whether or not they can be of assistance in the matter. Their contact details are 1300 780 808, or via mail at PO Box 579, Collins Street West, Melbourne VIC 8007.

## Reporting requirements

As a disclosing entity under the Corporations Act, the Fund is subject to regular reporting and disclosure obligations. Copies of the documents we lodge with ASIC in relation to the Fund may be obtained from, or inspected at, an ASIC office.

You also have the right to request a copy of certain documents from us when they become available, and we must send you a copy (free of charge) as soon as practicable, and in any event, within five days. The documents are:

- the annual financial report for the Fund most recently lodged with ASIC;
- any half-year financial report lodged with ASIC; and
- any continuous disclosure notice given for the Fund after the lodgement of the annual financial report for the Fund and before the date of this PDS.

## Unitholder reporting

Each Unitholder will receive a statement specifying the number of units they have acquired. Statements will be issued by or on behalf of the Responsible Entity within 20 working days of the units being issued, or in the case of transfers between Unitholders, within 30 days.

Each Unitholder will receive a quarterly transaction statement including distribution details (where applicable).

An annual tax report is provided to assist with preparation of income tax returns. A Capital Gains Tax statement is also provided where applicable.

Unitholders are also entitled to receive an annual report and a copy of audited accounts.

## Up-to-date information

From time to time, the information in this PDS may change. If the change is not materially adverse to you, we will inform you of the changes on our website at [www.united.com.au](http://www.united.com.au). A copy of the updated information can also be obtained free of charge from your financial planner or United on 1800 333 700. If the change to the information in this PDS is materially adverse to you, we will issue a replacement PDS or a supplementary PDS.

For other changes, details of account balances and information about investment fund performance, you can contact United between 8:00 am and 6:00 pm EST on 1800 333 700.

Further information including unit prices, investment profiles and newsletters is available from [www.united.com.au](http://www.united.com.au).

# Completing the Application form

## How to invest in the Funds

A copy of this PDS is available in electronic form from the internet. If obtaining a copy from the internet, you should ensure that the complete Application form and electronic PDS are received by you. If you have any doubts about this, please contact United on 1800 333 700.

To enable your application to be processed in a quick and effective manner, please complete all the sections of the Application form as follows

- Use a BLACK pen
- Use BLOCK letters

## 1. Investor details

Please provide all of the details requested in this section.

## Investment amount

Specify the total dollar amount that you wish to invest into the Fund.

## Tax File Number notification

We inform you that we are authorised to collect your Tax File Number (TFN). You are not obliged to quote your TFN or exemption in the space provided, but if you do not do so, the Responsible Entity will be required to deduct tax at the highest marginal tax rate (plus Medicare Levy) from any income distributions credited to your account, although this may be reclaimed through the assessment process when you lodge your tax return.

Unless you tell us not to do so, your TFN may also be given to the ATO.

We will only use your TFN for legal purposes including identifying or finding your investments where other information is insufficient, calculating tax on payments, and providing information to the ATO. Otherwise your TFN will be kept confidential.

## 2. Investment details

Please enter the amount you wish to invest with the Fund.

## 3. Income distributions

You have two (2) choices. Your income distributions can be reinvested in the Fund. Alternatively, you can elect to have your income distributions paid into your account with a bank or other financial institution.

Please indicate which option you want. If no preference is shown your income distributions will be paid to you by direct credit to your bank account or (if you have not given us bank account details) by cheque.

## 4. Bank account details

Please complete all account details for income distribution to be paid directly to your bank, credit union or building society account. If you want to use a credit union account, you should first check that your credit union is connected to the electronic banking system. You may use either a cheque account or savings account. Your BSB number will be shown on your account statement. (You do not need to give your bank account details if you have told us to reinvest your income distributions.)

## 5. Declaration

It is important that you read and understand the declarations detailed on page 18 of this PDS prior to signing the Application form.

## 6. Returning your Application form and application monies

Return the completed forms by either:

- fax to  
BNP Paribas Securities Services Registry Team  
Facsimile 02 9222 0010  
and deposit your application monies via Electronic Funds Transfer (EFT) to the following account  

|                |  |
|----------------|--|
| Name           | Cogent Nominees Pty Ltd ACF United Funds Management Applications Account |
| BSB            | 032 002  |
| Account Number | 444 031; or  |
- post to:  
BNP Paribas Securities Services Registry Team  
PO Box R209  
Royal Exchange NSW 1225  
and attach your cheque or money order to the Application form and make application monies payable to  
'Cogent Nominees Pty Ltd ACF United Funds Management Applications Account'.

# Declarations

## Declarations by Applicant

By completing and signing the attached Application form and Investment Authority:

- you declare that you are a 'Wholesale Client' as the term is defined in s761G of the Corporations Act;
- you agree to be bound by the provisions of the Constitution, as amended from time to time, governing the Fund;
- you confirm that you have received the PDS that was attached to the Application form;
- if you have received this PDS from the internet or other electronic means, you declare that you have received it personally, or a printout of it, accompanied by or attached to the Application form before making an application for units in the Fund;
- you confirm that you have been fully informed of the nature and risks associated with the Fund and that you are satisfied that the Fund is suitable for your own individual needs;
- you acknowledge that the Responsible Entity, BNP Paribas, Australian Wealth Management Limited, the Investment Manager and the underlying investment managers do not guarantee the performance of the Fund;
- you authorise the Responsible Entity of the Fund to
  - establish an account in your name
  - make the investments you have selected and
  - deduct from your account all fees and expenses incurred on your behalf;
- you confirm that the details and information provided by you in the Application form are true and correct and undertake to inform the Investment Manager of any changes to the information supplied as and when they occur;
- if you are investing as an individual or partnership, you consent to the collection and use of personal information by the Fund for the purposes specified; and
- you acknowledge that all redemptions are subject to the Constitution requirements as to redemption requests.

# Application form

*This Application form is attached to the PDS for the United Capital Secure Fund that was issued on 9 January 2007. You should read the entire PDS before completing this Application form. The Corporations Act 2001 prohibits you from passing on to another person this Application form unless it is included in or accompanied by the complete and unaltered PDS. If you have received the PDS and Application form from the internet or any other electronic means and would like a free copy of the printed PDS, please call United on 1800 333 700.*

## 1 INVESTOR DETAILS

New Investment                      OR                       Additional Investment                      Investor Number

Investment Amount \$  .

### Individual/Partnership Investors

#### Investor 1

Title  Surname

Given Name(s)

Sex (M/F)  Date of Birth (DD-MM-YYYY)  Tax File Number\*

\*Please read the information on collection of Tax File Numbers (TFNs) on page 12 in this PDS before providing your TFN.

Tel (Work)  Facsimile

Email Address

#### Investor 2

Title  Surname

Given Name(s)

Sex (M/F)  Date of Birth (DD-MM-YYYY)  Tax File Number\*

\*Please read the information on collection of Tax File Numbers (TFNs) on page 12 in this PDS before providing your TFN.

Tel (Work)  Facsimile

Email Address

### Company/Trust Investor

Company/Trust Name

Trustee Name

ABN/ACN/ARBN/ARSN  Contact Name

Contact Details

Postal Address

City/Suburb  State  Postcode

Tel (Work)  Facsimile

Email Address

## 2 INVESTMENT DETAILS

United Capital Secure Fund \$  .



# Directory

## Investment Manager

### **United Funds Management Limited**

ABN 65 073 186 419  
AFSL No 240973

Level 3, 30 Collins Street  
Melbourne VIC 3000

Freecall 1800 333 700  
Telephone 03 9203 4785  
Facsimile 03 9203 4783

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

## Responsible Entity

### **Australian Executor Trustees Limited**

ABN 84 007 869 794  
AFSL No 240023

44 Pirie Street  
Adelaide SA 5000

Telephone 08 8238 6206  
Facsimile 08 8410 0182

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

## Custodian

### **BNP Paribas Fund Services Australasia Pty Ltd**

ABN 71 002 655 674  
AFSL No 241080

60 Castlereagh Street  
Sydney NSW 2000

Telephone 02 9222 0000  
Facsimile 02 9222 0255

## Auditor

### **Deloitte Touche Tohmatsu**

505 Bourke Street  
Melbourne VIC 3000

