

Product disclosure statement

FirstStep Fund

ARSN 616 173 865

(FirstStep)

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

This document

This document is important.

Called a product disclosure statement (**PDS**), it tells you about the FirstStep Fund (**FirstStep**). We here at OneVue RE Services Limited, the responsible entity (or trustee) of FirstStep, have prepared it. We hope you find it easy to read.

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

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

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

FirstStep Investment Options

FirstStep gives you access to a range of 'Investment Options'. Each represents a different mix of investments and each feels and is different. The Investment Options may change from time to time. FirstStep's range of Investment Options allows you to choose what sort of investment portfolio you will have.

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

Further information can also be found in the App.

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

Additional Information booklet

If you look at the **Contents** above, you will also see that there are a few section headings marked with an *. Those sections in this PDS are actually a summary. Go to the App, download our **Additional Information** booklet and read the rest of the detail. It's free of course. That booklet is also part of this PDS.

Thanks for signing up!

Thanks for signing up for the App!

We and FirstStep Investments now know a few things about you. But (and this is **important**) we don't know you that well. Nor does FirstStep Investments.

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

Sure the App has asked you a few questions, but still, neither us or FirstStep Investments knows enough about you to give you personal advice, that is, advice that is based on your particular objectives, financial situation or needs.

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

Remember, the App is a robot. It isn't pretending to give you personal advice. It can't. It won't. If you are unsure, don't just swipe right. Anyone that invests should ask someone professional, like a financial adviser, about what's right for them.

And investing involves ...

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

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

The past and the future

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

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

1. About OneVue

Experience and vision bringing you an easy way to invest.

An established professional

OneVue has been around since 2002. A professional trustee, our job is to act in your best interests. We are owned by a company (OneVue Holdings Limited) which has a deep technology background, and which is listed on the Australian Stock Exchange (ASX code OVH). At 30 September 2016 we administered around \$3.40 billion for Australians. Find out more at www.onevue.com.au.

About FirstStep Investments

Serious about making a difference

FirstStep Investments is a new Australian owned and run company based in Melbourne.

It was founded by a young, serious and smart team of largely technology professionals who are passionate about making investments available to everyone, especially people beginning their financial journey.

Why coffee is so important

The team at FirstStep Investments likes coffee.

And that's what started them thinking: why isn't coffee \$4.00 anymore?

Why isn't anything just, like, \$1.00. Or \$5.00. Or \$10.00.

Coffee always seems to be \$4.50. Everything else seems to be something + 95 cents.

And then (*lightbulb moment*) they figured this. They remembered (sort of) something their parents had told them. That the earlier you start to think about your future and act, the better the chance of it turning out like you want.

The pondering and the coffee continued: starting sooner rather than later was important (they figured), even if you are taking small steps.

And over the long run (they figured), even small steps can take you a long way, and (they figured) can make a real difference to your future.

Then they started to get excited: what if they could access everyone's spare 50 cents and helped them get going

And what if they started a company to do all that?

That was 2 years ago or more ... and now FirstStep is real.

Not owned by a bank!

FirstStep Investments isn't owned by a big bank or anyone else big for that matter.

The team that turns up to work each day largely owns the company, along with some investors who back them because they too decided FirstStep is a worthwhile investment.

They've also teamed up with a group of older really serious investment types who choose the investments available through FirstStep, and some of them are on the board of directors of FirstStep. They have lots of investment experience. You can read more about them on the App.

All the licences and approvals are of course in place. FirstStep Investments is a corporate authorised representative of Primestock Securities Ltd which has Australian business number 67 089 676 068 and holds Australian financial service licence 239 180

So ... let's go!

2. How FirstStep works

Download the App!

Joining

It's pretty simple. You got this far so you have done OK!

This is the basic idea:

The App rounds the transactions on the bank account you nominate, and invests them in FirstStep, into investments you choose. It makes small amounts work harder and grow over time.

We don't run the App: FirstStep Investments does. You must read the App's terms and conditions. Use the App to apply to open an account with FirstStep, and link it to an account with an Australian financial institution, like a bank or building society. For your linked account, FirstStep Investments recommends choosing the one you use every day.

Log in, set your preferences if you haven't already, choose your preferred core Investment Option and mix in some other thematic Investment Options if you want, and FirstStep Investments will do the rest – rounding up those pesky transactions and making those cents go to work.

The minimum investment is, well, just \$1.00.

You become an investor in FirstStep - a FirstStepper - and have the rights and obligations of an investor when your money is first invested in FirstStep (just completing the App's sign up isn't enough).

Investing

You can always change your preferences – such as how you feel about risk, what Investment Options you have chosen, how much round up you prefer and what is rounded up, and whether or not to invest a regular amount: use the App. FirstStep Investments will implement changes as soon as it can.

Use the App to withdraw. We usually pay money to your linked account pretty quickly – see below for details (note that in unusual circumstances there could be delays).

You don't own the actual investments - we do (or more accurately we have a professional custodian, independent from us, hold them). What you own is an interest in the trust that is FirstStep. The custodian isn't responsible for managing your investments in FirstStep – FirstStep Investments is.

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

FirstStep's investments will go up and down in value. So will your FirstStep account balance – we use the value of the underlying investments to show a dollar balance in your account (note that an adjustment is made for 'spread' – see the Fees and costs section). There are lots of reasons for value going up and down. Keep reading – especially the **Risks** section!

Under the bonnet

FirstStep is really a trust (that's why we are a trustee). Sometimes you hear people call these things a 'managed investment scheme'. It's just another name for the same thing.

Trusts are common, in Australia at least. They are simply a legal way we as trustee carefully hold your money, mixed (or pooled) with other FirstSteppers, but separate from our money and from FirstStep Investment's money. Trusts like this must comply with a whole lot of laws – this PDS, the Corporations Act and the FirstStep constitution: that's part of our job as trustee for FirstStep.

3. Benefits of investing in FirstStep

Significant features and benefits

Got 5?	5 minutes is the average set up time if you have all the things you need to hand.
Access FirstStep anywhere	FirstStep is app based, and the App works on all the main operating systems. It's available (or available soon!) through Apple's App Store, Google Play and the Windows Store.
Just get started	Now's the time to start an investing habit! It's easy and you don't need to be a zillionaire.
Take your first steps & chill	We look after your small change, creating your investment habit. Check in from time to time and see how your account is going. FirstStep Investments will stay in touch as well – through the App of course.
Tailor your investments	Select Investment Options that interest you.
Seek returns	Pick from Investment Options seeking a range of target returns.
Stay healthy	Use the App to monitor your spending and investing health.
Mix it up	Mix thematic Investment Options with your core Investment Options.
Don't sweat the big stuff	FirstStep Investments manages each Investment Option, doing the hard things like choosing which things to invest in and when.
Change your status easily	"It's over" is as easy as clicking "close your account"
Minimum investment	\$1.00
Minimum additional investment	\$1.00
Minimum withdrawal	\$1.00
Minimum account balance	Zero
Account fee	0.275% pa paid monthly with a minimum of \$1.25 or \$1.95 per month.

4. Risks of managed investment schemes*

Making you money work better involves some risks.

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

Risk is a part of investing

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

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

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

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

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

Types of risk

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

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

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

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

International risk: Some Investment Options give exposure to other countries. When exchange rates change, the value of the investment can rise or fall. Underlying managers don't always seek to hedge (or manage) this risk. Some places are more risky. They can have greater corruption, less regulation, poorer reporting, and greater political, legal and other risks.

Interest rate risk: Changes in interest rates usually impact on investment returns.

Derivatives risk: Some ways to invest or manage risk are complex. Derivatives are one such thing. We don't use derivatives. But companies in which we invest may use these to better manage risk and/or to try to make money. Derivatives use is not always successful. Losses can be disproportionate.

Borrowing or leverage risk: We don't borrow money to enhance returns and risk in FirstStep. But companies in which we invest may borrow. Borrowing magnifies returns and magnifies losses.

Liquidity risk: There can be delays in you getting access to your investment.

Structure risk: When someone invests for you, there can be additional risks. FirstStep could close. Investment options may close. Those involved could change or cause problems. Someone involved with your investment (even remotely) may not meet their obligations, assets may be lost, not recorded properly or misappropriated. Transacting technology can misfire. Laws change, insurers may not pay, systems and infrastructure may fail and insurance may be inadequate.

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

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

reasonable to protect data they hold but you are trusting them, not us, with this access and information.

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

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

Anyone with your FirstStep log-on and password can operate your account and we won't know it's not you. If someone has your device, they may be able pretend to be you and we won't know it's not you. We will generally do what we see coming through the App. You can use the App to change passwords – do that regularly.

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

Getting a handle on you and how you see risk

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

Managing risk

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

5. How we invest your money

You say, we do.

Warning: you should consider the likely investment return, risk and your investment timeframe when choosing to invest in FirstStep.

Let FirstStep help you make a start!

One of the hardest things about investing (and about lots of other things) can be just getting started.

FirstStep makes it simple to start investing. Read this PDS and associated documents. Get familiar with the App. The App asks everyone the same simple questions. FirstStep Investments uses them to get you thinking about investing and to help you decide on a direction.

One key question is: do you think yourself a lower or higher risk investor or somewhere in between?

The App will suggest a core **Investment Option** based on your choice. You will be able to mix other thematic Investment Options to this one if you want.

Remember, lower, medium and higher risk are relative. Not being too obvious about it, but (usually) higher is higher than medium. Lower is (usually) lower than medium. And medium, well (usually) that's somewhere between them.

What risk feels like (and what it is) for you depends on things neither we nor FirstStep Investments knows. - Neither FirstStep Investments nor we give personal advice – advice based on your particular objectives, financial situation or needs. At most, general advice only is given.

And just because it's higher risk doesn't mean returns will necessarily be higher. And lower risk doesn't mean returns are always lower. Read the **Risks** section for enlightenment on some of the mysteries of investing and the important of patience.

Pause

Before you settle on the suggested core Investment Option, take a load off. Give this some thought.

Although the App can make it 'simple', FirstStep Investments can't ensure this is perfect for you.

If it doesn't feel right, don't just swipe right and do what the App

suggests or do something for the sake of doing anything. Put your device down. Do something else for a while. Look at the sky. Perhaps get a coffee (that's what the FirstStep Investments team would do). Perhaps ask a smart human what they think. Perhaps consider not using FirstStep right now.

Now, make it yours!

But let's assume you want to go on, that you have decided which core Investment Option is right for you.

Now's the time (if you want) to add some style. If you want, use the App to add one or more other thematic Investment Options. They are all different.

The thematic Investment Options let you tailor your portfolio to match your mood, your world view, what you like and dislike, what's important to you.

Are you into tech, or green? Or trends like ageing population? Or regions like Asia? Simply choose the corresponding thematic Investment Option.

What's in each Investment Option?

Each Investment Option represents a mix of investments listed on an exchange, in Australia or elsewhere.

Only listed investments are ever available through FirstStep, because listed investments are generally easily bought and sold. FirstStep often chooses investments listed on the Australian Securities Exchange (or ASX).

When an Investment Option has Australian exposure, it is usually to ASX listed 'exchange traded products', a family of lower cost investment vehicles comprising exchange-traded funds, managed funds and structured products. There are over 100 exchange traded products accessible through the ASX alone.

Exchange traded products are not really your end investment. Rather, exchange traded products invest in or give exposure to securities (usually shares of a company or units of a managed fund) or other assets such as commodities. They are low cost but do have a cost, and so in the **Fees and costs** section you will see that how much they add to overall costs is explained.

Many exchange traded products take a lower cost approach to investing, seeking to track the performance of a specified index or benchmark (such as the ASX 200 index) or a currency such as the USD or a commodity such as gold. Single asset products that track the performance of a specific security, bond or debenture are also available.

When exposure is to overseas, it is possible that FirstStep Investments could choose a mix of direct listed investments, such as a stock in a global bank.

Investment options can offer exposures across many types of assets including:

- Australian,
- International,
- equities,
- commodities,
- property,
- fixed income,
- currency, and
- cash.

Read the information in the Investment Options booklet which forms part of this PDS or on the App to be better informed before you make any investment decisions.

Experts making the decisions

FirstStep decides which particular exchange traded products make up each Investment Option from time to time.

There is an investment committee of senior investment professionals whose job it is to do this.

The mix can be adjusted but for the most part, once the mix is set, it is expected to remain pretty stable. You can find the target mix of each Investment Options in the Investment Options booklet and also on the App.

FirstStep can offer or include in any Investment Option other listed

investments from time to time. For example an Australian Banking Investment Option might be offered, comprising a mix of the shares of the 4 big banks.

As new Investment Options are added, we will update the Investment Options booklet and FirstStep will update the App.

If an Investment Option that you invest in is withdrawn, we will let you know. It might mean that no new investors can come in, or that no new money can be invested, or we might close it altogether and if we do we will usually sell out and spread the proceeds proportionally amongst your remaining Investment Options.

So, what's right for you?

That's up to you. Neither we nor FirstStep Investments can tell you what Investment Options are right for you.

Mix it up!

You will always have a core Investment Option.

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

But you can add to the core with themes you choose! Are you into tech, or green? Or trends like ageing population? Or regions like Asia? Choose as many or as few additional Investment Options as you like. Most people start with a two or perhaps three. Think about adding more as your savings grows. Look to mix them up. Investing through FirstStep is real investing, but FirstStep Investments also hopes that it's fun.

You can change your Investment Options through the App and if you do, then your investments will be sold and new ones bought as needed. We suggest you wouldn't do this too often, unless your circumstances change. Patience is a virtue. Changes will be implemented as soon as they can.

No labour standards or environmental, social or ethical considerations are taken into account by FirstStep Investments in selection, retention or realisation of any FirstStep investment.

6. Fees and costs*

DID YOU KNOW?

Small differences in both investment performance and fees and costs can have a substantial impact on your long term returns. For example, total annual fees and costs of 2% of your account balance rather than 1% could reduce your final return by up to 20% over a 30-year period (for example reduce it from \$100,000 to \$80,000).

You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs.

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

TO FIND OUT MORE

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

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

Taxes are set out in another part of this document.

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

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

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

Management costs		
The fees and costs for managing your investment		
FirstStep monthly account fees		
Account fee	0.275% per year including net GST	Payable monthly, subject to a minimum of \$1.25 or \$1.95 per month – see below for details
Service fees		
Switching fee the fee for changing Investment Options	not applicable	not applicable

Additional explanation of fees and costs

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

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

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

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

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

To give you a feel for that, if you had \$10,000 in your FirstStep account, the monthly account fee would be about \$2.30. Still half the cost of a coffee each month.

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

Account fees are paid to FirstStep Investments and aren't negotiable. One last thing: we talk about linking **bank** accounts: the App can link to a lot of banks and the list is growing. Check out the App.

Usual expenses

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

All FirstSteppers help pay for these costs. We call them 'usual expenses' because, well, they are usual expenses: the costs

associated with FirstStep which we consider in the ordinary course of operating FirstStep.

But here is the deal: this amount is fixed.

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

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

Spread

You won't see 'spread' listed on your FirstStep account. That's because it's not anything payable to us or to FirstStep Investments. The spread is us making sure that those coming and going don't impact unfairly on those just staying.

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

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

When Adam withdraws, the reverse happens –we put the price he receives down just a little bit. Again, by 0.20%. If he withdraws \$2, then he will receive about \$0.01 less than he otherwise would have. Spread isn't payable for every Investment Option – but it's such a small amount we suggest it's easier to just assume that it's always paid.

Netting

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

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

Let us explain:

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

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

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

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

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

It's hard to know with accuracy what broking fees or netting costs are. It depends on how much trading there is, when, and in what. FirstStep Investments estimates them totaling at 0.20% per year. To give you a feel for this, if you had a FirstStep account balance of \$500, then this would be \$1.00 each year.

Unusual expenses

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

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

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

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

ETP costs

There is a cost associated with investing in exchange traded products (or ETPs). FirstStep Investments estimates these as between 0.15% per year and 0.30% of your FirstStep account balance per year. The actual cost may be more or less than this. To give you a feel for this, if you had a FirstStep account balance of \$500, then this would be between \$0.75 and \$1.50 each year.

Withdrawal fee

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

Because it takes some work to get your FirstStep account set up, if you close your account within 3 months of becoming a FirstStepper we will deduct a \$3 processing fee (including net GST) from your account.

It's not much – still less than the cost of a decent coffee - but every cent counts!

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

Summarise the main costs for me!

The law makes us give you a fees example set out below, but we are obliged to base it on an account balance of \$50,000. Which is a lot. Assuming the same approach is used as in the example below, if your FirstStep account balance was \$5,500, then investing through FirstStep would cost between \$15.00 and \$23.40 each year.

This is calculated using a minimum account balance fee of \$1.25 per month (rather than \$1.95 per month or 0.275% per year). This range also doesn't capture all the costs discussed above - but even adding those adds only \$3 or \$4 a year to your costs (assuming you stayed with us for 3 months or more!). If you skipped the detail above, back track.

Example of annual fees and costs

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

Example FirstStep Fund		Balance of \$50,000 including a contribution of \$5,000 at the start of the year
Entry Fees	nil	For every additional \$5,000 you put in, you may be charged a nil entry fee.
Monthly account fee	0.275% per year including net GST	And, for every \$50,000 you had in the Fund have in FirstStep you will be charged \$137.50
EQUALS Cost of FirstStep		If you put in \$50,000 at the beginning of the year and your balance was \$50,000, then you would be charged fees of \$137.50 each year.

There is more information in our Additional Information booklet, including assumptions on which this example is based. It's available free from the App.

7. How managed investment schemes are taxed*

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

Tax implications

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

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

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

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

At each 30 June

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

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

Withdrawals

In normal circumstances you can access your invested money pretty promptly. You will usually incur a capital gains tax liability when you make a withdrawal (including switching between Investment Options and portfolio rebalancing) and when you change your account name to someone else.

Exotic?

Tax outcomes are usually different if you're not a resident of Australia for tax purposes.

8. How to apply*

Use the App to come and go

Take your first steps!

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

The App gives you access to FirstStep.

FirstStep Investments always suggests that you link your to an account with an Australian financial institution, like a bank or building society. For your linked account, FirstStep Investments suggests choose the one you use every day - from one of the four big banks because fees are \$0.70 a month cheaper! But it's up to you.

During the sign up you'll get a log-on and a password, and FirstStep Investments will send a passcode to your device which will verify access and check you're not a robot.

Log on, set your preferences if you haven't already, choose your Investment Options, and FirstStep Investments will do the rest – helping you become an official FirstStepper, rounding up those pesky small fry transactions and making that loose change go to work.

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

But you can add to the core with themes you choose! Are you into tech, or green? Or trends like ageing population? Or regions like Asia?

The minimum investment is just \$1.00.

Unless you set it otherwise, the default preference is that each day every purchase showing up in your bank account that isn't a whole

dollar is rounded up to the next whole dollar. 'Purchases' means everything that's not a deposit – for example, electronic funds transfers, PayPal payments, BPay payments, regular and one off direct debits, card payments, funds transfers between your accounts and fee transactions.

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

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

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

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

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

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

Investing

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

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

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

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

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

You don't own the actual investments - we do (or more accurately we get a professional custodian independent from us to hold them). What you own is an interest in the trust that is FirstStep. We keep a track of how much relates to you and to other FirstSteppers.

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

Checking in

Use the App to find your latest account balance.

Withdrawing

Use the App to tell us how much you would like to withdraw and which Investment Options you want us to sell.

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

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

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

enough sell requests to sell a whole share in an underlying investment, but this usually wouldn't have much impact. See the Risks section.

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

Your FirstStep account balance

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

Oh no, broke again!

FirstStep Investments won't withdraw from your linked bank account if they know – like, they actually know - that doing so would mean your account would go negative. They will just let it go for that day and come back each day after to check on things. But they can't **always** predict your account would go negative. Sometimes you or your bank have arranged other withdrawals from your bank account that FirstStep Investments can't predict (like a new regular debit or bank fees).

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

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

What else to know?

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

You also need to be at least 18.

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

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

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

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

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

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

Changing your mind - cooling Off

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

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

Closing your account

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

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

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

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

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

bank account for other money they can invest for you through FirstStep!

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

What else?*

Need to know more?

Seek and ye shall find!

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

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

See the last page for contact details.

Keep your details up to date

Don't disappear!

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

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

Your promises when you become a FirstStepper

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

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

Complaints

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

If something we do disappoints you, contact us.

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

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

Privacy

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

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

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

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

Help!

Download the App

Apple's App Store

Google Play

The Windows Store.

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

Visit the website

getfirststep.com

Contact FirstStep Investments

E: hello@getfirststep.com

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