



Mainstream Separately Managed Account

PRODUCT DISCLOSURE STATEMENT Book 2

Mainstream Separately Managed Account

ARSN: 631 635 473

This PDS Book 2 is issued by The Trust Company (RE SERVICES) Limited
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Product Disclosure Statement

BOOK 2

Issue No 3, 2021

This PDS is comprised of two essential parts. These documents are:

- › Part 1 of the PDS; and
- › This document, which is Part 2 of the PDS, the Investment Menu

ISSUER AND RESPONSIBLE ENTITY

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About this PDS

Disclaimer

This is Book 2 of the Product Disclosure Statement (PDS) for the Mainstream Separately Managed Account ARSN 631 635 473 (Scheme), a managed investment scheme registered under the *Corporations Act 2001* (Cth) (Act) with the Australian Securities and Investments Commission (ASIC). Book 1 and Book 2 make up the PDS and should be read together. The PDS contains important information you should read before making a decision to invest in the Scheme. You can access Book 1 of the PDS on the Scheme's website (www.mainstreamgroup.com/SMA) or request a copy free of charge by calling Mainstream on 1300 133 451. The information provided in the PDS is general information only and does not take account of your personal financial situation or needs. You should consider the appropriateness of the information in the PDS and the additional Information contained in this Book 2 of the PDS having regard to your personal objectives, financial situation and needs before acting on the information in this PDS. You may wish to obtain financial advice tailored to your personal circumstances.

Any item marked with an asterix (*) in this Book is the Responsible Entity's reasonable estimate of the typical ongoing amounts as at the date of this PDS. As the Models in the Mainstream Separately Managed Account is newly established, the management costs, indirect costs, and transactional and operational costs disclosed for each Model Portfolio reflects the Responsible Entity's reasonable estimate at the date of this PDS of those costs that will apply for the current financial year.

Terms used in this Book 2 of the PDS will have the same meaning as set out in Book 1, refer also to the Definitions on page 36 of Book 1.

Investment Manager



The Rivkin brand has existed for four decades in Australia, and in the late 1990s it became very well known within the Australian equity investment research space.

In 2009 the firm became engaged in global multi-asset research and quantitative analysis, and since then has provided retail advice to a large number of Rivkin subscribers. In addition, we launched Rivkin Asset Management in 2016 which provides investment management services for high value clients.

With 20 years of experience in providing investment advice, Rivkin is now proud to partner with Perpetual and Mainstream to provide a low touch method for investors to benefit from this investment experience. Rivkin currently has over \$320m in assets under advice as at 30 April 2021.

Model Portfolio Profiles

The Model Portfolios profiles on pages 8-12 provide a summary of the investment options offered within the Scheme.

The following information explains certain terms and concepts detailed in the Model Portfolio profiles.

Model Manager

This shows the professionally selected Model Manager which has been appointed to manage the money in the investment option

Investment Strategy

The Investment Strategy describes the overall strategy of the Model Portfolio and how the money will be invested.

Target Asset Allocation

The Target Asset Allocation refers to the proportion of a Model Portfolio that is invested in each asset class such as domestic and international equity, property securities, fixed interest and cash. The asset allocation will vary at different points in time. The range reflects the minimum and maximum amount that may be held in each asset class at any point in time.

Minimum suggested timeframe

This is a guide only and not a recommendation. Model Managers will have differing views about the minimum investment period for which you should hold various investments, and your own personal circumstances will also affect your decision. Under each investment objective, we have suggested minimum investment timeframes; however, you should regularly review your investment decision because your investment needs or market conditions may change over time.

Risk level

The risk level represents the Standard Risk Measure (SRM), which is based on industry guidance to allow investors to compare investments that are expected to deliver a similar number of negative annual returns over any 20 year period, as follows.

RISK BAND	RISK LABEL	ESTIMATED NUMBER OF NEGATIVE ANNUAL RETURNS OVER ANY 20-YEAR PERIOD
1	Very Low	Less than 0.5
2	Low	0.5 to less than 1
3	Low to medium	1 to less than 2
4	Medium	2 to less than 3
5	Medium to High	3 to less than 4
6	High	4 to less than 6
7	Very high	6 or greater

The standard risk measure is not a complete assessment of all forms of investment risk; for instance, it does not detail the potential size of a negative return nor the possibility that a positive return is less than an investor's investment objectives. Also, it does not take into account the impact of ongoing fees, tax or the likelihood of a negative return or an investor's personal needs and financial situation.

Investors should still ensure that they are comfortable with the risks and potential losses associated with your chosen investment option(s).

The SRMs for the Model Portfolio may change over time for various reasons, including as a result of review of the underlying capital market assumptions that are used in their valuation and future changes to asset allocation by the Model.

Investment Menu



RIVKIN SECURITIES MODEL PORTFOLIOS

Name	Model Portfolio Type	Benchmark
ASX Growth	Australian shares	S&P/ASX200
US Growth	US shares	S&P500
ASX Income	Australian shares and ETFs	S&P/ASX200
Low Volatility	Australian shares and ETFs	RBA+4%

Rivkin Securities Model Portfolio List

RIVKIN ASX GROWTH

Model Manager	Rivkin Securities Pty Limited
Investment strategy	A concentrated long only Australian equity portfolio focused on investing in ASX200 companies. This concentrated stock picking strategy invests in a mix of high momentum and high growth stocks that will target a positive return to the investor over the medium to long term higher than the ASX200.
Minimum suggested timeframe	4-5 years
Suitable for	Investors who want to invest in a concentrated stock portfolio with a mix of stocks that has a history and potential to outperform the market and generate positive returns.
Investment return objective¹	To seek to invest in companies with a strong technical and fundamental trend and to provide superior risk adjusted returns relative to the benchmark over the medium to long term with the aim of creating capital growth in the value of your investment.
Benchmark	S&P/ASX200 Portfolio of stocks are selected from the ASX200 universe. This concentrated portfolio will be more volatile than the ASX200, however it is also targeting higher returns than the benchmark in the long run.
Authorised investments	ASX listed securities and cash
Number of securities	0-30
Target asset allocation²	Australian shares 0-99% Cash 1-100%
Management Costs³ comprising:	
› Investment management fee	1.55% p.a. of the Model Portfolio value
› Performance Fee	10.5% of outperformance of the Model Portfolio (not relative to benchmark performance, calculated to high watermark)
Performance Fee Period	Monthly
Indirect costs*	Nil
Transaction and Operational Costs	Estimated at 0.5% p.a.
Minimum investment amount	\$40,000
Standard Risk Measure	6 - HIGH

¹ The Investment return objective is not a forecast and returns are not guaranteed.

² The Target asset allocation for each portfolio should only be used as a guide. The Model Manager aims to maintain each portfolio within Target asset allocation ranges; however, the actual asset allocation may vary from the Target asset allocation.

³ All fees are disclosed inclusive of GST and net of any RITC at the prescribed rate (depending on the nature of the fee or expense).

RIVKIN US GROWTH

Model Manager	Rivkin Securities Pty Limited	
Investment strategy	A concentrated long only US equity portfolio focused on investing in Nasdaq100 and S&P100 companies. This concentrated stock picking strategy invests in a mix of high momentum and high growth stocks that will target a positive return to the investor over the medium to long term.	
Minimum suggested timeframe	4-5 years	
Suitable for	Investors who want to have exposure to the US market and invest in a concentrated stock portfolio with a mix of stocks that has a history and potential to outperform the market and generate positive returns that are higher market indices.	
Investment return objective⁴	To seek to invest in companies with a strong technical and fundamental trend and to provide superior risk adjusted returns relative to the benchmark over the medium-to long term with the aim of creating capital growth in the value of your investment.	
Benchmark	S&P500 Portfolio of stocks are selected from the Nasdaq100 and S&P100 universes. This concentrated portfolio will be more volatile than than S&P500, however it is also targeting higher returns than the benchmark in the long run.	
Authorised investments	US listed securities and cash	
Number of securities	0-30	
Target asset allocation⁵	US shares	0 - 99%
	Cash	1 - 100%
Management Costs⁶ comprising:		
› Investment management fee	1.55% p.a. of the Model Portfolio value	
› Performance Fee	10.5% of outperformance of the Model Portfolio value (not relative to benchmark performance, calculated to high watermark)	
Performance Fee Period	Monthly	
Indirect Costs	Nil	
Transaction and Operational Costs	Estimated at 0.5% p.a.	
Minimum investment amount	\$70,000	
Standard Risk Measure	6 - HIGH	

⁴ The Investment return objective is not a forecast and returns are not guaranteed.

⁵ The Target asset allocation for a Model Portfolio should only be used as a guide. The Model Manager aims to maintain each Model Portfolio within Target asset allocation range; however, the actual asset allocation may vary from the Target asset allocation.

⁶ All fees are disclosed inclusive of GST and net of any RITC at the prescribed rate (depending on the nature of the fee or expense). Please refer to page 13 for the Cost of Product Information example for this Portfolio.

RIVKIN ASX INCOME

Model Manager	Rivkin Securities Pty Limited
Investment strategy	A diversified long only Australian equity portfolio focused on investing in ASX listed securities. 40% -60% of the portfolio is invested in ASX50 stocks with an intention to maximize income and franking credits. The remainder of the portfolio is invested in both ETFs and event style opportunities such as takeover arbitrage. Income generated by this portfolio, will be reinvested.
Minimum suggested timeframe	3-4 years
Suitable for	Investors who want to invest in a stock portfolio with relatively high yield and optimum franking credits.
Investment return objective⁷	To seek to invest in listed securities with high income and franking credits. In addition, a portion of the portfolio is invested in event style opportunities, such as takeover arbitrage.
Benchmark	S&P/ASX200
Authorised investments	ASX listed securities and cash.
Number of securities	0-50
Target asset allocation⁸	Australian shares 0 - 99 % Cash 1 – 100%
Management Costs⁹ comprising	
› Investment management fee	1.55% p.a. of the Model Portfolio value
› Performance Fee	10.5% of outperformance of the Model Portfolio value (not relative to benchmark performance, calculated to high watermark)
Performance Fee Period	Monthly
Indirect Costs*	Nil
Transaction and Operational Costs	Estimated at 0.5% p.a.
Minimum investment amount	\$40,000
Standard Risk Measure	6 - High

⁷ The Investment return objective is not a forecast and returns are not guaranteed.

⁸ The Target asset allocation for a Model Portfolio should only be used as a guide. The Model Manager aims to maintain the Model Portfolio within the Target asset allocation ranges; however, the actual asset allocation may vary from the Target asset allocation range.

⁹ All fees are disclosed inclusive of GST and net of any RITC at the prescribed rate (depending on the nature of the fee or expense). Please refer to page 13 for the Cost of Product Information example for this Portfolio.

RIVKIN LOW VOLATILITY

Model Manager	Rivkin Securities Pty Limited
Investment strategy	<p>Strategy invests in ASX listed securities that represent multiple asset classes: cash, equities, bonds and gold. Targets asset classes that have a low or negative correlation to each other, with the benefit being a history of lower volatility and higher risk-adjusted returns than equities alone.</p> <p>Expected return of this strategy will be lower than the long-term average of equity returns however strategy intends to deliver superior return per unit of volatility.</p>
Minimum suggested timeframe	1-2 years
Suitable for	Investors who are looking for lower volatility investment compared to the ASX200 in an investment that target returns RBA+4%.
Investment return objective¹⁰	Targets asset classes that have a low or negative correlation to each other, with the benefit being a history of lower volatility and higher risk-adjusted returns than equities alone.
Benchmark	<p>RBA+ 4%</p> <p>Multi asset portfolio</p>
Authorised investments	ASX listed securities and cash
Number of securities	0-20
Target asset allocation¹¹	<p>Australian shares 0-99 %</p> <p>Cash 1 – 100%</p>
Management Costs¹² comprising	
› Investment management fee	1.00% p.a. of the Model Portfolio value
› Performance Fee	5% of outperformance of the Model Portfolio value (not relative to benchmark performance, calculated to high watermark)
Performance Fee Period	Monthly
Indirect Costs*	Nil
Transaction and Operational Costs	Estimated at 0.30% p.a.
Minimum investment amount	\$40,000
Standard Risk Measure	5 - Medium to High

¹⁰ The Investment return objective is not a forecast and returns are not guaranteed

¹¹ The Target asset allocation range for a Model Portfolio should only be used as a guide. The Model Manager aims to maintain a Model Portfolio within the Target asset allocation range, however, the actual asset allocation may vary from the Target asset allocation.

¹² All fees are disclosed inclusive of GST and net of any RITC at the prescribed rate (depending on the nature of the fee or expense). Please refer to page 13 for the Cost of Product Information example for this Portfolio.

Cost of Product Information

The cost of product gives a summary calculation about how ongoing annual fees and costs can affect your investment over a one-year period for all investment options. It is calculated in the manner shown in the example of annual fees and costs in Book 1 of the PDS.

The cost of product assumes a balance of \$50,000 at the beginning of the year with a contribution of \$5,000 during the year. (Additional fees such as an establishment fee or an exit fee may apply: refer to the Fees and costs summary in Book 1 for the relevant option). Please note that we have assumed a 10% return for each portfolio over a year and performance fees to be paid once at the end of the year.

You should use this figure to help compare this product with other products offered by managed investment schemes.

Rivkin Investment Option	Cost of Product (Management fee + Transaction Costs + Performance fees)^{1,2,3}
ASX Growth	\$ 1,075
US Growth	\$ 1,075
ASX Income	\$ 1,075
Low Volatility	\$ 700

1. All figures disclosed inclusive of GST and net of any RITC at the prescribed rate (depending on the nature of the fee or expense).
2. Please note that performance fees will be calculated and charged on a monthly basis to high watermark. The Performance Fee for a Model Portfolio is updated from time to time and can be found at <https://rivkin.com.au/members/resources/analysis-updates/separately-managed-account-performance-report>. As the Models are new, there is no reasonable basis for estimating a performance fee to include in the above table. Prior performance is not an indicator of future performance.
3. Note for the life of this Book 2, no Cash Holding or Expense Recovery Fee as referred to in Book 1 will apply. Transaction Costs include brokerage for the portfolio Australian shares of a range of 5-9bp depending on the amount transacted (and subject to a minimum of \$9 per security), and for US shares, 5bp.

