

Additional Information Booklet (Part 2)

30 September 2017



Farnam Managed Accounts

This is an important document and should be read before you complete the Application Form.

Contents	Page
Investing your money	3
How to operate your account	5
Other important information	8
Declarations	11
Corporate Directory	13

Important Information

This Additional Information Booklet ('Booklet') is issued by Australian Unity Funds Management Limited ('AUFM') ABN 60 071 497 115 AFS Licence 234454.

The information in this document forms part of the Product Disclosure Statement dated 30 September 2017 for Farnam Managed Accounts ('PDS'), and should also be read in conjunction with the Investment Guide, all of which are available on farnam.com.au

About the PDS

You should consider all the information contained in the PDS before making a decision about Farnam Managed Accounts. However, the information provided is general information only and does not take into account your personal objectives, financial situation or needs. Before acting on the information in this Booklet you must read the PDS in its entirety and obtain financial advice tailored to your own objectives, circumstances, financial situation and needs.

The information in this Booklet is correct as at the date of publication, but in the event of a material change occurring to any information, we will notify existing investors in writing within the timeframes required by law.

Updated information that is not materially adverse may be updated at farnam.com.au or on the investment administration portal, known as the 'Farnam Portal' through the Administrator. You and your financial adviser may also be provided updated information by email. A paper copy of any updated information is also available free of charge.

In this document, the description 'we', 'us' or 'our' refers to AUFM.

ARSN 163 784 432

Issuer and Responsible Entity

Australian Unity Funds Management Limited ('AUFM', 'Responsible Entity')
ABN 60 071 497 115
AFS Licence 234454

Promoter

Federation Alliance Limited
(Promoter)
ABN 99 155 709 809
AFS Licence 437400

Administrator

Linear Administration Services Pty Ltd
(Administrator)

How to use the PDS

These documents contain important information you need to know about Farnam Managed Accounts.

The PDS comprises

PDS (part 1 of the PDS)
Contains information about the features, benefits, risks and costs of investing in Farnam Managed Accounts.

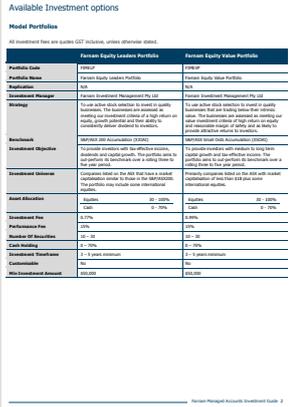


Additional Information Booklet (this booklet part 2 of the PDS)
Contains information about how to manage your account and other important information, including but not limited to:

- Privacy of your personal information
- Related parties
- Anti-Money Laundering and Counter-Terrorism Financing
- Online Terms and Conditions
- Online and fax instructions
- Compliance Plan and Compliance Committee
- the Custodian



Investment Guide
Provides a list of Investment Options available.



These documents are available through your financial adviser, online at farnam.com.au, through the Farnam Portal or by calling the Administrator on **1300 559 095**.

Investing your money

Your Cash Account

Central to the operation of your Account in Farnam Managed Accounts is the cash hub known as your Cash Account. The Cash Account is not an Investment Option, but it does earn interest. Interest is earned at a rate linked to the RBA Cash Rate.

Contributions into your Account are automatically allocated to your Cash Account until we receive an Investment Instruction to invest in the available Investment Options.

The Cash Account is used:

- to settle all transactions;
- as the default option for earnings (interest, dividends and distribution);
- allocating contributions;
- for funding withdrawals, investment purchases; and
- paying fees and other expenses including advice fees (if applicable).

We credit any bank interest or dividends/distribution income earned on your investments to your Cash Account or relevant Model Portfolio as and when it is received by us.

A minimum cash percentage of 2% applies for the operation of your Account. This is to ensure there is sufficient cash to pay ongoing fees and to settle any charges incurred in your account.

This is in addition to any cash holding that a particular Investment Option (such as a Model Portfolio) may require as part of its asset allocation.

The Administrator at times may hold more than 2% of your Account in cash to cover anticipated withdrawals.

Where the Cash Account balance falls below the required minimum then we may sell some of the investments in your Account. However, before we do that we will contact your financial adviser to request an instruction on which assets are to be sold. We may continue to sell investments until your cash holding is brought up to the required minimum level. If we do not have an instruction from your adviser we will sell down assets, generally in order of the highest value first.

If at any time, you provide Account instructions, such as withdrawing funds or purchasing additional investments, you may need to ensure there is sufficient cash to cover the instructions as well as maintaining the minimum Cash Account balance of 2%. The minimum percentage requirement may not be enforced if we are satisfied that the shortfall will be covered by incoming cash flow from contributions, interest and dividends, or where the minimum percentage is breached due to fluctuations in the market value of the investments in your account.

Selecting Self-directed Investments

Choose and construct a diversified portfolio with the assistance of your financial adviser. Access asset classes such as Australian and International securities, listed and unlisted property, fixed interest and cash.

Selecting a Model Portfolio

Once you decide, with your financial adviser, which Model Portfolio(s) are best suited for your needs and objectives, investments will be purchased in accordance with its Investment Manager's recommendations and included in your Account so that it reflects the Model Portfolio, or combination of Model Portfolios, that you have selected.

The underlying Investment Managers will manage the Model Portfolios on an ongoing basis, and AUFM as the Responsible Entity of Farnam Managed Account will, based on the Investment Manager's instruction, buy and sell investments to be included in, or removed from, all accounts invested in the Model Portfolio. It is important to select a Model Portfolio(s) that suits your situation. Your financial adviser can assist you in selecting a suitable Model Portfolio(s) for your particular financial needs.

When you select more than one Model Portfolio, investments held for you across the Model Portfolios will be viewed and treated as a single portfolio containing your consolidated holdings. This means you can view all of your holdings as a single portfolio, regardless of whether you hold investments through any combination of Model Portfolios and Self-directed Investments.

Cash holding in Model Portfolios

Where the Model Portfolio has a cash component, you should note this cash holding will be in addition to the cash held in your Cash Account.

If there is excess cash held by you in a Model Portfolio above the minimum required for that Model Portfolio (e.g. from additional contributions, interest, dividends and distributions or the proceeds from the sale of investments), then the excess cash may be directed by the Investment Manager to be used to acquire further investments for your Model Portfolio.

Model Portfolio weightings

If you choose to invest in Model Portfolios, your individual weightings or mix of Model Portfolios are applied on a 'floating basis'. This means the weightings (i.e. the value in dollars and percentage terms) will fluctuate from time to time as the performance of one Model Portfolio differs from the performance of another.

The following example is provided for the purpose of demonstrating the effect of applying Model Portfolio weightings on a floating basis and all values are approximate and indicative only.

For an original investment of \$100,000 allocated 50% to Model A Portfolio and 50% to Model B Portfolio, your Account would be divided as follows:

Model A: Weighting	49% Value	\$49,000
Model B: Weighting	49% Value	\$49,000
Cash: Weighting	2% Value	\$2,000
Total: Weighting	100% Value	\$100,000

If after the first day of your Account being active, Model A Portfolio had performance of -5% and Model B Portfolio had performance of +5%, then your Account would adjust to reflect this variance in performance as follows:

Model A: Weighting	46.5% Value	\$46,500
Model B: Weighting	51.5% Value	\$51,450
Cash: Weighting	2% Value	\$2,000
Total: Weighting	100% Value	\$100,000

This effectively means that your initial account weighting will only apply in the strictest sense on the first day of your investment. After this, each Model Portfolio will perform differently and therefore, the value of it will change in dollar and percentage terms, thus changing your overall weightings.

We will only reweight your Model Portfolio on an Investment Instruction from your financial adviser on your behalf.

Customising your Model Portfolio

Farnam Managed Accounts offers you the ability to customise the Model Portfolios in your Account by directing us to exclude or lock certain securities within a Model Portfolio.

Not all Model Portfolios offer the ability to customise. You should review the Investment Guide to determine if the Model Portfolio you invest in offers customisation.

Possible customisations include:

- **Lock Model Portfolio:** suspends any transactions from occurring, other than the processing of corporate actions by AUFM.
- **Exclude Securities:** Where you do not wish to invest in a particular security, you can elect to exclude that security from a Model Portfolio. The dollar amount of any excluded security will then be invested across the remainder of the portfolio.

You can customise your Account at any time by providing us with an online Account instruction.

Any customisation of your holdings may alter the investment performance of your Model Portfolios compared to that of your chosen Model Portfolio. Model Managers will make no allowance for your investment preferences when they make investment decisions or report on Model Portfolio performance.

Customisation of your Model Portfolio is likely to increase the number of trades and as a result the transaction costs incurred.

Selection of investments

The Responsible Entity has appointed FedInvest Pty Ltd ABN 12 131 346 168 ACN 131 346 168 ('FedInvest') to provide investment consulting services to the Responsible Entity in relation to Farnam Managed Accounts.

FedInvest has established an investment committee ('FedInvest Investment Committee'), which comprises three members, with at least one member being a representative of the Responsible Entity.

Available investments, including those that utilise professional investment managers are reviewed by the FedInvest Investment Committee. In reviewing investments, the FedInvest Investment Committee considers criteria including, but not limited to:

- Liquidity of the investment;
- Asset allocation and diversification;
- Research recommendations;
- Standard risk measures;
- Compatibility with the administration platform;
- The diversification of the Investment Guide; and
- Registration status for Managed Investment Schemes.

Investments reviewed by the FedInvest Investment Committee may include investments issued by the Responsible Entity or its related parties. The selection of investments is conducted on an arm's length basis and is not constrained by related party relationships. Further information on related party policy and arrangements is available on page 9.

If the FedInvest Investment Committee is satisfied an investment meets its review criteria, it recommends to the Responsible Entity that the Investment Option be included in the Investment Guide. The Responsible Entity will then consider the Investment Option.

The Investment Guide is monitored by the FedInvest Investment Committee on an ongoing basis and undergoes an annual review to determine if available Investment Options should continue to be made available and open to investment.

If the annual review determines that an Investment Option no longer meets its review criteria, the FedInvest Investment Committee may recommend to the Responsible Entity the removal of the Investment Option from the Investment Guide.

If an Investment Option is removed from the Investment Guide, the Administrator will not accept any new applications into the removed Investment Option. Investors who hold an Investment Option that is removed from the Investment Guide may maintain the Investment Option until such time the Investor decides to liquidate their holding.

If a material change to the Farnam Managed Accounts investment policy occurs, the Responsible Entity will notify your authorised financial adviser via the Farnam Portal.

How to operate your account

How to make your initial investment and ongoing contributions

BPAY®	Initial and ongoing	Using your Australian Financial Institution's online or telephone banking services, contributions can be made from a savings, cheque or transaction account. Simply use the following details for your BPAY® transactions: Biller code: 101303 Reference number: Your reference number is found in your Welcome Pack and is also available via the Portal once your Account has been set up.
Cheque	Initial and ongoing	We can accept cheques, please make it payable to "Farnam Managed Accounts –AC <Client Name>".
Electronic funds transfer (direct credit)	Initial and ongoing	We can accept direct credit deposits via your telephone and internet banking. Please use the Australian financial institution account and Account number found in your Welcome Pack.
Direct Debit Payment	Ongoing	By completing the Direct Debit form, you authorise us to debit a nominated amount from your Australian financial institution account on the nominated day either monthly, quarterly or half yearly into your Account. This must be a minimum of \$100 per month. Please note you cannot request a direct debit from an Australian Financial Institution account held in the name of any other person or business; i.e. your Australian financial institution account name must not be a third party. Also, we will not accept instructions from your financial adviser to set up a Regular Direct Debit Plan; you must personally sign the instructions. By completing the Direct Debit form, we can facilitate a Direct Debit from your nominated account on the nominated day for the nominated amount.

Cash Account and timing of Account instructions

To allow adequate processing time your Cash Account may be debited in advance of the due date required by the underlying Investment Option to which your Account instructions relate. No interest will be payable by the Custodian for funds debited during this time period.

Account instructions

Once you are an Investor of Farnam Managed Accounts, you will be given a secure username and login to the Farnam Portal. Your financial adviser can then submit Account instructions online via the Farnam Portal. Online Account instructions can be provided for all transactions on your Account except those requiring an original signature and/or supporting documents.

Providing Account instructions via the Farnam Portal

Your financial adviser can only provide Account instructions online via the Farnam Portal. We may at our discretion (in exceptional circumstances) accept Account instructions provided in writing to us either by post, fax, or email. However, generally Farnam Managed Accounts is an online product.

There are some forms that may require original signatures and supporting documents that need to be completed, signed and uploaded to the Farnam Portal.

There are terms and conditions relating to online instructions to which you agree when you complete an application. These are set out on page 10.

We endeavour to commence the processing of all investment related Account instructions as soon as possible (generally within one business day from receipt). The time to finalise Account instructions will depend on the instruction given (for example, if we need to wait for cleared funds before making an investment you have requested then this will result in a delay). Also, note that there may be times when this is not achievable.

Regular Contribution Plan

You may choose to set up an RCP to authorise debit of an agreed amount from your Australian Financial Institution account each month for investment into your Account. This must be at least \$100 per month and will be debited on the 15th of each month or the next Business Day after that. To establish an RCP you must complete a Direct Debit Request Form and provide instructions in the Application Form. You may also set up an RCP after you have opened your Account via an Account instruction. You cannot arrange a direct debit from a third party account.

We will only accept instructions from you directly to set up your RCP, and not from your financial adviser. You will need to provide an Investment Instruction in relation to how to apply any regular contributions.

If you wish to change your financial institution, then you must complete and lodge a new Direct Debit Request Form but two Business Days' notice is required to effect such a change.

Dollar Cost Averaging

DCA is a way of regularly investing using a fixed dollar amount in certain Investment Options ignoring the price of the Investment Option with the aim to achieve a lower average price over time rather than buying quantities based on market movements.

DCA refers to an instruction, to make a regular investment into one or more approved Investment Options on a regular monthly basis. DCA regular investments are then deducted from your Cash Account on the 20th of the month (if this date falls on a weekend or Melbourne public holiday the DCA will be processed on the next business day). If the balance of your Cash Account has insufficient funds to make a DCA investment, it will be delayed until the next DCA investment date (i.e. the 20th of the following month) or until such time your Cash Account holds sufficient funds.

The minimum DCA investment amount is \$500 per month. The minimum DCA transaction amount is \$50 per Investment Option. You (through your financial adviser) may change or cancel an Investment Instruction to make DCA investments at any time. However, some Investment Options may impose minimum regular purchase amounts in either dollar or units terms ("Marketable Parcels"). If your DCA investment amount is below the particular Investment Option's marketable parcel, your DCA Investment Instructions will not proceed and monies will remain in your Cash Account until the marketable parcel minimum is reached. For example, if your DCA Investment Instruction is \$500 per month, and a particular Investment Option requires \$1,000, your DCA transaction will be made every second month, assuming a sufficient Cash Account balance is available.

Margin lending

It may be possible to invest in Farnam Managed Accounts using a margin lending facility that has been approved by the Responsible Entity, a PDS for a margin lending facility is available from your financial adviser or through the Farnam Portal.

If you wish to make an application for a margin lending facility, then you should complete the relevant forms which should be available by contacting your financial adviser. If your Application to invest in Farnam Managed Accounts using a margin lending facility is approved by the margin lender you selected, then (subject to the Responsible Entity's consent), you and your financial adviser will be able to apply funds drawn down from your margin loan to your Account.

If you choose to fund your Account using a margin lending facility, all or part of the investments in your Account are used as security for the facility. The Responsible Entity does not enter into a lending agreement with the margin lender as a means of providing this security.

The use of a margin lending facility has the potential to cause significant losses. As a form of gearing any investment losses will be multiplied. You should be aware of the risk involved in implementing a gearing strategy and discuss this in detail with your financial adviser before considering a margin loan. A margin lending facility will be subject to risks as set out in the relevant underlying disclosure document.

Receiving income, dividends or distributions

All income from dividends and distributions will be received as cash and paid into the Cash Account (i.e. dividends/distributions may not be reinvested back into the investment which generated the dividend/distribution). If a Model Portfolio generated the income then the income will be taken as cash and that cash will be paid into the relevant Model Portfolio that holds the security from which the dividend was received. Income from interest earned on the Cash Account (including interest on the cash from dividends) may be paid to the relevant Model Portfolio if that is the standing Investment Instruction.

Withdrawing all or part of your investment

You can generally request a withdrawal from your Account at any time via the Farnam Portal or by writing to the Administrator via fax or post and providing your client code, account name, the value to be withdrawn and the external account details to deposit the funds. Third party payment instructions will not be accepted.

Withdrawals can be effected in the following ways (see below for further details on each option):

- a cash withdrawal as a direct deposit to your nominated Australian financial institution account;
- an In Specie Transfer out; or
- a combination of an In Specie Transfer out and cash/direct deposit.

The Administrator will act on any withdrawal instruction that appears to have come from you and will endeavour to comply with your request promptly, subject to its ability to do so. Please be aware that the Constitution allows a period of 30 days for the Responsible Entity to act on a withdrawal request, and in some circumstances a longer period may apply.

Once you provide a withdrawal instruction, you must seek the Administrator's approval before revoking the Investment Instruction.

Upon receiving an instruction to withdraw your total Account balance, Farnam Managed Accounts will deem your Investment Instruction to have been terminated and unless you have advised otherwise, and the Administrator agrees, your Account will be closed.

Withdrawing cash

To receive a cash payment from your Account, you are required to nominate an Australian financial institution account into which all cash withdrawals are to be paid. Third party payment instructions will not be accepted. The Administrator will continue paying cash withdrawals into this account unless you request otherwise. The Administrator will not accept a variation instruction regarding your nominated Australian financial institution account from your financial adviser.

If it is necessary to sell, or redeem investments in order to satisfy your request to withdraw cash, then:

- Unless you instruct the Administrator otherwise, your investments will be sold or redeemed proportionately across your Account.

- The amount you will receive will be the price at which the investments are actually sold or redeemed, net of all fees, charges and expenses, including brokerage and other transaction costs.
- The sale/redemption of your investments in your Account will generally commence on the next Business Day following the receipt of your withdrawal request.
- The proceeds will generally be available within 24 hours of settlement of the sale of the investments. It is anticipated that settlement will in normal circumstances occur within four Business Days. Longer periods may apply, for example, in the case of the ex-distribution period of a Managed Fund, or Managed Funds offering limited liquidity.

There may be delays in selling or redeeming assets due to factors beyond the Responsible Entity's and the Administrator's control, such as market conditions and the level of liquidity of the investments.

The cash from selling your securities will accumulate until the full amount is available to be transferred into your nominated Australian financial institution account.

Please note that administration and other ongoing fees will apply to this cash balance whilst it remains in your Account.

Regular withdrawing

You may request regular payments from your Account to be paid to a nominated Australian financial institution account. This may be:

- a fixed amount every month, or
- a monthly payment of any dividend or distribution income that has been received into your Account over the preceding month.

Regular withdrawal payments will normally be automatically credited to your nominated bank account as cleared funds on or around the 15th day of each month (or the nearest earlier Business Day).

Payments are made from the cash balance of your Account. If there is insufficient cash in your Account, the Administrator will endeavour to still make your regular monthly payment. However, some of the investments in your Account will be sold to cover the withdrawals and to restore a cash component. This will result in an overall reduction in the value of your investment and there may be taxation consequences to you as a result of selling your investments in this way.

For those Investors who elect to receive a monthly payment of any dividend or distribution income generated by their Account, then the total value of dividends and distributions received in the preceding month will be paid. It is important to note that the value of this income stream will vary from month to month in line with dividend and distribution payments and there may be some months in which no dividends or distributions are received into the Account. Therefore there will be no monthly payment to you. Also, you should note receipt of dividends or distribution income by an Investor would ordinarily be subject to tax in the Investor's hands.

To request, vary or cancel a regular payment you should provide an Investment Instruction through the Farnam Portal. You can do this at any time, however, the request needs to be received by the Administrator's office at least four Business Days before the due date of the next income payment. Investment Instructions from your Representative to change the details about how withdrawal proceeds are paid to you will not be accepted.

In Specie Transfers Out

If you no longer wish to hold your investments through Farnam Managed Accounts, then you may be able to transfer them out by requesting an In Specie Transfer, so as to hold them directly in your own name or through another structure or service. You must complete the relevant transfer form, indicating the name and number of securities to be transferred and the account number they are to be transferred into. Please note that a change in ownership (such as, for example, a transfer to a self-managed superannuation fund) will require the completion of an Australian Standard Transfer Form and may be a CGT event, so could have taxation consequences. An In Specie Transfer Fee may also apply (see Fees and Costs on page 10 in Part 1 of the PDS for details).

You should obtain financial and taxation advice before deciding to transfer investments out of Farnam Managed Accounts.

When withdrawals will not be processed

We may suspend withdrawals during periods in which there is closure or disruption of a relevant stock exchange or if other unusual circumstances outside of our control persist. Notification of events such as this will be placed on the website at farnam.com.au as well as on the Farnam Portal.

Other circumstances when we will not process your withdrawal request include the situation where a Managed Fund is frozen. This means the Fund Manager cannot or will not process withdrawals.

Additionally, Investors should note the Constitution does not require us to act on your withdrawal request if it would mean your Account falls below the prescribed minimum balance. Alternatively, your request could be treated as applying to all assets or a class of asset you hold. A minimum balance requirement is not currently imposed. You will be provided with 30 days' notice if a minimum balance requirement is imposed in the future.

Withdrawal rights

Withdrawal rights for Investment Options may change, and withdrawals may not be available if for example a product's issuer decides to cancel or suspend withdrawals.

If the withdrawal rights relating to an Investment Option change, the Investment Option's issuer may not be required to return an investment or provide other options to withdraw.

Notification of any supplementary or replacement Disclosure Documents issued for Investment Options will be provided to your authorised financial adviser through the Farnam Portal.

Should the Administrator or Responsible Entity receive notification that an Investment Option's withdrawal rights have changed, or a limited withdrawal option is made available, your authorised financial adviser will be able to access this information through the Farnam Portal within five Business Days of the notification.

Your authorised financial adviser's instruction to act on withdrawal options will be followed; however you may be allocated withdrawal proceeds on a pro rata basis. For example, if the change in an Investment Option's withdrawal arrangements places a limit on the amount that can be withdrawn, then the amount paid out may be less than the amount requested by you. If this occurs, your payment will be reduced proportionately.

Minimum holding requirements for Investment Options

Some Investment Options may be subject to minimum holding requirements imposed by the investment's issuer. Generally minimum holding requirements of Investment Options are not imposed when investing through Farnam Managed Accounts. However, there may be instances where an Investment Option's minimum holding requirement is imposed.

Some investments made through Farnam Managed Accounts are consolidated (in terms of how they are held), and in many cases more than one Investor through Farnam Managed Accounts may have holdings in the same Investment Option.

If the Administrator receives a withdrawal instruction for an Investment Option and is informed by the Investment Option's issuer that the minimum holding requirement will be imposed, under the Farnam Managed Accounts' Constitution, the Administrator may not act on the original withdrawal request.

In some circumstances, the issuer of an Investment Option may impose the minimum holding requirement and close an Account entirely. This may result in crystallising a loss or gain to all Investors of that Investment Option. You accept that this may occur and AUFM accepts no responsibility if this occurs.

Other important information

Role of your financial adviser

Applications will generally not be accepted unless you have a financial adviser who is authorised to advise on and distribute Farnam Managed Accounts. The Responsible Entity reserves the right to allow Wholesale Investors to use Farnam Managed Accounts without a Financial Adviser.

If you cease to have a financial adviser

If you cease to have a licensed financial adviser, or if your financial adviser is no longer authorised to distribute Farnam Managed Accounts, then we will provide you three months' notice from when we are made aware in writing that action needs to be taken by you to seek a replacement licensed financial adviser, or your Account may be closed.

If that notice period expires and you have not appointed a replacement licensed financial adviser, we may treat this as authority to close your Account and to affect a withdrawal of your total Account balance. Subject to the law, the assets in your Account may be sold and your Account may be closed.

Your personal information

We collect your personal information for the following purposes:

- to administer and provide products and services and manage our relationship with you, including to establish and maintain Investor records, and provide reports and communications to you;
- process transactions and instructions, to answer queries in relation to our products and services;
- identify you in accordance with the Anti-Money Laundering & Counter Terrorism Financing Act and to protect against fraud (see Anti-Money Laundering and Counter-Terrorism Financing on page 9 for details);
- let you know about other products or services that we may offer or that the Promoter may offer; and
- comply with applicable laws and regulations.

We collect personal information to manage and administer your Account. We disclose Investor information when dealing with external parties who are necessary in helping us carry out our duties. We will provide information to the financial adviser nominated by you. Internet access is kept secure by password. We rely on written authorisations to make changes to personal details. You are taken to agree to the collection, use and disclosure of your personal information when you apply to become an Investor of Farnam Managed Accounts.

We may disclose your personal information to third parties including:

- outsourced service providers
- the Promoter of Farnam Managed Accounts
- AUFM, the Responsible Entity of Farnam Managed Accounts and its service providers
- mail houses and printing companies

- specialist service providers, such as actuaries, auditors and lawyers
- custodians and brokers
- your financial adviser, your attorney appointed under a power of attorney, or your appointed representative
- other consultants; and
- Government authorities, as required or desirable in administering and conducting the business of Farnam Managed Accounts, including in complying with relevant regulatory or legal requirements. It is possible that this may also include a Government authority that is overseas.

Personal information will only be disclosed to third parties other than those listed above if you have consented, if you would reasonably expect us to disclose information of that kind to those third parties, if we are authorised or required to do so by law or it is necessary to assist with law enforcement.

If you do not provide the requested information, we may not be able to accept your application, provide you with services relating to the Farnam Managed Accounts or administer your interest in Farnam Managed Accounts.

In most cases, if you so request and provide evidence of identity, we shall give you access to the personal information collected about you. Your financial adviser may provide personal information that they have collected about you to the Responsible Entity if it is relevant to your investment with Farnam Managed Accounts.

The Privacy Policies of the Responsible Entity and the Administrator set out how you can access and correct information we hold about you, how you can complain about a breach of your privacy rights and how your complaint will be handled.

The Responsible Entity's Privacy Policy can be found at australianunity.com.au/privacy-policy. The Administrator's Privacy Policy can be found at www.linear.com.au

If you have any queries or complaints about your privacy please contact:

Privacy Officer, Linear Administration Services
PO Box 482 Collins Street West VIC 8007
Email: fed.support@linear.com.au

Related parties

We have a policy for managing conflicts of interest and related party transactions. All transactions entered into by us in relation to Farnam Managed Accounts with related parties are generally conducted at arm's length, meaning that they are entered into on comparable terms to arrangements that would be made with unrelated third parties.

PFS Investment Management Pty Ltd (PFSIM) (ACN 609 946 616) is a corporate authorised representative of Australian Unity Personal Financial Services Limited (AUPFS) (AFSL 234459). AUPFS and its authorised representatives may provide financial advice to its clients in relation to investing in Farnam Managed Accounts.

PFSIM, AUPFS and AUFML are wholly owned subsidiaries of Australian Unity Limited ABN 23 087 648 888 (AUL) and are members of the Australian Unity Group. Related party transactions with Australian Unity Group entities are reviewed and approved by senior management in accordance with relevant policies and guidelines.

AUFML and Federation Alliance Limited share some common directors. The Australian Unity Group holds shares indirectly in Federation Alliance Limited through its management company.

The Administrator has entered into contracts with third party providers of financial services and products to facilitate and perform certain requirements of Farnam Managed Accounts. The Administrator may receive a fee for those administrative services from third parties. This is not an additional cost to Farnam Managed Accounts or to Investors.

Anti-Money Laundering and Counter-Terrorism Financing

In accordance with the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth) (AML/CTF Act), we have the obligation and right to collect and identify information and to verify documents. From time to time, we may require additional information or documents from you to assist in this process such as verification of your identity and requesting certified IDs from you and/or your beneficiaries prior to the provision of a designated service. These designated services include payments of benefits and rollovers to other institutions. Pursuant to provisions within the AML/CTF Act, we may have the right not to provide financial services in certain circumstances.

In complying with obligations in relation to the AML/CTF Act, there may be instances where transactions are delayed, blocked, frozen or refused where reasonable grounds are established that the transaction breaches or may potentially breach Australian law or sanctions, or the law or sanctions of any other country. Where transactions are delayed, blocked, frozen or refused, we are not liable for any loss you may suffer (including consequential loss) as a result of compliance with the AML/CTF Act as it applies to Farnam Managed Accounts.

We have certain legal obligations to disclose information we have gathered to law enforcement agencies and/or regulatory agencies including to the Australian Transaction Reports and Analysis Centre (AUSTRAC), the regulator of the AML/CTF. We also have reporting obligations in relation to the AML/CTF regulatory regime and must report certain matters to AUSTRAC. These requirements may prevent us from informing you that any such reporting has taken place under a tipping-off prohibition.

Politically Exposed Persons

To comply with AML/CTF laws we require you to disclose whether you (or any of your beneficial owners) are, or have an association with, a Politically Exposed Person ('PEP'). A PEP is an individual who holds a prominent public position or function in a government body or an international organisation in Australia or overseas, such as a Head of State, or Head of a Country or Government, or a Government Minister, or equivalent senior politician. A PEP can also be an immediate family member of a person referred to above, including spouse, de facto partner, child, and a child's spouse or a parent. A close associate of a PEP, i.e. any individual who is known to have joint beneficial ownership of a legal arrangement or entity is also considered to be a PEP. Where you identify as, or have an association with, a PEP, we may request additional information from you.

Source of investable assets/wealth

Under the AML/CTF laws, we are required to identify your source of investable assets/wealth.

Non-individual entities – your beneficial owners

Your beneficial owner means an individual who ultimately 'controls' you (directly or indirectly) or owns you (directly or indirectly). 'Control' includes control (directly or indirectly) as a result of, or by means of trust (including in the capacity as beneficiary, trustee or settlor), an agreement, an arrangement, an understanding or practice, and further includes the ability to exercise control over decisions about financial and operating policies. 'Owns' means ownership (either directly or indirectly) of 25% or more of you.

Under AML/CTF laws you are required to provide information about your beneficial owners for account types including:

Australian incorporated or created entities such as:

- proprietary limited companies including corporate partners; or
- trusts, including family trusts; or
- associations or co-operatives.

Entities incorporated or created outside of Australia such as:

- companies;
- partnerships;
- trusts; or
- estates.

These account types will be required to complete the 'Beneficial Owner Information' Form, which is available through the Farnam Portal or by calling the Administrator 1300 559 095.

Online Terms and Conditions

When your Account is activated you will be provided with access to the Farnam Portal via a password and user ID. The Responsible Entity will not generally be liable for any loss incurred by you if your password is used by someone without your authority, except to the extent that such liability is attributable to the Responsible Entity's negligence. However, you need to be aware that, when accessing your Account by entering your password, you discharge, release and agree to indemnify the Responsible Entity from and against all proceedings, actions, liabilities and claims arising out of the use of your password. Investors should take care to store their password separately from their Account records.

Your Farnam Portal will show the date and details of each transaction made for your Account, including the amount paid for the securities and any associated fees, costs and charges that have been deducted from your Account. Model Portfolio values, including cash balances, are current as at the end of the previous Business Day, allowing you and your financial adviser to more accurately manage your tax positions. Please note that all positions may at times be subject to delay.

Online and fax instructions

Investors should note that there is a risk persons with access to your Account details may provide fraudulent or other unauthorised instructions. Therefore, you agree to indemnify and release the Responsible Entity from all potential actions and liabilities arising from us acting on what appeared to be genuine instructions from you or from your financial adviser on your behalf.

Continuous disclosing entity

Farnam Managed Accounts is a 'disclosing entity' under the Corporations Act and is therefore the subject of regular reporting and disclosure obligations, including obligations to disclose when an important event occurs. Any reports and disclosures of important information will be lodged with ASIC and can be obtained from ASIC. Copies will also be provided to Investors via the Farnam Portal or email.

ASIC relief

To operate Farnam Managed Accounts, the Responsible Entity relies on ASIC Class Order 13/762 Investor directed portfolio-like service provided through a registered managed investment scheme. This class order gives relief from some of the fund raising and disclosure requirements of the Corporations Act provided the Responsible Entity complies with certain conditions, including providing you with regular reports about your investment in Farnam Managed Accounts.

Compliance Plan and Compliance Committee

The Compliance Plan outlines the principles and procedures which the Responsible Entity will invoke to ensure that it complies in all respects with the provisions of the Corporations Act, ASIC policy, and the Constitution. The Compliance Plan deals with an extensive range of measures in relation to the operation of Farnam Managed Accounts.

A Compliance Committee, consisting of members who are internal and external to the Responsible Entity is in place and is responsible for monitoring compliance with the Compliance Plan and reports on its findings to the Responsible Entity's Board.

Custodian agreement

An appropriately authorised and experienced Custodian, BNP Paribas Securities Services, has been appointed to hold all assets in Farnam Managed Accounts and the custodian agreement requires the Custodian to deal with the assets only as instructed by the Responsible Entity. The Custodian may only act in accordance with the terms of the custodian agreement and has no liability (including for negligence or breach of trust) or responsibility to Investors of Farnam Managed Accounts for any act or omission in accordance with proper instructions or otherwise, in accordance with the terms of the custodian agreement. Under the custodian agreement the Custodian may appoint a sub-custodian to hold all or some of the assets with the Responsible Entity's consent.

The custodian agreement may be terminated by either party issuing a termination notice in accordance with the custodian agreement.

Declarations

By completing the Application Form:

1. You confirm that you have received and read the PDS, and the Investment Guide, as well as any updates and supplementary disclosure.
2. You agree to be bound in accordance with the provisions of the Constitution, where applicable.
3. You accept that it is your responsibility to check farnam.com.au and the Farnam Portal for any electronic communications, updates or supplementary disclosure, and the Investment Guide, before making any investment or further investment to ensure you have the most up to date disclosure.
4. As an Investor in Farnam Managed Accounts you are deemed to authorise investments to be made on your behalf in accordance with the most recent and valid Investment Instruction(s) that you or your financial adviser provides. Under this authority, we will invest your contributions by buying or selling investments according to your Account instructions.
5. You agree that we can accept instructions to change the investments within your Account from you or your financial adviser.
6. If you instruct us to invest in Model Portfolios then we will act on the instructions of the Investment Managers of the Model Portfolios without further reference to you.
7. You agree to indemnify and release AUFM, the Promoter and Administrator from all claims and liabilities arising from any action taken because of instructions from you or from your financial adviser on your behalf and that this indemnity and release will continue after you cease to be an Investor of Farnam Managed Accounts.
8. To allow adequate processing time and to meet deadlines set by the Custodian and AUFM, you agree your Cash Account may be debited in advance of the due date required by the underlying investment. No interest will be payable by AUFM or the Custodian for Farnam Managed Accounts debited during this time period.
9. By becoming an Investor, each Investor acknowledges and agrees that corporate actions will be determined by the Responsible Entity.
10. You consent to all communications being provided to you and/or your financial adviser in electronic form (including via the Farnam Portal). You agree that you and/or your financial adviser will access electronic communications from AUFM by regularly accessing them via the Farnam Portal and email. You agree that any communication given to you electronically via the Farnam Portal will be taken to be delivery of that communication to you by us.
11. You agree to provide a daytime contact number and email address as part of your completed Application Form and provide the Administrator with updated details if and when they change.

12. The Farnam Portal will be the facility through which transactions are confirmed to you (i.e. a facility for the purposes of section 1017F(5) of the Corporations Act); you acknowledge that it will be updated on a continuous basis to show the date and details of each transaction made to your Account, including the amount paid for the securities and any associated fees, costs and charges that have been deducted from your Account.
13. When your Account is activated you will be provided with access to the Farnam Portal via a password and user ID. You agree that neither AUFM nor the Administrator is liable for any loss incurred by you if your password is used by someone without your authority, except to the extent that such liability is attributable to our own negligence.
14. When accessing your Account details on the Farnam Portal by entering your password, you discharge, release and agree to indemnify us from and against all proceedings, actions, liabilities and claims arising out of the use of your password.
15. You authorise AUFM to act upon the instructions of your financial adviser in relation to your Account, including transmitting your requests relating to your Account and making changes to your Account details or selecting and switching investments option(s), including Model Portfolios and Self-directed Investments. Changes to your Account that can be made by your financial adviser alone exclude some personal details, Australian financial institution accounts, advice fees and beneficiary nominations.
16. You authorise all correspondence to be provided primarily to your financial adviser about your Account. You agree that any communication or correspondence given to your financial adviser will be taken to be delivery of that communication to you by us.
17. You confirm that the Administrator can provide to your financial adviser, and employees and authorised representatives of the dealer group information about your Account, including information regarding the assets that make up your Account, transactions, fees and costs and your personal details.
18. You direct that AUFM to effect the payment of the advice fees as set out in the Application Form (including as varied by you and your financial adviser) to the AFS licensee named as per the authority and you warrant to AUFM and Administrator that the payment relates to services provided to you by the financial adviser in relation to your interest in Farnam Managed Accounts.
19. Any payment made, requested or received by your financial adviser shall constitute a release of AUFM's obligations and neither you nor any person making a claim on your behalf will have any cause of action against the AUFM or the Administrator.
20. You acknowledge that AUFM disclaims any liability for direct or consequential loss, damage or injury arising from your appointment of a representative.
21. You acknowledge that any transfer request relating to illiquid assets will only be made in accordance with the withdrawal or redemption restrictions relating to the illiquid assets, as disclosed in any Disclosure Document pertaining to these investments provided to you by your financial adviser.
22. You acknowledge that any customisation of your holdings may alter the investment performance of your Model Portfolios compared to that of your chosen Model Portfolio and that Investment Managers will make no allowance for your investment preferences when they make investment decisions or report on Model Portfolio performance.
23. You accept the risks of investing through Farnam Managed Accounts and the risk relevant to your selected Investment Options and neither the Administrator, the Responsible Entity, the Promoter, or the Custodian guarantee performance or return of capital.

Corporate directory

Contact Administrator

(Administration and support queries)

Address Level 9, 525 Flinders Street
Melbourne Vic 3000

Postal PO Box 482
Collins Street West VIC 8007

Phone 1300 559 095

Fax 03 9629 2550

Website fedalliance.com.au

Email fed.support@linear.com.au

Promoter

(Adviser sales and general enquiries)

Federation Alliance Limited
ABN 99 155 709 809
AFSL 437400

Address Level 23, 307 Queen Street
Brisbane QLD 4000

Postal PO Box 18052
VIC 3001

Phone 07 3188 0808

Fax 07 3188 0809

Website fedalliance.com.au

Email info@fedalliance.com.au

Issuer and Responsible Entity

Australian Unity Funds Management Limited

ABN 60 071 497 115
AFSL 234454

Address 114 Albert Road
South Melbourne VIC 3205