1 February 2012

IOOF Pursuit fact sheet 1
IOOF Pursuit Select investment strategies

Your investment strategy

This fact sheet is designed to provide you with information about the range of available investment strategies that you can select.

Making the right investment choice is an important part of developing a plan to help you achieve your retirement and investment goals. This requires careful consideration of a number of factors including your retirement needs/ financial goals, your investment risk and return profile, and your overall financial position.

We recommend that you discuss your investment strategy with a financial adviser.

You choose what is right for you

As your individual circumstances change over time, your investment strategy may also need to change to accommodate any new goals or objectives.

The investment strategy that best suits your needs will depend on a number of personal factors, such as your:

- attitude towards investment risk and return
- investment timeframe
- income needs.

What investment options can you choose?

The range of investment options available includes:

- term deposits
- diversified managed funds that invest across a range of different asset classes (such as balanced funds), specific asset class or sector managed funds (such as Australian shares)
- the majority of listed securities in the S&P/ASX 300 Index plus other listed securities approved by the Trustee from time to time.

You may choose from a range of investment options within the following sections.

Section	Overview of objectives
Easy Choice	Offers you access to a spread of different asset classes designed to meet particular investment objectives. IOOF's range of diversified and single-sector multi-manager trusts simplify the investment selection process by blending some of the best available managers to suit your investment objectives.
Premier Investor Choice	Premier Investor Choice complements our existing Easy Choice investment selection by providing a suite of screened managers who offer high-conviction, quality investments to form the core of your investment strategy with significantly lower management fees.
Investor Choice	This is where you and your financial adviser can tailor the investments to suit your investment strategy. Investor Choice allows you to select from a wide range of managed funds and term deposits.
Direct Share Choice	Offers you access to the majority of listed securities in the S&P/ASX 300 Index plus other listed securities approved by the Trustee from time to time.

The list of Easy Choice, Premier Investor Choice and Investor Choice investment options is set out in **IOOF Pursuit fact sheet 2: IOOF Pursuit Select investment options menu**. The process undertaken by the Trustee in establishing the investment menu is explained in the PDS.

The list of listed securities is available on our website (www.ioof.com.au). This list may change from time to time.

IOOF Pursuit

Investment limits

In order to maintain liquidity and diversification in your account, the Trustee has set limits on the amount of your account balance which can be allocated to particular investment options. The limits are set out in the table below and are only assessed at the time an investment is made.

The Trustee will not monitor these limits on an ongoing basis and will generally not sell down investment options if these limits are exceeded, other than where necessary, to maintain liquidity in your account or for any other reason where the Trustee determines the sale to be in your best interests or the best interests of the Fund as a whole.

Investment option	Investment limit
Restricted investments	30% of your account balance in each investment option or in each investment category, with not more than 70% of your account balance invested in restricted investments.
Annuity funds and term deposits	80% of your account balance.
Listed securities	30% of your account balance in each listed security, with not more than 80% of your account balance invested in listed securities.

In addition, any combination of the above investment options must not exceed 80% of your account balance.

About investing

Your investment risk and return profile

Your investment risk and return profile will affect your investment strategy. Generally, the higher the level of risk you are prepared to accept, the higher the potential return you can expect from the investment. For example, investing in shares may provide the highest potential return over the longer term, but may also have the highest risk of capital loss in the short term. Cash tends to have a small chance of capital loss, but its investment returns may be lower.

Diversification

Diversification is a common investment technique used to manage investment risk. You can diversify investments within an asset class, diversify investments across different asset classes or diversify investments across different investment managers.

A financial adviser can help you understand the relationship between risk and return and the possible advantages of diversification.

Indexed investment options

A full index offering is available on all of the major asset classes except cash, commodities, alternatives and diversified classes where indexing is not practical or adds insignificant value to members' investment portfolios.

IOOF multi-manager trusts

We recognise the importance and expertise required in managing investments through all investment cycles. We believe a multi-manager approach provides investors with an expertly managed portfolio incorporating the latest in investment, strategic and economic information. Our multi-manager trusts simplify the investment selection process by accessing a team of investment professionals who are dedicated to identifying, blending and managing specialist investment managers to improve returns for investors.

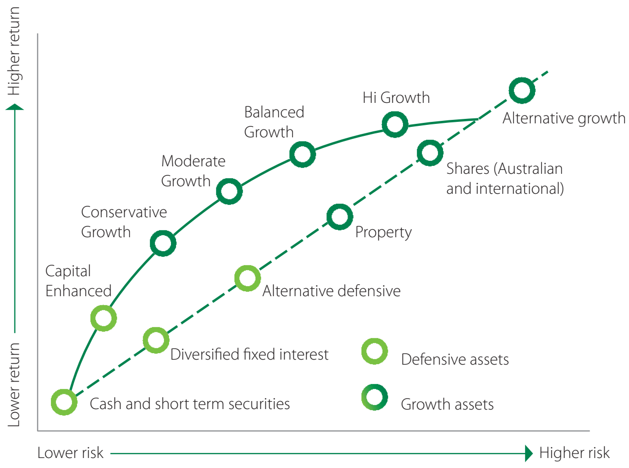
Managing risk through diversification

IOOF multi-manager trusts aim to maximise returns for a given level of risk and take diversification that extra step by:

- investing in **multiple asset sectors** such as international and Australian shares, property, alternative strategies, fixed interest securities and cash
- investing the assets of each portfolio with **multiple investment managers** which have been carefully selected
- blending **multiple investment styles** within a single fund.

Understanding risk versus return

IOOF multi-manager trusts offer a range of options across the risk/return spectrum.



Labour standards, environmental, social and ethical considerations

Different investment managers have different policies regarding the extent to which they take into account labour standards, environmental, social or ethical considerations. Information regarding these policies will be disclosed in the product disclosure statement of the managed fund.

As Trustee of the Fund, we do not currently take into account labour standards, environmental, social or ethical considerations when selecting, retaining or removing investment managers and managed funds from the list of available investments.

Easy Choice

Investment categories	IOOF diversified multi – conservative	IOOF diversified multi – balanced	IOOF diversified multi – growth	IOOF sectoral multi – cash	IOOF sectoral multi – fixed interest	IOOF sectoral multi – australian shares	IOOF sectoral multi – global shares
Investment objective	To provide consistent returns over the medium to long-term through high exposure to defensive assets.	To provide moderate growth over the medium to long-term through a balanced exposure to growth and defensive assets.	To provide moderate to high growth over the long-term through high exposure to growth assets.	To provide a high degree of security and stability, while delivering returns that are consistent with the prevailing market cash rates.	To provide a return that is higher than the available cash rates through holdings of a diversified portfolio of fixed interest, mortgage and enhanced yield securities.	To produce high returns over the long-term.	To produce high returns over the long-term.
Investment strategy	To invest predominantly in defensive assets such as fixed interest and cash investments. Some capital growth is provided through a small exposure to growth assets such as shares and property.	To invest in a diversified portfolio providing a balanced exposure to the major asset classes such as cash, fixed interest securities, shares and property.	To invest predominantly in a diversified range of Australian and international shares and property with a small exposure to income producing investments.	To invest in a range of short-term interest-bearing securities including bank bills, bank deposits, Government, corporate and mortgage-backed securities by combining different investment managers, and styles within a single asset class.	To invest in either Australian and/or international Government, semi-Government, and corporate fixed interest securities as well as inflation-linked bonds, mortgage securities and money market assets by combining different investment managers, and styles within a single asset class.	To invest predominantly in listed Australian shares in a variety of market sectors by combining different investment managers, and styles within a single asset class.	To invest predominantly in shares listed on stock exchanges in a range of countries by combining different investment managers, and styles within a single asset class.

Easy Choice

Investment categories	IOOF diversified multi – conservative	IOOF diversified multi – balanced	IOOF diversified multi – growth	IOOF sectoral multi – cash	IOOF sectoral multi – fixed interest	IOOF sectoral multi – australian shares	IOOF sectoral multi – global shares
Risk factors influencing investment returns	Volatility in interest rates may cause the value of the fixed interest investments to fluctuate.	Returns in the short-term may be somewhat volatile and will be affected by movements in global and local share markets, property values as well as movements in foreign currencies.	Returns in the short term may be volatile and will be affected by movements in global and local share markets, property values as well as movements in foreign currencies.	Movements in short-term interest rates will affect investment returns.	The value of fixed interest investments is linked to the market, and therefore they may lose value in periods where interest rates rise and correspondingly gain value in times of decreasing interest rates. Currency movements may also have an impact on international fixed interest returns.	Returns are affected by movements in the share market and may be volatile in the short-term. Returns may also be affected by the level of gearing and whether any short-selling strategies are employed by the investment manager.	Returns in the short-term may be volatile and will be affected by movements in global share markets as well as movements in foreign currencies.
Asset allocation ranges*	Growth assets: 0% - 40% Defensive assets: 60% - 100%	Growth assets: 40% - 70% Defensive assets: 30% - 60%	Growth assets: 70% - 100% Defensive assets: 0% - 30%				
Risk level	Low to medium	Medium to high	High	Very low	Low to medium	High	High
Likely investment return	Low to medium	Medium to high	High	Very low	Low to medium	High	High
Minimum suggested time frame for holding the investment	2 to 3 years	5 to 7 years	7 years or more	1 year	3 to 5 years	5 to 7 years	5 to 7 years
A negative annual return is not expected more frequently than	Once in every 10 years	Once in every 7 years	Once in every 6 years	Negligible risk	Once in every 8 years	Once in every 4 years	Once in every 4 years
Typical investor	Investors seeking a conservative portfolio with some exposure to growth assets.	Investors seeking a balanced exposure to growth and defensive assets and who are prepared to tolerate short-term volatility.	Investors seeking superior long-term returns and who are prepared to tolerate short-term volatility.	Investors seeking absolute security of capital.	Investors seeking returns higher than that available from cash.	Investors seeking long-term investments who are prepared to accept short-term fluctuation in returns.	Investors seeking long-term investments who are prepared to accept short-term fluctuation in returns.

* Growth assets include more volatile and higher risk assets that are expected to have higher growth potential over the longer term such as Australian and international shares and listed property trusts. Defensive assets include assets that are expected to have lower returns and lower volatility as they tend to have less risk such as cash, corporate bonds and other Australian and international fixed interest investments.

Investor Choice

Investment categories	Cash	Australian fixed interest	Global fixed interest	Australian shares	Global shares	Property
Investment objective	To provide a high degree of security and stability, while delivering returns that are consistent with the prevailing market cash rates.	To provide a return that is higher than the available cash rates through holdings of a diversified portfolio of Australian fixed interest and mortgage securities.	To provide exposure to global fixed interest securities and provide higher than available cash rates through holdings of diversified fixed interest and enhanced yield securities.	To produce high returns over the long-term.	To produce high returns over the long-term.	To provide a combination of income and growth over the long-term.
Investment strategy	To invest in a range of short-term interest-bearing securities including bank bills, bank deposits, Government, corporate and mortgage-backed securities.	To invest in either Australian Government, semi-Government, and corporate fixed interest securities as well as inflation-linked bonds, mortgage securities, high yielding securities and money market assets.	To invest in either foreign Government, semi-Government, and corporate fixed interest securities as well as inflation-linked bonds, mortgage securities, High yielding securities and money market assets.	To invest predominantly in listed Australian shares in a variety of market sectors.	To invest predominantly in shares listed on stock exchanges in a range of countries.	To invest predominantly in property investments and listed property trusts within Australian and international property markets.
Risk factors influencing investment returns	Movements in short-term interest rates will affect investment returns.	The value of fixed interest investments is linked to the market, and therefore they may lose value in periods where interest rates rise and correspondingly gain value in times of decreasing interest rates. Other factors such as liquidity and credit risk play a part in the value of fixed interest securities.	The value of investments in this category may lose value in periods where interest rates rise and correspondingly gain value in times of decreasing interest rates. In addition, the credit quality of the securities and liquidity of the market is also an important factor in influencing investment returns. Currency movements may also have an impact on international securities returns.	Returns are affected by movements in the share market and may be volatile in the short-term. Returns may also be affected by the level of gearing and whether any short-selling strategies are employed by the investment manager.	Returns in the short-term may be volatile and will be affected by movements in global share markets as well as movements in foreign currencies.	Returns will be affected by movements in property values and in the case of listed property trusts, by movements in the share market. Movements in both short and long-term interest rates will also affect investment returns. Currency movements may also have an impact on international property returns.

Investor Choice						
Investment categories	**Cash**	**Australian fixed interest**	**Global fixed interest**	**Australian shares**	**Global shares**	**Property**
Sub-category	• Cash management • Term deposits • Cash enhanced	• Annuity funds • Mortgages • Bonds • Enhanced yields	• Diversified • Enhanced yields	• Large companies • Small companies • Specialist	• Large companies (hedged) • Large companies (unhedged/ active hedged) • Small companies • Regional • Specialist	• Australian property (listed) • Australian property (hybrid/direct) • Global property (listed) • Global property (hybrid/direct)
Risk level	Very low	Low to medium	Low to medium	High	High	Medium
Likely investment return	Very low	Low to medium	Low to medium	High	High	Medium
Minimum suggested time frame for holding the investment	1 year	3 to 5 years	3 to 5 years	5 to 7 years	5 to 7 years	5 to 7 years
A negative annual return is not expected more frequently than	Negligible risk	Once in every 8 years	Once in every 8 years	Once in every 4 years	Once in every 4 years	Once in every 6 years
Typical investor	Investors seeking absolute security of capital.	Investors seeking returns higher than that available from cash.	Investors seeking returns higher than that available from cash.	Investors seeking long-term investments who are prepared to accept short-term fluctuation in returns.	Investors seeking long-term investments who are prepared to accept short-term fluctuation in returns.	Investors seeking mostly income returns and some growth to increase the value of their investment in the long-term.

Investor Choice

Investment categories	Infrastructure	Commodities	Alternative investments	Diversified - conservative	Diversified - balanced	Diversified - growth
Investment objective	To produce a balance of income and medium to long-term capital growth.	To gain exposure to commodity related returns and diversification of portfolio risk. Over the long-term, returns tend to be higher than bonds and close to stock returns.	To provide diversification benefits to clients' portfolios by exposure to investment strategies that are not linked with the returns of traditional asset classes over the medium to long-term. Alternative investments generally aim to provide a return above the prevailing cash rate.	To provide consistent returns over the medium to long-term through high exposure to defensive assets.	To provide moderate growth over the medium to long-term through a balanced exposure to growth and defensive assets.	To provide moderate to high-growth over the long term through high exposure to growth assets.
Investment strategy	To invest in Australian and overseas infrastructure securities.	To invest in commodity-linked derivatives, commodity exposed industries and funds benchmarked to commodity indices.	Alternative Investments can range from hedge funds, private equity, managed futures and exchange funds to fixed income alternatives and special co-investment opportunities. The role of alternative investments is to provide returns that are less influenced by fluctuations in the market and other traditional asset classes.	To invest predominantly in defensive assets such as fixed interest and cash investments. Some capital growth is provided through a small exposure to growth assets such as shares and property.	To invest in a diversified portfolio providing a balanced exposure to the major asset classes such as cash, fixed interest securities, shares and property.	To invest predominantly in a diversified range of Australian and international shares and property with a small exposure to income producing investments.
Risk factors influencing investment returns	Factors which will influence returns from infrastructure investments include risks in development, construction and under-usage of assets. Also, the level of gearing an infrastructure trust will take on will influence returns. More gearing, the greater the potential return for a greater risk.	Commodity returns move in line with the world economic cycle. In times of economic growth, demand for commodities is generally stronger, and the reverse is true. Being real assets, commodity prices and returns are linked to inflation, and rise when inflation rises. Commodities can serve as a hedge against inflation.	Alternative Investments take on a broad range of investment strategies. Hedge funds include significant liquidity risk where there is no secondary market for such investments.	Volatility in interest rates may cause the value of the fixed interest investments to fluctuate.	Returns in the short-term may be somewhat volatile and will be affected by movements in global and local share markets, property values as well as movements in foreign currencies.	Returns in the short-term may be volatile and will be affected by movements in global and local share markets, property values as well as movements in foreign currencies.

Investor Choice						
Investment categories	**Infrastructure**	**Commodities**	**Alternative investments**	**Diversified - conservative**	**Diversified - balanced**	**Diversified - growth**
Sub-category	Australian infrastructure (listed) Global infrastructure (hybrid/direct)					
Asset allocation ranges	N/A	N/A	N/A	Growth assets: 0% - 40% Defensive assets: 60% - 100%	Growth assets: 40% - 70% Defensive assets: 30% - 60%	Growth assets: 70% - 100% Defensive assets: 0% - 30%
Risk level	Medium to high	High	High	Low to medium	Medium to high	High
Likely investment return	Medium to high	High	High	Low to medium	Medium to high	High
Minimum suggested time frame for holding the investment	5 to 7 years	5 to 7 years	5 to 7 years	2 to 3 years	5 to 7 years	7 years or more
A negative annual return is not expected more frequently than	Once in every 6 years	Once in every 4 years	Once in every 4 years	Once in every 10 years	Once in every 7 years	Once in every 6 years
Typical investor	Investors seeking inflation hedging and diversification of returns in their portfolios.	Investors seeking inflation hedging and diversification of returns in their portfolios.	Investors seeking diversification to their portfolios and returns that are not significantly linked to traditional asset classes in the medium to long-term.	Investors seeking a conservative portfolio with some exposure to growth assets.	Investors seeking a balanced exposure to growth and defensive assets and who are prepared to tolerate short-term volatility.	Investors seeking superior long-term returns and who are prepared to tolerate short-term volatility.

Notes: Any reference to investment returns includes a reference to both income and capital returns. The indicative investment strategy, objectives and benchmarks may vary across the different managed funds from time to time. This includes variances in the actual asset allocation for each managed fund as compared to the target strategy benchmarks. To obtain more information on the investment strategy and benchmarks for each managed fund, please refer to the product disclosure statement for the particular managed fund.

Premier Investor Choice

The Premier Investor Choice investment selection consists of a suite of high-conviction, quality discretionary investment strategies across most major asset classes but with significantly lower management fees.

- **Value** – lower investment costs
- **Brand** – household names, leading global financial institutions
- **Quality** – performance and consistency

The investment strategy for Premier Investor Choice is identical to Investor Choice, except Premier Investor Choice does not have any sub-categories.

Direct Share Choice	
Investment objective	To achieve capital growth and/or income from dividend distributions over the medium to long-term through investing in specific share investments.
Investment strategy	The level of capital growth and/or income generated is dependant on the specific direct share option, the number of shares purchased and the selection/variety of shares included in a member's portfolio. The Trustee has made a broad range of direct shares available for selection by individual members.
Risk factors influencing investment returns	Returns from direct shares are affected by movements in the stock market as well as individual company specific factors. Investment risk can generally be reduced by diversifying holdings across different sectors and within sectors.
Risk level	Very high
Likely investment return	Very high
Minimum suggested time frame for holding the investment	7 to 10 years
Typical investor	Investors seeking a long-term investment who are prepared to accept short-term fluctuations in returns.

Pursuit Select allows you to select from the majority of listed securities in the S&P/ASX 300 Index plus other listed securities approved by the Trustee from time to time. The composition of the S&P/ASX 300 Index and list of other listed securities approved by the Trustee can be downloaded from the investment options page of our website (www.ioof.com.au).

Important information

Before selecting an investment option, you should read the current IOOF Pursuit Select PDS and the relevant fact sheet, including **IOOF Pursuit fact sheet 2,** and talk to your financial adviser. For each investment option you select, you should read the relevant product disclosure statement or product guide, provided by your adviser or available from our website. These documents include information about performance, asset allocation, costs and the risks associated with investing in a particular investment option.

Please note, product disclosure statements and product guides are not available for Direct Share Choice investment options.

IOOF **Pursuit**

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