



Platypus Australian Equities Trust

Product Disclosure Statement – 7 December 2007



The Australian Unity Investments Platypus Australian Equities Trust ARSN 119 236 403 (the 'Fund' or 'AUI-Platypus Australian Equities Trust') offered under this Product Disclosure Statement ('PDS') is issued by Australian Unity Funds Management Limited ('Australian Unity Funds Management') ABN 60 071 497 AFS Licence No. 234454 in its capacity as Responsible Entity of the Fund. Australian Unity Funds Management takes full responsibility for this PDS.

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Platypus Asset Management Pty Ltd ('Platypus') ABN 33 118 016 087, AFS Licence No. 301294 has consented to the material included in this PDS which refers or relates to Platypus.

This PDS is made available by Australian Unity Funds Management which has authorised its use only for investors considering placing an investment through a masterfund, wrap or similar platform product (which are collectively known and referred to as 'investor directed portfolio service' or 'IDPS') in this document. In this PDS, the operator of that IDPS product will be referred to as your IDPS operator.

Obtaining other information before making a decision

Visit our website www.australianunityinvestments.com.au for further information about the Fund, including:

- Unit prices, performance and asset allocations;
- Fund updates; and
- Fund fact sheets.

We recommend that you obtain and review such information before you invest. Alternatively, you can call us on 13 29 39 and we will send you the requested information free of charge.

Issued by:

Australian Unity Funds Management Limited

ABN 60 071 497 115, AFS Licence No. 234454

Our investment expertise

Who we are

At Australian Unity Investments ('AUI') we focus on improving the financial wellbeing of our investors and creating investments that are genuinely different to the rest of the market.

Following this basic principle, we have created a number of successful funds across all major asset classes including mortgages, fixed interest, property and equities.

We also understand that it's the smaller things that often have the biggest impact on your financial wellbeing so we are always looking for better ways to manage money.

Partnerships that create a powerful investment strategy

Genuine investment talent is increasingly rare. It's for this reason we have partnered with one of the most original thinkers to create some groundbreaking investments.

Our latest discovery is Platypus Asset Management ('Platypus'), a specialist Australian equities manager that thrives on doing things differently. Achieving brilliant things in spite of its size, Platypus invests with confidence and consistency, choosing a well-researched portfolio of generally between 25 and 35 stocks.

About the Fund

The Fund aims to deliver strong returns over the medium to long-term, regardless of the performance of the broader Australian sharemarket.

The Fund adopts a 'high conviction' approach meaning it invests in fewer stocks, with a larger proportion of assets invested into each stock.

The Fund has been operating since April 2006.

Who should invest in the Fund?

This Fund is typically suited to investors who:

- are looking to enhance the performance of their existing Australian equity portfolio;
- seek an opportunity for capital growth from the sharemarket over the medium to long-term;
- feel comfortable with potential volatility in sectors of the sharemarket, or the market as a whole; and
- have at least a five-year investment outlook.

Who is the investment manager?

Our joint venture partner, Platypus Asset Management Pty Ltd (Platypus), manages the Fund's investment portfolio.

What does the Fund invest in?

The Fund primarily invests in companies and trusts listed or soon to be listed on the Australian Stock Exchange ('ASX'). Platypus selects companies and trusts that offer the opportunity for above-average investment returns through their growth potential.

The Fund typically holds between 25 and 35 stocks and can invest up to 100% of its assets in Australian shares. The Fund generally holds up to 10% in cash and similar investments. However, to help achieve positive returns in an adverse environment, the Fund could move to hold up to 100% of its assets in cash and similar investments.

Benefits of the Fund

- Access to an experienced team of Australian equities managers who apply in-depth research and analysis to select stocks with potential for better returns.
- Potential for a positive return regardless of Australian sharemarket conditions.
- Distributions paid half-yearly.

Indicative risk profile

	High
	Medium – High
	Medium
	Low – Medium
	Low

It is important that you consider the risks of investing which are explained on page 3.

**For more information about this Fund, visit:
www.australianunityinvestments.com.au/wpaet
or contact us on 13 29 39.**

Investing with us

When investing in or withdrawing from the Fund through an IDPS certain features of the Fund will not apply to your investment. Examples are minimums for investments and withdrawals and processing times. You should ensure that you understand these differences before you invest.

Your application or withdrawal from the Fund is processed upon instructions from your IDPS operator. The product brochure for the IDPS will set out how your IDPS operator will undertake these for you and the time frames that apply.

Instructions to invest or withdraw received after 3.00pm (Melbourne time) on a business day* mean that the unit price effective for the next business day* is applied.

Withdrawals are generally paid out within five business days*. The Fund's Constitution allows up to 30 days to meet withdrawal requests or a longer period, depending on the ability to realise the Fund's assets.

In exceptional circumstances, where it is considered to be in the best interest of investors, the processing of all applications, and/or withdrawals can be suspended.

Changing your mind

As you are investing through an IDPS, you should consult the IDPS operator in relation to cooling off rights that may apply to your investment in the IDPS (if any).

Unit prices and investment income

How we calculate unit price

Unit prices are generally calculated daily. The unit price is calculated by taking the value of the Fund's assets and deducting the liabilities. The resulting value is then divided by the total number of units held in the Fund.

There are multiple classes of units in the Fund, the unit price for each class of unit is calculated in the same manner, taking into consideration only the net asset value and the number of units on issue for that class at the relevant time. Where fees or costs relate to more than one class, the deduction is made on a pro rata basis.

Both the application and the withdrawal price are calculated taking into account any applicable buy/sell spread. The buy/sell spread is a percentage amount applied to the unit price.

It ensures that there is an equitable application of the costs of buying and selling assets to investors entering and exiting the Fund. Refer to page 6 for more information on the buy/sell spreads of the Fund.

Where the Responsible Entity applies its discretion to the unit price using its powers under the Fund's Constitution (e.g. in determining an appropriate level for the buy/sell spread, based on estimates of underlying transaction costs being incurred by the Fund), the Responsible Entity acts in accordance with its set policies. Investors may inspect a copy of these policies at our registered office at any time between 9:00am and 5:00pm (Melbourne time) on a business day*.

For daily unit price updates please visit our website www.australianunityinvestments.com.au or call us on 13 29 39.

Distributions

Generally, net investment income is paid to your IDPS operator after the end of the Fund's distribution period. Distributions are generally paid within 21 business days of the end of the distribution period. Any net realised gains earned by the Fund are generally not paid until the end of the financial year. This Fund distributes on a half-yearly basis.

Interest in the Fund

Each unit entitles you to an equal and proportionate interest in the total investments of the Fund but does not give you an interest in any particular asset the Fund holds.

The Responsible Entity has the right to create additional classes of units. These may be issued with any preferred, deferred or other special rights, obligations or restrictions, relating to such things as distributions, voting, return of capital, or payment of calls.

Tax information

The Fund does not generally incur an income tax liability. The Fund is a resident of Australia for taxation purposes. The Fund's net taxable income is assessable in the hands of Australian investors who receive distributions. Please note, as you are investing through an IDPS, you should refer to the taxation information in your IDPS operator's product brochure and seek professional taxation advice before making an investment decision.

* A business day is a Melbourne business day on which Australian banks are open for business in Melbourne excluding Saturday and Sunday and public holidays.

Fees and other costs

Government regulations require the inclusion of the following consumer advice warning in all product disclosure statements:

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 fund 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.fido.asic.gov.au) has a managed investment fee calculator to help you check out different fee options.

This document 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 Fund assets as a whole. Taxes are set out in another part of this document. You should read all the information about fees and costs because it is important to understand their impact on your investment.

Type of Fee or Cost	Amount	How and When Paid
Fees when your money moves in or out of the Fund		
<i>Establishment fee</i> The fee to open your investment	Nil	We do not apply an establishment fee.
<i>Contribution fee</i> The fee on each amount contributed to your investment	Nil	We do not apply contribution fees.
<i>Withdrawal fee</i> The fee on each amount you take out of your investment	Nil	We do not apply withdrawal fees.
Termination fee The fee to close your investment	Nil	We do not apply a termination fee.
Management costs		
The fees and costs for managing your investment	0.95% p.a. of the Fund's net assets; plus Performance fees (refer to page 6 for details on the Performance fees)	The management cost is accrued daily but paid monthly from the Fund.
Service fees		
<i>Investment switching fee</i> The fee for changing investment options	Nil	We do not apply a switching fee.

Example of annual fees and costs for the AUI Platypus Australian Equities Trust

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

Balance of \$50,000 with total contributions of \$5,000 during the year		
Contribution Fees	Nil	For every additional \$5,000 you put in, you will be charged \$0.
PLUS Management Costs	3.38% p.a. ⁽¹⁾	And , for every \$50,000 you have in the Fund you will be charged \$1,690 each year.
EQUALS Cost of Fund		If you had an investment of \$50,000 at the beginning of the year and you put in an additional \$5,000 during that year, you would be charged fees of \$1,690 plus a performance fee. ^{(2) (3)}

(1) This is the indirect cost ratio for the year ended 30 June 2007. It comprises of a management fee of 0.95% p.a. plus a performance fee of 2.43%.

(2) It is assumed that the contribution of \$5,000 is made at the end of the year.

(3) A buy/sell spread may be applicable to investments in and out of the Fund. (See 'buy/sell spread' under the heading 'additional explanation of fees and costs')

Additional explanation of fees and costs

Performance fee

We have set a lower management fee for this Fund because we have a performance fee. Unlike management fees, a performance fee is only paid if the Fund meets certain criteria.

How we qualify

Every six months (30 June and 31 December) the performance of the Fund is assessed to determine if we are eligible to receive this fee.

There are a number of criteria that must be met before we qualify for a performance fee. For each six-month period the Fund must:

- achieve a positive return (before fees); and
- exceed the S&P/ASX 300 Accumulation Index performance (before fees), plus 1% p.a.; and
- have a higher unit price than when the performance fee was last paid.

If a performance fee is not achieved for a six month period, the time over which the performance fee is assessed will be extended for another six-months until a performance fee is achieved. If after three years a performance fee has not been achieved, the threshold unit price may be reset to the unit price at the end of that three year period. This ensures that the performance fee calculation aligns with current market conditions

How we calculate the fee

Only when all three criteria noted above are met, are we entitled to a performance fee for the period.

The amount of the fee is calculated as 15% of the difference between:

- the return on the Fund before fees, and
- the movement in the S&P/ASX 300 Accumulation Index plus 1% p.a. for the calculation period.

Below is an example of how the fee was calculated for the six-month period January to June 2007:

- The Fund returned 22.9% before fees.
- The S&P/ASX 300 Accumulation Index returned 13.0%. We also add 0.5% for the six months (1% per annum), making a total of 13.5%.
- The performance fee is calculated as 15% of the difference between 22.9% and 13.5%.
- The performance fee for the period was 1.4% of the average fund value over the period.

So, if you had an average investment of \$50,000 over this period, the fee would be \$700.

When the fee is paid

The performance fee is deducted from the Fund at the end of the six month period it was earned. Unit prices are adjusted daily to include the accrued fee. This ensures all unitholders are treated fairly in the application of fees.

Other expenses and costs

The 'Management costs' detailed on page 5 include the usual expenses incurred in the day-to-day operation of the Fund **except for** the following:

- expenses that would normally be incurred by a direct investor that relate to the buying and selling of assets;
- abnormal operating expenses which are due to abnormal events such as the cost of running investor meetings. These expenses are infrequent and are paid out of the Fund; and
- costs of borrowing (if any), including the interest expense.

Additional costs can be incurred for government taxes, stamp duty and bank fees.

Buy/Sell spread

The buy and the sell spread aim to ensure that an investor shares the transaction cost associated with an investment decision to either enter or exit the Fund. The amount is:

- in the case of a buy spread, an extra cost charged to enter the Fund and the sell spread is a cost charged to exit the Fund;
- an estimate to cover the costs incurred when buying or selling assets, such as brokerage and taxes;
- not an additional fee paid to the Responsible Entity but is retained in the Fund to cover those transaction costs; and
- not applied to the reinvestment of distributions.

The following buy/sell spreads currently apply, although they may change from time to time.

Buy Spread	Sell Spread
0.20% of each and every amount you invest in the Fund	0.05% of each and every amount you withdraw from the Fund

Goods and Services Tax

All fees and charges shown are inclusive of the impact of Goods and Services Tax (GST) and any Input Tax Credits (including Reduced Input Tax Credits) available.

Sophisticated or professional investors

From time to time, we may rebate some of our fees (or issue units in the Fund) to what the Corporations Act 2001 calls 'sophisticated' or 'professional' investors or 'wholesale clients' or to employees of the Responsible Entity and related entities so that they pay reduced fees. We do not enter into individual fee arrangements with other investors.

Indirect cost ratio (ICR)

The ICR is a useful measure of the ongoing fees and expenses of investing in the Fund. It is expressed as a percentage of the average size of the Fund over a financial year. The ICR for year to 30 June 2007 is 3.38%.

The ICR shows the cost of investing in the Fund compared to investing directly in assets. It is calculated by dividing the total ongoing fees and expenses by the average fund size over the period. The ICR does not include transaction costs or buy/sell spreads, brokerage, borrowing costs and Government charges incurred by the Fund as these costs would generally also be incurred by an investor investing directly.

Where the Fund invests in other funds managed by us

The Fund may invest in other funds or investment companies including those managed by our associates or us, but management fees are not taken from both funds. Instead, our management fees will be adjusted to reflect the Fund fees described on page 5.

Fee changes and maximum fees

Fees may increase or decrease for many reasons, including changes in the competitive, industry and regulatory environments or simply from changes in costs. We can change fees, without unitholder consent, but will provide at least 30 days written notice. If you withdraw within this notice period, the increased fees will not apply to you.

The maximum fees we are allowed to charge the Fund (excluding any GST) is stated in the Fund's Constitution and is as follows:

- Management costs: 4.00% p.a.
- Contribution fees: 6.00%
- Withdrawal fees: 3.00%

There is no limit in the Fund's Constitution on the amount that we can charge for expense recoveries.

For the actual fees currently charged, refer to page 5.

The fees and charges outlined in this PDS do not include any IDPS operator fees and charges that may apply.

Payments to financial advisers and intermediaries

From time to time, we may offer incentives to your financial adviser or other intermediaries, which we determine and pay out of our own money.

Alternative remuneration register

As the Responsible Entity, we maintain an Alternative Remuneration Register in accordance with the IFSA/FPA Industry Code of Practice on alternative forms of remuneration in the wealth management industry. The register outlines alternative forms of remuneration that are paid and received by us. You may inspect a copy of the register at our registered office at any time between 9:00am and 5:00pm on a business day*.

Additional information

Constitution

The Fund is a registered managed investment scheme and is governed both by a Constitution and a Compliance Plan.

The statements in this PDS only provide a summary of some of the provisions of the Constitution. You can inspect a copy of the Constitution at our Melbourne office at any time between 9:00am and 5:00pm on a business day*.

The Responsible Entity

Australian Unity Funds Management in its capacity as a Responsible Entity is subject to the provisions of the Constitution and the Corporations Act 2001. The Responsible Entity is responsible for administration and management of the Fund, and sets the investment policy and objectives.

Any investment managers appointed by the Responsible Entity will be entitled to receive fees for investment management functions.

The Responsible Entity is entitled to the benefit of various indemnities under the Fund's Constitution, which means that it has limited its liability for acting as the Responsible Entity.

Labour standards or environmental, social or ethical considerations

We do not take into account labour standards or environmental, social or ethical considerations in the selection, retention or realisation of investments in the Fund offered under this PDS.

Authorised investments

A broad range of investments is permitted in the Fund. The typical range of investments for the Fund is set out on page 2.

The Fund may gain exposure to certain assets by investing through other investment vehicles including those managed by a related entity. These investment vehicles may include investment companies, registered managed investments schemes and other un-registered schemes.

The investment managers may use derivatives in the management of the Fund, but will generally not use derivatives for gearing purposes or speculative activities.

Borrowing

The Responsible Entity is permitted to borrow money for the purposes of the Fund and to grant security over the Fund's assets. The Responsible Entity only intends to borrow to meet short-term needs.

Security lending

The Responsible Entity may engage the Custodian to lend the assets of the Fund for the purpose of generating additional revenue for the Fund. Any security lending is subject to the guidelines established and reviewed from time to time by the Responsible Entity.

* A business day is a Melbourne business day on which Australian banks are open for business in Melbourne excluding Saturday and Sunday and public holidays.

Related party transactions

All transactions, including those with related parties, are conducted on commercial terms and conditions, and on an arms length basis.

Entities of the Australian Unity Group may provide investment management, accounting and registry services, project services and other services to the Fund for fees charged at a commercial rate.

Up to date information on your investment

Your IDPS operator will provide you with regular reporting on your investment. You can access up to date information about the performance of the Fund and the annual financial report at our website: www.australianunityinvestments.com.au.

Personal information

We do not collect or hold your personal information in relation to your investment in the Fund. You should contact your IDPS operator for information about the collection, storage and use of your personal information.

Dispute resolution

If you have a complaint, this should be directed to your IDPS operator.

If you are not satisfied with the handling of the complaint, you may contact:

Financial Industry Complaints Service Limited

PO Box 579
Collins Street West
Melbourne VIC 3007

Phone: 1300 780 808

Fax: (03) 9621 2291

Website: www.fics.asn.au

This service operates as an independent body for the industry, to determine unresolved complaints. There is no cost to you for using this service.

Contact Us

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Adviser Services	1800 649 033
Web	www.australianunityinvestments.com.au
Email	investments@australianunity.com.au
