



## Product Disclosure Statement (PDS)

This Product Disclosure Statement (PDS) provides a summary of significant information and contains a number of references to important information about the Auxilium Managed Portfolio Service ('the Product'). You should read and consider the information contained in the PDS before making a decision about this product. The information in this PDS is general information only and does not take into account your personal financial situation or needs. You should consult a licensed Financial Advisor to obtain financial advice that is tailored to suit your personal circumstances.

The Fiducian SMA Fund (referred to in this PDS as the Auxilium Managed Portfolio Service) is a registered Managed Investment Scheme under the Corporations Act 2001 (Cth) (ARSN 633 605 026).

Responsible Entity for Auxilium Managed Portfolio Service is Fiducian Investment Management Services Limited ABN 28 602 441 814 AFSL 468211 Level 4, 1 York Street, Sydney, NSW 2000 Australia, GPO Box 4175, Sydney NSW 2001 Australia Telephone: +61 (02) 8298 4600

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### 1. About Fiducian Investment Management Services Limited

Fiducian Investment Management Services Limited (Fiducian, we, us, our) is the responsible entity of a suite of diversified, sector specific and specialist Funds, as well as a range of personal managed portfolios.

Fiducian is responsible for the operation and management of each of the funds. We may delegate some operational and management functions to third parties.

The Product offers a range of personal Managed Portfolios ('the Portfolios'), also known as separately managed accounts (SMAs), in which you can invest in securities that depending on the Manager, have a focus on different investment sectors and/or investment styles. Each portfolio is distinct with its own price history and return.

The Product is suitable if you prefer to make investments in your own portfolio of listed securities or managed funds, but also want the portfolio to be professionally managed.

Each of the Portfolios is managed and reviewed on a continuous basis by our investment team and specifically selected external managers to ensure that they remain within the parameters of the style and securities they have been designed for. Securities in the Portfolios are selected on the basis of research, stockbroker research and company presentations.

Fiducian is part of the Fiducian Group of companies, a specialist financial services organisation providing financial planning, funds management, platform administration and information technology.

## 2. How the Auxilium Managed Portfolio Service works

The Product offers investments through different styles of portfolio. Each style will be dependent on the investment manager that you select, and in some instances, an investor will have the option to (a) select an investment strategy that is consistent with the investment manager of the portfolio or (b) select their own strategic investment allocation between the same underlying investments that are available for selection by the investment manager of the portfolio.

Investment styles may focus on a particular type of security, like Australian or International shares, or an investment sector, such as property securities. You should consider and review the Investment Booklet that provides greater detail of each investment style offered within the Product prior to making an investment decision.

### How investments can be made into the Fund

Investment into the Product is made through the Auxilium Superannuation Service, the Auxilium Investment Service or other platform service (known as the 'Service'). In addition to reading this document you should read the disclosure document of the relevant Service and complete the application form. Your investment choices are completed on the application form in the disclosure document of the Service you are using. We recommend you seek advice from your Financial Advisor.

It is important to note that you do not become a direct investor in the Product when you invest through the Service. The Custodian will acquire an interest in the Product and will be recorded in the Product register as the owner of that interest. Where you invest through a Service your individual account holding in the Product is maintained and recorded by the Service.

### The Custodian

The Responsible Entity has appointed Citigroup Pty Limited ABN 88 004 325 080 ("Citi or Custodian") as the custodian of the assets of the Product. The Custodian's role is limited to holding the assets of the Product as custodian for the Responsible Entity, which may be held in one or more omnibus accounts. The Responsible Entity may also hold assets on behalf of members, which currently is only the Cash Account. The Custodian has no supervisory role in relation to the operation of the Product and is not responsible for protecting your interests. The Custodian has no liability or responsibility to you for any act done or omission made in accordance with the terms of the Custody Agreement. The Custodian makes no statement in this PDS and has not authorised or caused the issue of it. Citi has given and not withdrawn its consent to be named in this PDS.

Investments of the Product do not represent investments in, deposits with or other liabilities of, Citi or any other member of the Citi group of companies (Citi Group). Neither Citi, nor any other member of Citi Group, in any way stands behind the capital value, nor do they guarantee the performance of the investment or the underlying assets of the Product, or provide a guarantee or assurance in respect of the obligations of the Responsible Entity or its related entities. Investments of the Product may involve investment risk including possible delays in repayment and loss of income and/or principal invested.

### Minimum investment

The minimum investment is determined by the Service through which you invest (for example, the Auxilium Superannuation Service).

### Cash account

For the purpose of the operation of the Fund, we may hold up to 2% of the value of your investments must be held in your Cash Account. Your Cash Account will receive all dividend and other distributions paid from your investments and is used to pay fees and costs incurred by you in relation to your investments in the Product.

### Distributions

Distributions will be paid into the Cash Account when a dividend or other distribution is paid in relation to the underlying securities held in your account. Distribution payments to your Cash Account are generally made within 20 working days of receiving the distribution.

### Additional investments

You are able to make additional investments at any time by completing all documentation required by the relevant Service and by complying with its minimum investment requirements.

### Re-balance of the portfolio

Subject to the control ranges, Auxilium may, from time to time, undertake a rebalance of the portfolios to ensure each portfolio aligns with its stated objectives. A re-balance will occur at least once per year and at other times if circumstances require.

### Withdrawing your investment

Withdrawals are normally processed within 10 working days from the date of receipt of a redemption request. However, at certain times of the year, such as at the end of the financial year, redemptions can take up to 30 working days to be processed. Additionally, you may not be able to withdraw within the usual period if there is a freeze on withdrawals in accordance with the requirement of the law. Redemption requests should be submitted to the relevant Service in accordance with their procedures.

### 3. Benefits of investing in the Auxilium Managed Portfolio Service

The significant features and benefits of the Auxilium Managed Portfolio Service are as follows:

#### 1. Investment philosophy

Our goals are relatively straightforward - they are:

- To add value for investors through understanding and controlling the trade-offs between investment risk and return over particular time periods;
- To provide full, fair and timely investment information to investors and their Financial Advisors.

#### 2. Highly structured & rigorous investment process

Each of the Portfolios are managed and reviewed on a continuous basis by our investment team and externally selected investment managers to ensure that they remain within the parameters of style and securities they have been designed for. Analysis is conducted on the list of securities to determine their relevance to the relevant Portfolios.

#### 3. Oversight of how your money is invested

You can view how your money is invested, and the way in which each investment contributes to your investment performance. This enables you or your Financial Advisor to be aware of the investment decisions being made by the investment managers when investing in the Portfolios.

#### 4. Always striving to improve

Auxilium constantly monitors the Product's underlying securities to ensure that they maintain their investment styles and processes. From time to time, Products may be removed and new Products added where we see opportunity for you to gain exposure to a greater variety of Products.

4. Risks of Managed Investment Schemes

Even the simplest of investments carry a certain level of risk. The value of an investment with a higher level of risk will tend to rise and fall more often and by greater amounts than an investment with a lower level of risk. In other words, it is likely to be more volatile than those with less risk.

When considering your investment it is important to understand that:

- The value of your investment and its returns will vary overtime
- Assets with higher long-term return potential usually have higher levels of short-term risk
- Returns are not guaranteed and you may lose some of your money
- Past performance and returns are not indicative of future returns or performance, and
- Laws affecting the registered managed investment schemes may change in the future.

Individual risk profile

Your individual circumstances may affect the level of risk that you are willing to take and therefore, the potential return on your investments. Factors that you and your Financial Advisor need to consider include:

- Your age and investment goals
- Your investment timeframe
- Your other assets
- Your risk tolerance

The value of your investment in the Product is likely to be affected by a wide range of factors, which include:

1. Investment risks

The value of any investment is likely to be affected by a wide range of variable factors, which include economic influences such as economic growth in the domestic Australian economy and the major international economies, the movement of interest rates and inflation, the level of consumer and investor confidence, exchange rate movements, monetary and fiscal policy initiatives and corporate profitability.

2. Market risk

Market risk is essentially the risk of adverse market movement in any of the underlying markets in which an investment is held. Market risk can be driven not only by economic fundamentals but also by political or legislative developments. We undertake careful and thorough research with the aim of fine tuning asset sector allocation over time to best position, in particular, our diversified funds (but also sector funds) for perceived likely developments in the global and domestic economic environment.

3. Security specific risk

Individual securities, such as company shares or corporate bonds or even Government Bonds may be affected by changes in management practices, business activities or government policies. Such influences can push specific security values up or down at different times and in turn, affect the value of the fund that is invested in these securities.

Risks may arise from the incorrect selection of securities. While all reasonable care is taken to select securities that grow in value, no guarantee implied or express can be given that our judgment will deliver beneficial results for you.

4. Currency Risk

For stocks that are listed on a foreign stock exchange or dual listed on an Australian and foreign stock exchange, there is a risk that the Australian Dollar value of such investments may rise or fall due to exchange rate movements.

5. Underlying manager risk

Potential risks to underlying fund managers within the underlying investments of the Portfolios that include that key individual managers or analysts could leave their employ or that fees and expenses could rise. Auxilium has an in-depth and rigorous process for the selection and monitoring of all underlying fund managers in the underlying investments of the Portfolios, which aims to minimise the potential risk that such occurrences could have for investors in any of the Portfolios.

6. Liquidity risk

In certain circumstances some of the underlying securities in which the Product has invested could become illiquid (unable to be converted into cash) which may mean part or all of your investment may not be available for an extended period of time.

Understanding past performance

Past performance is not a reliable indication of future performance. You should not base your investment decision on past returns alone. We recommend you speak to your Financial Advisor before making any investment decisions.

No guarantee

While Auxilium takes all reasonable care and employs qualified personnel, the value of your investment could decline and no guarantee expressed or implied can be given or is given that the value of the Fund will be maintained. Given the nature of investment markets, Auxilium cannot and does not guarantee the performance, income or retention of capital of any of your investments.

5. How we invest your money

**Warning:** Prior to choosing to invest in the Auxilium Managed Portfolio Service, you should consider: (1) the likely investment return; (2) the investment risk; and (3) your investment timeframe, associated with your investment.

The Product offers a variety of Portfolios as listed in the Investment Booklet. One such portfolio is the Auxilium Index Plus Balanced Portfolio which invests in a diversified portfolio of securities across both growth assets such as Domestic and Global Shares, Property Trusts and defensive assets such as cash and fixed interest securities. The portfolio will generally hold approximately 70% in growth assets and 30% in more defensive assets over time, and invests both domestically and internationally.

The Auxilium Index Plus Balanced Portfolio (and all Index Plus Portfolios) enable you to elect to follow the strategic asset allocation of the investment manager or instruct the administration team, through the relevant Service, to alter your strategic investment allocation between the available investment products that are aligned with the Control Ranges of the Portfolio. At present, there are 6 available investments to choose from and these are detailed within the Investment Booklet for each Active Portfolio. The Auxilium Index Plus Balanced Portfolio has the following to choose from:

- (a) Betashares Australia 200 ETF (Australia Shares - Growth);
- (b) Betashares Global Shares ETF (International Shares - Growth);
- (c) Van Eck Australian Property ETF (Property - Growth);
- (d) Vanguard Global Aggregate Bond Index ETF (Global Fixed Income - Defensive);
- (e) Vanguard Australian Fixed Interest Index ETF (Australian Fixed Income - Defensive); and
- (f) Betashares High Interest Cash ETF (Cash - Defensive).

The other Portfolios within the Product are managed by the investment manager who acquires securities within the selected asset sector which seeks to achieve the investment objectives of the Portfolio.

The following table sets out the key features of the Auxilium Index Plus Balanced Portfolio:

Investment Category	Asset Allocation Ranges*		Likelihood of Negative Returns over any 20-year period	Risk Label	Investment Timeframe
	Min	Max			
Auxilium Index Plus Balanced Portfolio	50% to 80%	20% to 50%	3 to less than 4	Medium to High	Minimum suggested timeframe is 5 years or greater
Cash (Cash Account)		0% to 2%			
Investment Strategy	The Auxilium Index Plus Balanced Portfolio utilises ETFs to gain cost-effective exposure to a diversified portfolio of underlying assets. ETFs will be selected with consideration of liquidity, cost, size, and ability to effectively track the underlying index. The Portfolio has a long-term strategic asset allocation (SAA) that forms the foundation of portfolio positions. The Manager will employ a tactical asset allocation (TAA) to give more or less exposure to a particular asset class depending on the assessment of the macroeconomic and market outlook.				
Investment Objective	To achieve returns above the Morningstar Multisector Growth Index over rolling 5-year periods by investing in a portfolio of Exchange Traded Funds (ETFs).				

\* **Please note:** There may be circumstances which cause the Product to be temporarily outside its Asset Allocation Ranges. These could include such circumstances as the following: the commencement of the Product, when investments into or withdrawals out of the Product are made, when changes in underlying investments occur, when distributions are received, and when significant market movements occur. Auxilium only controls and monitors cash at the product level and will make any adjustments consistent with this document.

Switching

You have the flexibility to change the investment options in your portfolio at no cost (other than buy-sell spread), subject to the minimum investment conditions of your Service.

Labour standards, environmental, social or ethical considerations

In the process of selecting the portfolios to be included in the Product, we utilise a thorough and rigorous selection process. We only select known investment managers that are able demonstrated an in-depth understanding of the portfolios that they have developed.

The investment managers selected are governed by their own policies, procedures and legal requirements, and to the extent that they consider labour standards, environmental, social and ethical issues, those matters will be disclosed within each individual portfolios relevant disclosure. Where no disclosure is made, the relevant investment manager does not take these issues into account when making investment decisions of that portfolio.

How to get updated information

We make changes to the Product at our discretion including, but not limited to, terminating the Product. Changes may be made without prior notice, (other than for an increase in fees) including but not limited to, changes to the investment strategy, asset allocation and other service providers to the Product.

We encourage you to read the Investment Booklet which explains the different Portfolios and their investment managers at [auxiliuminvest.com.au](http://auxiliuminvest.com.au). You'll also find the most recent information and performance reports online at [auxiliuminvest.com.au](http://auxiliuminvest.com.au).



## 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 fees where applicable. Ask the Fund or your Financial Advisor.

### 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 is important to understand their impact on your investment in the Fund.

You will need to consider the fees and other costs of your Service when calculating the total cost of your investment.

### Fees and costs summary: Auxilium Managed Portfolios

Type of Fee or Cost	Amount	How and when paid
<b>Ongoing annual fees and costs</b>		
<b>Management fees and costs</b>		
The fees and costs for managing your investment:		
Management Costs	0.3300% to 1.3200% p.a.	This cost is deducted from the Cash Account at the end of each month. This fee is accrued daily on your average daily balance and charged monthly in arrears.
<b>Plus</b> Indirect Costs	0.00% to 1.05% p.a.	The underlying investments may have management fee. This fee is not separately charged to your account but is deducted from the value of the underlying investments by the respective product issuer.
<b>Plus</b> Cash Management Fee	0.85% p.a. of monies held in the Cash Account only	The operator manages the arrangements for the investment money held in the Cash Account. This fee is not separately charged to your account but is deducted before interest is credited to your Cash Account and calculated on the average cash balance at the end of each month.
<b>Performance fees</b>	Nil	
Amounts deducted from your investment in relation to the performance of the product.		
<b>Transaction costs</b>	0.01% to 0.67% p.a.	The estimated net transaction costs for the different portfolios are deducted from the proceeds or added to the capital cost of the purchase of assets.
The costs incurred by the scheme when buying or selling assets.		
<b>Member activity related fees and costs (fees for services or when your money moves in or out of the product)</b>		
<b>Establishment fee</b>	Nil	Not applicable
The fee to open your investment.		
<b>Contribution fee</b>	Nil	Not applicable
The fee on each amount contributed to your investment.		
<b>Buy-sell spread</b>	Nil	Not applicable
An amount deducted from your investment representing costs incurred in transactions by the scheme.		
<b>Withdrawal fee</b>	Nil	Not applicable
The fee on each amount you take out of your investment.		
<b>Exit fee</b>	Nil	Not applicable
The fee to close your investment.		
<b>Switching fee</b>	Nil	Not applicable
The fee for changing investment options.		

6. Fees and costs (continued)

Management costs

When you elect to invest in a Product, you will be charged a fee as described in the Investment Booklet, which is accrued daily on your average daily balance and charged monthly in arrears.

Cash account

Investors will receive a minimum crediting rate equal to the Reserve Bank of Australia target cash rate (which is the market rate on overnight funds) less 0.5% pa. Where the crediting rate falls below 0% and there is a negative interest rate, the crediting rate will be zero. The difference between the rate negotiated with the banks and the crediting rate will be retained by the Fiducian Group for services it provides in relation to the management of the arrangements for the investment of money held in the Cash Account. The monies in the Cash Account are predominantly held in an Australia and New Zealand Banking Group Limited (ANZ) (ABN 11 005 357 522) omnibus bank account (except to the extent necessary to facilitate your investment instructions).

Financial advisor fee

If you consult a Financial Advisor you may also pay an additional fee that will be set out in the Statement of Advice between you and that Financial Advisor.

Can fees change?

All fees can change. Reasons might include changes in economic conditions or changes in regulations. 30 days notice of a change in fees will be given.

Example of annual fees and costs

This table gives an example of how the ongoing annual fees and costs for this product can affect your investment over a 1-year period. You should use this table to compare this product with other products offered by managed investment schemes.

Example: Auxilium Managed Portfolio Service – Auxilium Index Plus Balanced Portfolio		
Balance of \$50,000 with total contributions of \$5,000 during year		
Contribution fee	0%	For every additional \$5,000 you put in, you will be charged \$0.
PLUS Management fees and costs	0.3000% deducted directly	And, for every \$50,000 you have in the Fund you will be charged or have deducted from your investment \$215 each year
	Plus 0.13% deducted indirectly	
PLUS Performance fees	Nil	And, you will be charged or have deducted from your investment \$0 in performance fees each year
PLUS Transaction costs	0.39%	And, you will be charged or have deducted from your investment \$195 in transaction costs
EQUALS Cost of Fund	If you had an investment of \$50,000 at the beginning of the year and you put in an additional \$5,000 during that year, you would be charged fees and costs of <b>\$410*</b> for that year	
	What it costs you will depend on the investment option you choose and the fees you negotiate.	

**Note:** Fees and Costs are calculated to 2 decimal places

\* This example assumes there is no variation in the value of your investment and the additional investment of \$5,000 is made at the end of the period and therefore incurring a brokerage fee. Additional fees may apply as described below in the Additional explanation of fees and costs – transaction costs and fees with your relevant Service, which will be disclosed in the Services' PDS.

There is a calculator provided by ASIC on its MoneySmart website which can calculate the effect of fees and costs on account balances.

Additional explanation of fees and costs - transaction costs

You may incur transactional and operational costs as detailed below.

Brokerage

Under an agreement between us and the Administrator, the Administrator negotiates the brokerage costs with brokers for the buying and selling of securities within the Portfolios.

Brokerage for the Portfolios will be charged at \$11 per security traded or 0.22% per security traded for transactions which exceed \$5,000 and is deducted from the proceeds or added to the capital cost of the purchase.

The difference between the rate negotiated with the brokers and the brokerage charged to your transaction will be retained by the Auxilium Group for services it provides in relation to the administration of the securities traded in the Product.

Estimated Transaction Costs

Each portfolio offered within the Auxilium Managed Portfolio Service has its own estimated transaction cost applicable to the portfolio. For the Auxilium Index Plus Balanced Portfolio, the estimated transaction costs has been estimated to be 0.39% (as noted in the fee example). For further information on estimated transaction costs for all other portfolios within the Product, please refer to the Investment Booklet (auxiliuminvest.com.au).

## 7. How managed investment schemes are taxed

### Tax

In all likelihood tax will be payable on your investments in the Product – generally income or capital gains tax, net of any available tax credits or concessions. Your tax liability will depend on your circumstances and the Service through which you invest. So it is important that you seek professional advice before you invest or deal with your investment.

The Product does not pay tax on your behalf. Please refer to the disclosure document of your Service.

## 8. How to apply

Investment into the Product is made through the Auxilium Superannuation Service, the Auxilium Investment Service or other Service. In addition to reading this document you should read the disclosure document of the relevant Service and complete the relevant application form. We recommend that you seek advice from your Financial Advisor before making any investment decisions.

The offer contained in this PDS is only available for those obtaining this information within Australia. Applications cannot be accepted from outside Australia. You should contact your Financial Advisor or Service provider for any investor queries.

### Cooling off period

For details about your rights, please refer to the disclosure document of the Service you are using.

### Enquiries & Complaints - Contact us:

If you have an enquiry, complaint or wish to receive a copy of our Client Guide to Dispute Resolution process,

### GST

Fees, costs and commissions include Goods & Services Tax (GST) where applicable unless otherwise specified.

### Government charges

Government charges for lodgements and taxes, including stamp duty and GST, will be paid by each Fund as appropriate.

please contact your Financial Advisor or Auxilium:

Phone: 1800 653 263 (Toll Free)

Email: [info@auxilium.com.au](mailto:info@auxilium.com.au) (Enquiries)  
[ComplaintsManager@fiducian.com.au](mailto:ComplaintsManager@fiducian.com.au) (Complaints)

Web: [auxiliuminvest.com.au](http://auxiliuminvest.com.au)

Mail: GPO Box 4175, SYDNEY NSW 2001

If you are dissatisfied about a decision or have a complaint you feel has not been adequately resolved, then you have the right to lodge a complaint with:

### The Australian Financial Complaints Authority

Online: [www.afca.org.au](http://www.afca.org.au)

Email: [info@afca.org.au](mailto:info@afca.org.au)

Phone: 1800 931 678

Mail: Australian Financial Complaints Authority  
GPO Box 3, MELBOURNE VIC 3001