



IOOF Pursuit fact sheet 14

Investing in listed securities available in Direct Share Choice

You have the option to invest in various listed securities through your IOOF Pursuit Select (Pursuit Select) account.

Before you can invest in listed securities through your Pursuit Select account you must agree to certain terms and conditions ('opt in').

If you have an existing Pursuit Select account, you will need to download and complete the Direct Share Choice Opt In form and return it to us. If you are a new applicant, you will need to complete the relevant sections of the Application form to opt in for the Direct Share Choice.

If you have a financial adviser you agree that all orders to buy and sell listed securities, and any instructions regarding your listed securities, must be placed by your financial adviser.

When you invest in listed securities through your Pursuit Select account, you will also have the opportunity to participate in any Dividend Reinvestment Plans (DRPs) and the majority of corporate actions offered in respect of the listed securities.

Features at a glance:

Investment universe	You can generally invest in any security forming part of the S&P/ASX 300 Index plus other listed securities approved by the Trustee from time to time.
Minimum order	\$2,000 per share parcel.
Dividend Reinvestment Plan	Where available in respect of a listed security, you have full flexibility to participate in the DRP under the terms of the DRP rules.
Corporate actions	You will generally have the opportunity to participate in any capital corporate action such as renounceable and non-renounceable rights issues, off-market share buy backs, Security Purchase Plans and entitlement offers.
Online order placement, DRP and Corporate action elections	Your instructions must be submitted by your financial adviser electronically to us using Portfolio Online.

How to 'opt in' to invest in listed securities

To 'opt in' to this product feature, you must agree to the terms and conditions of investing in listed securities through Pursuit Select in Step 9 of your Application form. In the event you do not elect to opt in to this feature at the time of application, you can elect to do so at any time by completing the 'Direct Share Opt in Form for Pursuit Select' available from our website (www.ioof.com.au) or by contacting our client services team on 1800 062 963.

To be eligible to invest in listed securities through Pursuit Select, you must maintain:

- a Pursuit Select account
- a valid email address
- registration as a Portfolio Online registered user (www.portfolioonline.com.au)

It will generally take three business days following the opening of your account (and assuming funds are available in your Cash Account) before you can begin investing in listed securities. A notification will be sent to your financial adviser at this time.

Important note

Additional fees and charges apply when you elect to invest in listed securities through Pursuit Select. These costs are documented in the PDS under 'Fees and other costs'.

Listed securities you can invest in

You can generally invest in any security forming part of the S&P/ASX 300 Index plus other listed securities approved by the Trustee from time to time. This index is re-balanced twice annually, and other changes made from time to time as corporate actions occur. While a security remains part of this index, you can instruct us to purchase the security on your behalf.

You can view the current composition of the index at our website (www.ioof.com.au).

If a security is removed from the index, you will not be able to invest additional funds in that security, however you may retain your existing investment and are able to continue participating in any DRP available for that security. You can sell at any time.

From time to time, a security with a unique capital structure or other unique feature may form part of the index (for example, a partially paid security). Where this occurs, we will review the nature of the security and determine whether or not it will be included as a suitable investment within Pursuit Select. Where we have elected to exclude a security, we will also note this exclusion on our website with the composition of the index.

How much of your account balance can you invest in listed securities?

Up to 80 per cent of your total account balance may be invested in listed securities, with no more than 30 per cent of your total account balance invested in any one listed security.

These limits are only applicable at the time a buy order is submitted. The Trustee will not monitor these limits on an ongoing basis, and will not sell any listed securities if these limits are exceeded at any time.

The Trustee reserves the right to sell any of your listed securities if the Trustee determines it is necessary to maintain adequate liquidity in your Pursuit Select account or for any other reason.

What is the minimum order?

The minimum buy order (excluding investments under a DRP or through a corporate action) is \$2,000 per security.

The minimum sell order is \$2,000 unless this would result in you retaining less than \$2,000 in the security, in which case you must instruct us to sell your holding in full.

How are orders placed and other instructions given?

All requests to buy and sell listed securities and DRP and corporate action elections must be submitted electronically by your financial adviser using our secure website Portfolio Online. If you do not have a financial adviser, you are permitted to submit orders and instructions yourself electronically using Portfolio Online.

You must have sufficient funds in your Cash Account to complete an order

When placing a buy order, your adviser must ensure there are sufficient funds available in your Cash Account at the time of placing the order to settle the order and pay the fees and charges, otherwise the order will be rejected by the Trustee.

If you intend to invest in listed securities, you will need to allocate the expected amount to your Cash Account in your Primary Instruction or switch funds from other investment options into your Cash Account.

An order to buy listed securities involves an online instruction using Portfolio Online to switch cash out of your Cash Account and the purchase of the listed security or securities you wish to buy.

An order to sell listed securities involves an online instruction using Portfolio Online to switch by selling the listed securities you wish to sell and the allocation of the settlement proceeds into your Cash Account where they will remain, after deduction of the transaction costs, until you provide a further instruction to switch the cash into another investment option.

Buy orders

Where a buy order is placed, we will validate that sufficient funds are available in your Cash Account to settle the trade (including payment of fees and charges) and to ensure that should the trade be completed, the portion of your account balance held in listed securities would not exceed the maximum holdings detailed above. Once this validation has been completed, we will submit your order to our broker to put to market.

Your adviser must instruct us to purchase a specified number of securities at either a specified price (known as 'at limit') or at the market price (known as 'at market'). We will quarantine funds in your Cash Account based on the order attributes to ensure the trade can be settled and fees and charges paid. These funds will remain quarantined until the order is either settled or cancelled.

Sell orders

Where a sell order is placed, we will validate that sufficient securities are held on your behalf to settle the trade. Once this validation has been completed, we will put your order to market.

Similar to a buy order, your adviser must instruct us to sell a specified number of securities either 'at limit' or 'at market'.

You will not be permitted to place a sell order for securities purchased until the day after settlement of the purchase order has occurred. Further, the proceeds of a sale transaction cannot be used until settlement has occurred.

Placement of orders to market

Once an order has been validated by us, it will normally be submitted to our broker by the end of the next business day. If the online order system is down, and expected to remain down for longer than one day, we will advise you of any alternate arrangements made to receive and validate orders.

Whilst we and our broker will make all reasonable attempts to place your order to market as promptly as possible with due care and attention, by opting to invest in listed securities through Pursuit Select you are agreeing that we will not be liable for any loss to you resulting from a delay in the placement of an order to market (for any reason whatsoever) or any trade which is executed in a manner inconsistent with your instruction.

Orders will remain in the market for 20 business days unless filled or cancelled at your instruction. In addition, an open order may be cancelled by the Australian Stock Exchange (ASX) where the market price moved too far away from the specified price of an 'at limit' order or where company specific events occur.

Order confirmation

When all or part of an order is filled, you will receive email notification. Details of the trade type, price and number of securities traded can be viewed under the Direct Share Choice menu in Portfolio Online. A history of your trades and open orders can also be viewed in Portfolio Online.

Dividend Reinvestment Plans

Some listed securities have a Dividend Reinvestment Plan (DRP) which allows investors to use a dividend or distribution paid in respect of the listed security to purchase additional securities. DRPs enable investors to increase their holding in a listed security without incurring brokerage and transaction costs.

Where you purchase a listed security which has a DRP, you are able to participate in the DRP under the rules of that Plan. DRP rules vary for each listed security. Depending on the DRP rules, you may be able to specify your level of participation in the DRP as a percentage of your holding or for a fixed number of listed securities you hold. You can view the rules of any DRP available for a listed security which you hold on Portfolio Online.

DRP and residual amounts

Reinvesting your dividends and distributions in listed securities under a DRP usually results in a small cash residual. For example, if a dividend payment was \$100, and the issue price of securities issued under the DRP was \$2.10, a total of 47 new securities would be issued, at a cost of \$98.70 (\$2.10 multiplied by 47 securities), leaving a residual cash amount of \$1.30 (usually referred to as a 'carried forward amount' or 'residual balance'). This amount will always be less than the value of one security issued under a particular DRP allotment.

Depending on the DRP rules, this amount could be treated in various ways. It may:

- be retained by the issuer of the listed security on your behalf and added to future dividend and distribution payments and be allocated under a future DRP allocation;
- be retained by the issuer of the listed security with no future benefit to you. The amount may be retained by the issuer or is sometimes paid by the issuer to a charity; or
- paid to us in cash – in which case the amount will be allocated to your Cash Account.

Effect of DRP on re-investing income distributions

As part of your application, you will instruct us how income from your investment options is to be managed in your Pursuit Select account. Where you elect to participate in a DRP, any dividend or distribution payment from the listed security will first be used by the issuer of the listed security to allot securities in accordance with the DRP rules. Where any remaining portion of the dividend or distribution is credited to your Cash Account it will be invested in accordance with your instructions as to how income distributions are to be invested in your account.

Requests to participate or vary your participation in a DRP

Your financial adviser will submit your DRP election for each eligible listed security in Portfolio Online. You will also be able to view the level of participation in any DRP and the relevant plan rules in the Dividend Reinvestment Plan diary available in Portfolio Online under the Direct Share Choice menu.

Where a DRP election (or an amendment to an existing election) is submitted in Portfolio Online, we will notify the share registry for the listed security of this change. You must notify us at least five business days prior to the listed security going ex-dividend otherwise your election may not be processed by the share registry in time for the election to apply to that particular dividend or distribution.

Effect of changes in your security holding on a DRP election

Depending upon the DRP election you have made, and the relevant DRP plan rules, changes in your listed security holding may affect the portion of your holding participating in a DRP for any given dividend or distribution. You should review your DRP election following any increase or decrease in your listed security holding.

Corporate actions

A corporate action is an event affecting an investor's holding in a listed security. This could be a simple dividend payment or a complex capital reconstruction, off market share buy back or renounceable rights issue.

Frequently, corporate actions provide investors with different options so each investor can elect the option they believe is best suited to their personal circumstances. Other corporate actions simply occur, and investors have no options available to them (a 'mandatory corporate action').

Where you hold a listed security through your Pursuit Select account which is affected by a corporate action we will review the nature of the corporate action, and in certain cases allow you to make an election in relation to that action.

What types of corporate actions will you be able to make an election in?

You will generally be able to elect to participate in corporate actions which could affect the number of listed securities you hold. Examples include off market share buy backs, rights issues (renounceable and non-renounceable), entitlement offers and capital reconstructions which provide mixtures of cash and script alternatives.

What corporate actions are not available through Pursuit Select?

Corporate actions such as voting at Annual General and Extraordinary Meetings are not available through Pursuit Select.

In addition, the Trustee may elect to not provide members with the ability to make an election in relation to a corporate action where the timeframe does not allow adequate time for the Trustee to lodge members' responses with the issuers' share registry or any other reason which the Trustee believes is not in their best interests, or which cannot reasonably be administered by the Trustee, or could have an adverse effect on the Fund as a whole.

How do you lodge your election for corporate actions?

When a corporate action occurs, and the Trustee determines to provide members with the opportunity to make an election with regard to the action, we will notify your financial adviser of the event. Your adviser will be required to submit your election to us in Portfolio Online prior to our specified cut-off date and time. This cut-off date and time will be earlier than the cut-off date and time set by the issuer for the corporate action itself to allow adequate time for us to collate members' responses and communicate them to the issuer's share registry.

If an election is not made prior to our cut-off date and time, you will be taken to have made no election with regard to the corporate action, and the corporate action default as detailed in the relevant documentation relating to the corporate action, or an alternative default as determined by the Trustee, will apply.

We will provide the ASX announcements relating to the corporate action available to you and your financial adviser in Portfolio Online, however the Trustee will not make a recommendation with regard to any corporate action. These documents will be accessible in your Corporate Action Diary in Portfolio Online.

Following receipt of your election, we may quarantine sufficient funds in your Cash Account or sufficient securities to ensure that your election can be executed under the terms of the corporate action.

What happens when a corporate action is complete?

You will receive an email notification from us when a corporate action is complete, and all necessary adjustments made to your Pursuit Select account. This email will identify the listed security and corporate action type which has been completed, including both corporate actions for which an election was made and mandatory corporate actions.

You will then be able to view the changes to your portfolio as a result of the corporate action and the relevant documentation relating to the action in Portfolio Online.

Corporate actions may limit your ability to trade securities

Following a corporate action, complex and extensive updates may be necessary to accurately reflect the effect of the corporate action on your Pursuit Select account. Depending on the nature of the update required, you may not be able to sell listed securities affected by a corporate action until after we have notified you of the completion of the corporate action.

Differences between investing in listed securities directly and through Pursuit Select

The table below summarises the differences between holding listed securities directly in your own name and listed securities held in your Pursuit Select account.

Investing in listed securities directly	Investing in listed securities through Pursuit Select
You are the legal and beneficial owner of the listed securities and the listed securities will be held in your name in the issuer's share registry.	The Trustee is the legal owner of the listed securities you have directed us to purchase and the securities are held in the name of the Trustee. The listed security forms part of your beneficial interest in the Fund.
You receive and are responsible for responding to all communications from the listed entity in relation to your security holding, including corporate action notices.	We will receive and review all communications received in relation to the security holding. All responses to these communications (including corporate action notices) will be completed by us, in accordance with the terms outlined in this fact sheet.
You are entitled to vote and to any additional benefits associated with your holding of the listed security (such as shareholder discount cards, special offers etc).	You have no entitlement to vote or to any additional benefits associated with the security holding.
You receive a contract note for each order executed by your broker.	You do not receive a contract note for each order you place with us. The broker sends the contract note to the Trustee who is the broker's client. You will however receive email notification from us when an order has been executed.

Terms and conditions for investing in listed securities

In these terms and conditions, references to 'our', 'we' and 'us' are references to IOOF Investment Management Limited, as the Trustee of the IOOF Portfolio Service Superannuation Fund and the Service Operator of Pursuit Select Investment Service, and references to 'you' and 'your' are references to a member of the Fund invested in Pursuit Select Personal Superannuation and an investor in the Pursuit Select Investment Service.

You agree that:

- 1 You will incur the Listed Security Administration Fee charged by the Trustee, together with the fees and charges incurred to buy or sell listed securities as described in the PDS.
- 2 You must nominate and maintain an email address at all times and inform us immediately if you change your email address.
- 3 You must register for Portfolio Online and remain a registered user of Portfolio Online and agree to be bound by the terms and conditions governing the use of Portfolio Online.
- 4 If you have appointed a financial adviser, your financial adviser must place all orders to buy or sell listed securities, receive and give all instructions regarding dividend reinvestment and corporate action elections and give all other instructions relating to listed securities in your account online using Portfolio Online.
- 5 If you have not appointed a financial adviser, you must place all orders to buy or sell listed securities, receive and give all instructions regarding dividend reinvestment and corporate action elections and give all other instructions relating to listed securities in your account online using Portfolio Online.
- 6 All information, statements and other communications (Communication) that we are either required to give to you or choose to give to you in relation to your listed securities may be given to you electronically by making them available on Portfolio Online.
- 7 Portfolio Online is a facility that you will use for the purposes of confirming transactions in listed securities in your account.
- 8 The acquisition of listed securities is for long term investment purposes and is appropriate for your investment objectives, personal circumstances and needs.
- 9 You will comply with the investment limits, order rules, dividend reinvestment plan and corporate action requirements and other listed security information set out in this fact sheet.
- 10 Orders to buy or sell listed securities first need to be validated by us and will normally be passed on to our broker by the end of the next business day. We reserve the right to reject any order in our absolute discretion.
- 11 The online listed securities trading facility in Portfolio Online to place orders and give instructions regarding any listed securities to be acquired or in your account may not be available to you at all times and we may notify you of alternate arrangements to place orders and give instructions at any time.
- 12 We will not be responsible for any delay in processing orders or any other instructions relating to listed securities in your account.
- 13 We can suspend your access to Portfolio Online with immediate effect and without prior notice if you breach these terms and conditions or the Portfolio Online terms and conditions.
- 14 We reserve the right to change these terms and conditions at any time. We will then post a notice on Portfolio Online giving notice of that change for a period of 30 days. Any subsequent access to, or use of, Portfolio Online by you will constitute an acceptance of those modifications.

15 If your access to Portfolio Online is revoked you will not be permitted to buy any more listed securities in your account and all instructions you have previously given relating to dividend reinvestment plans or otherwise are automatically revoked and you will not be permitted to give any further instructions or participate in any corporate actions in relation to any of your listed securities other than to instruct us to sell them.

General information

Transferring listed securities into your Pursuit Select account

Within the Fund

If you currently hold listed securities in another product in the Fund, you can transfer these securities into your Pursuit Select account by instructing us to do so in your application.

From an existing Pursuit Select account to a new Pursuit Select account

If you have 'opted in' to invest in listed securities through a Pursuit Select account, and you open a new Pursuit Select account and 'opt in' to invest in listed securities in your new account, you can transfer your listed securities between those accounts.

If you transfer a particular listed security between your accounts you must transfer all of your holding in that particular listed security.

Unless you transfer all of the listed securities from one account to the other account, you will need to provide new DRP elections in respect of the listed securities transferred to the new account.

Securities held outside the Fund

Where you hold securities outside the Fund, you may be able to transfer these securities into your Pursuit Select account. The Trustee reserves the right to refuse any request to transfer securities into Pursuit Select. If you are interested in transferring listed securities into your Pursuit Select account, please contact our client services team on 1800 062 963 for further information.

General advice warning

The information contained in this fact sheet:

- does not and is not intended to contain any recommendations, statements of opinion or advice
- is of a general nature only and does not take into account your individual objectives, financial situation or needs.

You should consider the appropriateness of this information having regard to your objectives, financial situation and needs and you may want to seek advice before deciding whether to acquire this product.

Important notice

IOOF Pursuit Select Personal Superannuation, IOOF Pursuit Select Allocated Pension and IOOF Pursuit Select Term Allocated Pension are issued by IOOF as Trustee of the IOOF Portfolio Service Superannuation Fund (ABN 70 815 369 818). A Product Disclosure Statement for the IOOF Pursuit range of products is available from our website (www.ioof.com.au) or by calling us on 1800 062 963. You should consider the Product Disclosure Statement for the relevant IOOF Pursuit product before making an investment decision.

We may redeem securities on your behalf

From time to time, we may dispose of listed securities on your behalf to pay for expenses as they fall due or to ensure adequate liquid funds are available in your Pursuit Select account. This will usually only occur where other investment options such as managed funds and term deposits have already been exhausted.

Investing in listed securities through Pursuit Select should be for the long term

Investing in listed securities through Pursuit Select is for longer term investment purposes consistent with your risk profile, investment objectives, financial needs and retirement goals. It is not intended to facilitate short-term trading activities.

The role of your financial adviser

When you 'opt in' to investing in listed securities through Pursuit Select, you agree to authorise your current and any future financial adviser and their staff (your financial adviser) to place orders to buy and sell listed securities and submit DRP and corporate action elections on your behalf electronically using Portfolio Online or any other method approved by us.

What happens if I don't have a financial adviser?

The Trustee recommends that before investing in listed securities you seek professional finance advice. Members who have not appointed a financial adviser to act on their behalf are able to 'opt in' to invest in listed securities through Pursuit Select.

This fact sheet has been prepared and issued by IOOF Investment Management Limited (IIML) (ABN 53 006 695 021) AFS Licence No. 230524. IIML is a company in the IOOF group comprising IOOF Holdings Ltd (ABN 49 100 103 722) and its related bodies corporate.