



# PROFILE

## MANAGED INVESTMENTS

Dated 30 June 2020

### Profile Managed Investments Supplementary Product Disclosure Statement

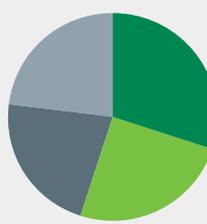
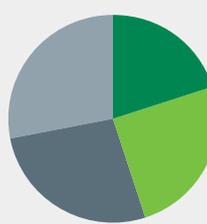
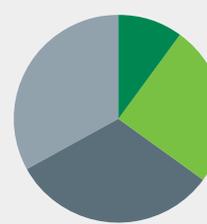
Issuer and Responsible Entity: IOOF Investment Services Ltd ABN 80 007 350 405, AFS Licence No 230703.

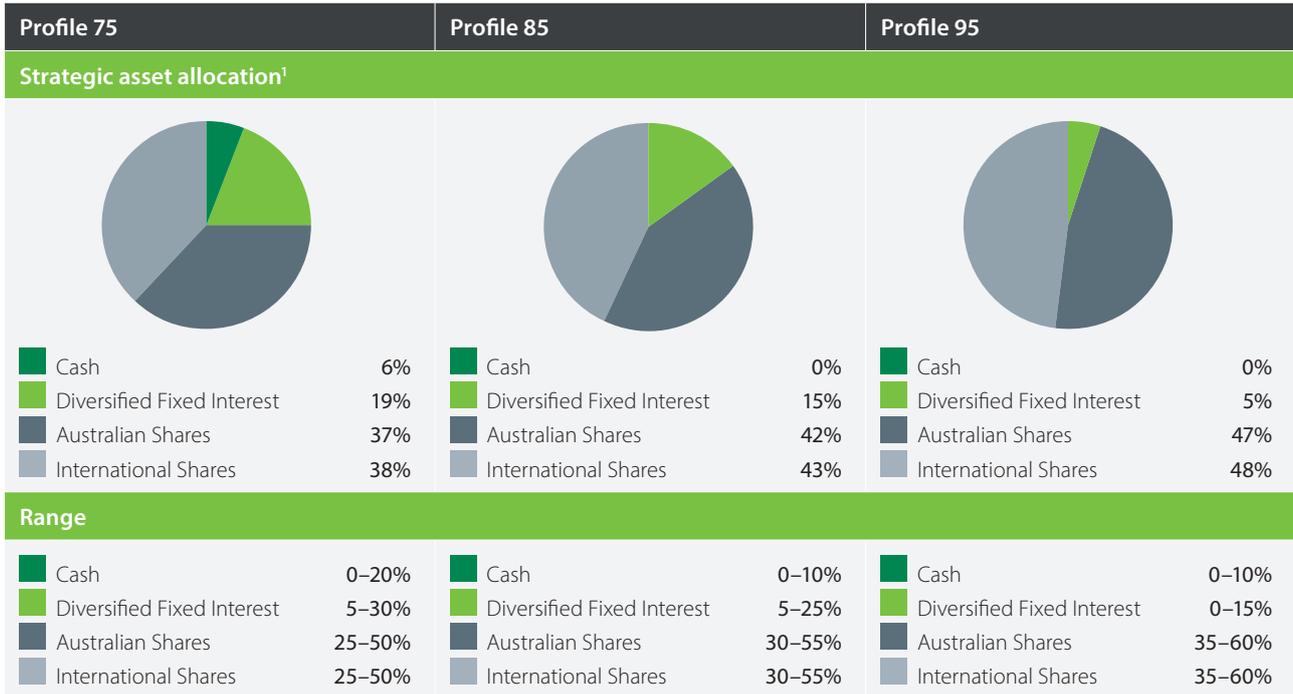
#### About this Supplementary Product Disclosure Statement

This Supplementary Product Disclosure Statement (SPDS) supplements and updates the information contained in the Profile Managed Investments Product Disclosure Statement dated 30 November 2019 (PDS) and is to be read in conjunction with the PDS. All terms in this SPDS have the same meaning as in the PDS.

This SPDS updates the following information in the PDS:

1. Delete and replace the 'Strategic asset allocation' and 'Range' information shown in the tables on pages 7 - 8 with the following:

Profile 45	Profile 55	Profile 65
<b>Strategic asset allocation<sup>1</sup></b>		
 <ul style="list-style-type: none"> <li>Cash 30%</li> <li>Diversified Fixed Interest 25%</li> <li>Australian Shares 22%</li> <li>International Shares 23%</li> </ul>	 <ul style="list-style-type: none"> <li>Cash 20%</li> <li>Diversified Fixed Interest 25%</li> <li>Australian Shares 27%</li> <li>International Shares 28%</li> </ul>	 <ul style="list-style-type: none"> <li>Cash 10%</li> <li>Diversified Fixed Interest 25%</li> <li>Australian Shares 32%</li> <li>International Shares 33%</li> </ul>
<b>Range</b>		
<ul style="list-style-type: none"> <li>Cash 20–40%</li> <li>Diversified Fixed Interest 15–35%</li> <li>Australian Shares 10–35%</li> <li>International Shares 10–35%</li> </ul>	<ul style="list-style-type: none"> <li>Cash 10–30%</li> <li>Diversified Fixed Interest 15–35%</li> <li>Australian Shares 15–40%</li> <li>International Shares 15–40%</li> </ul>	<ul style="list-style-type: none"> <li>Cash 0–20%</li> <li>Diversified Fixed Interest 15–35%</li> <li>Australian Shares 20–45%</li> <li>International Shares 20–45%</li> </ul>



2. Replace the **Buy-sell spread** information in the table on page 15 with the following:

Managed Investments	Buy-sell spread	
	Buy (%)	Sell (%)
Profile 45	0.05	0.07
Profile 55	0.06	0.08
Profile 65	0.06	0.09
Profile 75	0.07	0.08
Profile 85	0.08	0.09
Profile Diversified Fixed Interest	0.09	0.16
Profile International Shares	0.08	0.08
Profile International Shares (Hedged)	0.13	0.13

3. Replace the contact email address 'investorservicesemails@ioof.com.au' with **investorservices@ioof.com.au** throughout the PDS.

4. Replace the first paragraph of the **'Attribution Managed Investment Trust (AMIT) regime'** section on page 20 with the following:

The Federal Government enacted legislation which established a tax regime for managed investment trusts (MITs), such as the schemes, known as the Attribution Managed Investment Trust (AMIT) regime. REs can choose to apply the AMIT regime or Division 6 of the *Income Tax Assessment Act 1936* to MITs when calculating income for unit holders. The RE has elected to apply the AMIT regime to each of the schemes.

<sup>1</sup> To reduce short-term currency volatility, a portion of the international shares exposure may be hedged back to the Australian dollar. For reasons of investment efficiency, the scheme(s) may gain their investment exposure by holding units in other IOOF group unit trusts and/or through direct investment holdings. The underlying investments will generally be managed around these strategic asset allocations, however IISL may revise the weightings, without notice to investors, in response to certain factors impacting the underlying investments such as economic conditions and market movements. Where, in IISL's opinion, a material alteration impacts the nature of the scheme, investors will be given notice.



# PROFILE

**MANAGED INVESTMENTS**

## Product Disclosure Statement

Dated: 30 November 2019

Responsible Entity and Issuer: IOOF Investment Services Ltd  
ABN 80 007 350 405 | AFSL 230703

This Product Disclosure Statement (PDS) is the offer document for the following managed investment schemes (collectively referred to as the 'Profile range', 'managed investment schemes' or 'schemes'):

	ARSN	APIR code
Profile 45	124 731 488	PBT0001AU
Profile 55	124 731 442	PBT0002AU
Profile 65	124 731 531	PBT0003AU
Profile 75	124 731 595	PBT0004AU
Profile 85	124 731 684	PBT0005AU
Profile 95	124 731 826	PBT0006AU
Profile Diversified Fixed Interest	124 731 933	PBT0007AU
Profile Australian Shares	124 731 915	PBT0010AU
Profile International Shares	124 731 960	PBT0008AU
Profile International Shares (Hedged)	124 732 047	PBT0009AU

## Responsible Entity and Issuer

IOOF Investment Services Ltd ABN 80 007 350 405 AFS License No. 230703 is the Responsible Entity of the Profile range and the issuer of this PDS. IOOF Investment Services Ltd is referred to in this PDS as 'IISL', 'IOOF', 'Responsible Entity', 'RE', 'we', 'our' or 'us'. IISL is an entity within the IOOF group of companies (IOOF group). The IOOF group consists of IOOF Holdings Ltd, ABN 49 100 103 722 and its related bodies corporate.

References to 'business day' in this PDS, refer to a business day in Melbourne, Victoria, Australia.

An investment in the Profile range does not represent an investment in, deposit or other liability of IISL, the investment managers through whom the schemes invest, or any other related body corporate within the IOOF group.

Investments in the schemes may be held directly or indirectly in a selection of investments (including units in other managed investment schemes) offered by a number of investment management companies, including IISL or related body corporates within the IOOF group.

Units in the schemes may be issued on the basis of this PDS from 30 November 2019. Neither IISL, the investment managers through whom the schemes invest, nor any related body corporate within the IOOF group guarantees the performance of the schemes or the return of capital or income. Your investments in the scheme(s) are subject to investment risk.

This could involve delays in repayment and loss of income on the principal invested.

## Use of this PDS

The investments offered in this PDS are available to investors wishing to access the schemes via an Investor Directed Portfolio Service (IDPS) or master trust or wholesale investors (at IISL's discretion). When investing in the schemes via an IDPS or master trust, the operator of the IDPS or trustee of the master trust acquires the rights of a unitholder in the scheme(s).

In the case of investment via an IDPS or master trust, your rights and liabilities will be governed by the terms and conditions of the relevant IDPS offer document or master trust PDS, which you must read carefully prior to directing the operator/trustee of the IDPS or master trust to invest in the scheme(s) on your behalf.

## Updated information

Information in this PDS is subject to change from time to time. Where the change is not considered materially adverse to investors, the information may be updated on the IOOF website ([www.ioof.com.au](http://www.ioof.com.au)). Alternatively, if you wish to request a paper copy of the updated information as well as this PDS, you can:

- contact Investor Services on 1800 002 217
- email [investorservicesemails@ioof.com.au](mailto:investorservicesemails@ioof.com.au)
- visit our website at [www.ioof.com.au](http://www.ioof.com.au)

If a material change is made, we will provide you with prior written notice.

## Important information

The information contained in this PDS 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. We recommend you seek professional advice from a financial adviser before deciding to invest in the scheme(s).

The Australian Securities and Investments Commission (ASIC) can help you check if a financial adviser is licensed. You can visit ASIC's website at [www.moneysmart.gov.au](http://www.moneysmart.gov.au) or contact them on 1300 300 630.

All monetary amounts referred to in this PDS are given in Australian dollars.

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# About IOOF

IOOF Investment Services Ltd (IISL) is part of the IOOF group of companies (IOOF group) and is the Responsible Entity and investment manager of the Trusts. Through our investment management services, we have a team of portfolio managers, supported by a host of support services all committed to providing, strong risk-adjusted returns over the long term.

As one of the largest financial services groups in Australia, with over 170 years' experience in helping Australians secure their financial independence, the IOOF group provides services to more than 500,000 clients and has more than \$142.7 billion in funds under management, advice and administration (as at 30 September 2019). The IOOF group consists of IOOF Holdings Ltd ABN 49 100 103 722 and its related bodies corporate, and is currently listed in the top 200 on the Australian Securities Exchange (ASX: IFL).

Being a fully integrated financial services company, IOOF offers:

- financial advice and distribution services
- platform management and administration
- investment management products
- trustee services.

## Investment manager

As the Responsible Entity and investment manager of the scheme(s), IISL is responsible for managing the scheme(s) assets, including appointing and monitoring underlying investment managers and overseeing the operations of the scheme(s).

IISL has appointed custodians for certain underlying assets of the Schemes. The role of the custodian is limited to holding the assets of the Schemes as agent of the Responsible Entity. The custodians have no supervisory role in relation to the operation of the Schemes and are not responsible for protecting your interests. IISL has the discretion to change the custodians at any time, subject to the terms of any custody agreement, and appoint additional custodians.

## About managed funds

Managed funds, commonly also referred to as unit trusts or managed investment schemes, are investment vehicles that pool your money with that of other investors. The pooling of monies allows you to take advantage of investment opportunities that you may not be able to access as an individual investor. The pool of funds is then professionally managed according to the investment objective and style of each managed fund.

There are many types of managed funds. Some invest in a number of shares or securities within one asset class and some invest across a range of asset classes. Some utilise the expertise of a single investment manager, while others (commonly referred to as multi-manager trusts) may utilise a range of investment managers. Some can provide you with capital growth, dividend income or a combination of both. As the risks associated with each managed fund can vary, we recommend you seek professional financial advice to consider your overall financial situation before deciding to invest.

## Our investment approach

The Profile schemes are managed by IOOF QuantPlus to deliver solid consistent returns through efficient exposure to a highly diversified portfolio of assets. Simply put, proven investment managers and risk management techniques are employed to deliver a well-diversified portfolio whilst considering the optimal risk and return outcome.

# Choosing a Profile

## The Profile range

The Profile range provides investors with a number of benefits including:

- greater diversification (ie allocation of assets across asset classes, sub-asset classes and securities), and
- efficient tax and transaction cost management.

## Profile diversified schemes

The Profile range offers a suite of diversified managed investment schemes which comprise the following:

- Profile 45
- Profile 55
- Profile 65
- Profile 75
- Profile 85
- Profile 95

These schemes are built to capture varying levels of return and risk. They provide exposure to different proportions of cash, fixed interest and shares to meet the differing growth and income needs of investors.

## Profile asset class schemes

Investors can also construct individual portfolios from the following range of asset class schemes to target specific sector-based exposures with different levels of risk and return than those offered by the diversified schemes.

The Profile range of asset class schemes include the following:

- Profile Diversified Fixed Interest
- Profile Australian Shares
- Profile International Shares
- Profile International Shares (Hedged)

Investors should carefully review the investment strategy of each of the schemes (see pages 7 to 9) and ensure the appropriate scheme(s) are selected to meet their financial needs. The investments of the schemes are reviewed regularly and are subject to change without notice where we consider the changes are not materially adverse to investors. We may add, remove or replace underlying investment managers within the Profile scheme portfolios at any time.

It is important to note that managed investment schemes with greater allocations to growth assets, such as equities, generally have a higher expected investment return accompanied by a higher expected risk. Conversely, managed investment schemes with greater exposure to defensive assets, such as fixed interest and cash, generally have a lower expected return and a lower expected risk than growth assets. An outline of common risk factors associated with investing is set out on pages 11 and 12 of this PDS.

## Benchmarks

The performance objective of each managed investment scheme is to achieve a gross return that is at least equal to the weighted average of the applicable benchmark returns for each of the asset classes it contains. The current benchmarks for each asset class held within the Profile range are:

Asset class	Benchmark
Cash	Bloomberg AusBond Bank Bill Index
Diversified Fixed Interest	JP Morgan Government Global \$A Hedged 1–5yr Bond Index
Australian Shares	S&P/ASX 300 Accumulation Index
International Shares	MSCI All Country World ex Australia Index (\$A)
International Shares (Hedged)	Composite of MSCI World ex Australia Index (\$A) (Hedged) and MSCI Emerging Markets Index (\$A), based on emerging markets weights within the MSCI All Country World ex Australia Index.

Benchmarks are subject to change from time to time.

## Investment minimums

Investment and withdrawal minimums do not apply for investments in the Profile schemes via an IDPS or master trust. Investors should refer to the offer document of the IDPS or master trust PDS to check what investment minimums apply.

## How do the Profile managed investment schemes work?

Each Profile scheme is a managed investment scheme (also commonly referred to as a unit trust) that is subject to the *Corporations Act 2001* (Cth) (Corporations Act), its constitution and other applicable law.

When you invest your money in a managed investment scheme, your money is pooled together with that of other investors and invested jointly. This pooled money is used to buy investments and manage them on behalf of all investors in the scheme.

Each of the Profile managed investment schemes is registered individually with the Australian Securities and Investments Commission (ASIC). IISL, as the Responsible Entity of each scheme, acquires investments for each scheme in accordance with the strategy relating to that scheme and holds those investments for the benefit of the schemes' investors. The beneficial interest in the property of each scheme is divided into units.

Investors are allocated a number of units depending on the amount invested and the unit buy price at the time of investment. The value of an individual investor's holding is equal to the number of units held multiplied by the unit sell price. Obtaining units in a managed investment scheme does not provide an investor with an interest in a specific asset or assets forming part of the scheme property, nor does it give investors rights relating to the management or operation of the scheme.

### How the schemes are valued

Under the constitutions, the assets held by each scheme are required to be valued at least every six months. However, assets in each scheme are generally valued every business day to provide investors with the most up-to-date unit prices.

### Unit prices

Unit prices are calculated based on the net market value of the scheme property, divided by the number of units that have been allocated to investors. The net market value of the scheme property is based on the value of all investments and cash held in the managed investment scheme less any liabilities, including fees relating to the scheme.

The entry and exit prices for the schemes are usually calculated as at the close of business each business day.

The unit price used to calculate the value of a transaction is based on the unit price and buy-sell spread applicable at the date of purchase or redemption of units provided it is processed prior to the relevant cut-off time. See page 18 for current cut-off times.

### Entry price

The entry price is usually calculated each business day by taking the net asset value of a scheme, and adding to it an amount which reflects the estimated cost of acquiring the scheme's assets (subject to the Responsible Entity's discretion to reduce or waive such costs) and dividing the total figure by the number of units on issue in that scheme.

### Exit price

The exit price is usually calculated each business day by taking the net asset value of a scheme, and subtracting from it an amount which reflects the estimated cost of selling the scheme's assets (subject to the Responsible Entity's discretion to reduce or waive such costs) and dividing the net figure by the number of units on issue in that scheme.

To obtain the current unit prices for each scheme, please visit the IOOF website at [www.ioof.com.au](http://www.ioof.com.au), contact Investor Services on 1800 002 217, or email us at [investorservicesemails@ioof.com.au](mailto:investorservicesemails@ioof.com.au)

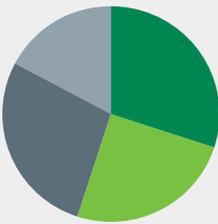
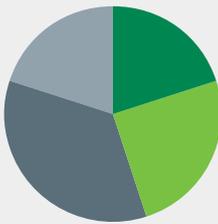
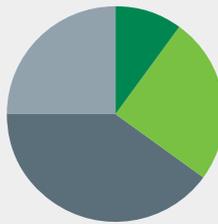
### Unit pricing discretion policy

The constitutions of the schemes allow us to exercise discretions (for example, determining transaction costs) which may affect unit pricing. Our unit pricing discretion policy sets out, among other things, the principles we adhere to when exercising these discretions. This policy is available free of charge by contacting Investor Services on 1800 002 217.

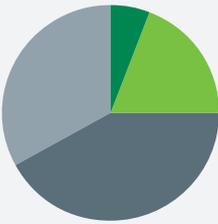
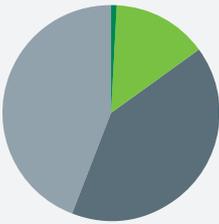
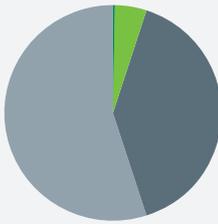
### Profiles and financial advice

We recommend that you obtain professional financial advice before making any investment decision in relation to the schemes. Referring to the categories described in the scheme profiles on pages 7 to 9, such as investment objectives and minimum suggested timeframes, is not a substitute for personal advice or a detailed financial plan. This information is of a general nature only and subject to change. There is no assurance that the schemes will achieve their stated investment objectives. The profiles do not take into account your individual objectives, financial situation or needs. IISL strongly recommends that you seek professional financial advice from a financial adviser about your own objectives, financial situation and needs before deciding to invest in the schemes.

## Profile diversified range

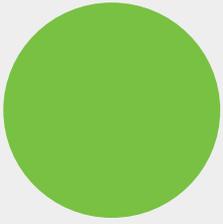
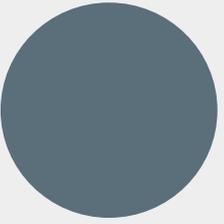
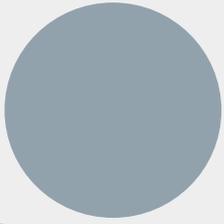
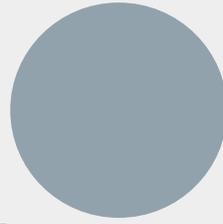
Profile 45	Profile 55	Profile 65																								
<b>Investment objective</b>																										
To generate consistent returns utilising a diversified portfolio with a bias towards defensive or income assets.	To generate long term capital growth accompanied by a reasonable level of income, utilising a diversified portfolio generally with a more balanced weighting to both income and growth assets.	To generate long term capital growth accompanied by a moderate level of income, utilising a diversified portfolio with a slight bias towards growth assets.																								
<b>Performance objective and benchmark</b>																										
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<b>Date of inception</b>																										
29 August 2007	19 June 2007	20 September 2007																								
<b>Income distribution frequency</b>																										
Generally half-yearly (as at 30 June and 31 December)	Generally half-yearly (as at 30 June and 31 December)	Generally half-yearly (as at 30 June and 31 December)																								
<b>Performance</b>																										
For up-to-date information on the performance of the scheme(s), including performance history, please visit our website at <a href="http://www.ioof.com.au">www.ioof.com.au</a>																										

<sup>1</sup> To reduce short-term currency volatility, a portion of the international shares exposure may be hedged back to the Australian dollar. For reasons of investment efficiency, the scheme(s) may gain their investment exposure by holding units in other IOOF group unit trusts and/or through direct investment holdings. The underlying investments will generally be managed around these strategic asset allocations, however IISL may revise the weightings, without notice to investors, in response to certain factors impacting the underlying investments such as economic conditions and market movements. Where, in IISL's opinion, a material alteration impacts the nature of the scheme, investors will be given notice.

Profile 75	Profile 85	Profile 95																								
<b>Investment objective</b>																										
To maximise capital growth over the long term with a reduced emphasis on the level of income, utilising a diversified portfolio with a slightly higher weighting to growth asset classes such as Australian and international shares.	To maximise capital growth over the long term with a little emphasis on the level of income, utilising a diversified portfolio with a stronger bias to growth asset classes such as Australian and international shares.	To maximise capital growth over the long term by utilising a portfolio of predominantly growth assets.																								
<b>Performance objective and benchmark</b>																										
The performance objective of the scheme is to achieve a gross return at least equal to the weighted average of the applicable benchmark return for each of the component asset classes over periods greater than one year. The benchmarks for each of the asset classes are listed on page 5.	The performance objective of the scheme is to achieve a gross return at least equal to the weighted average of the applicable benchmark return for each of the component asset classes over periods greater than one year. The benchmarks for each of the asset classes are listed on page 5.	The performance objective of the scheme is to achieve a gross return at least equal to the weighted average of the applicable benchmark return for each of the component asset classes over periods greater than one year. The benchmarks for each of the asset classes are listed on page 5.																								
<b>Minimum suggested investment timeframe</b>																										
5 years	6 years	7 years																								
<b>Strategic asset allocation<sup>1</sup></b>																										
 <table border="0"> <tr> <td>Cash</td> <td><b>6%</b></td> </tr> <tr> <td>Diversified Fixed Interest</td> <td><b>19%</b></td> </tr> <tr> <td>Australian Shares</td> <td><b>42%</b></td> </tr> <tr> <td>International Shares</td> <td><b>33%</b></td> </tr> </table>	Cash	<b>6%</b>	Diversified Fixed Interest	<b>19%</b>	Australian Shares	<b>42%</b>	International Shares	<b>33%</b>	 <table border="0"> <tr> <td>Cash</td> <td><b>0%</b></td> </tr> <tr> <td>Diversified Fixed Interest</td> <td><b>15%</b></td> </tr> <tr> <td>Australian Shares</td> <td><b>41%</b></td> </tr> <tr> <td>International Shares</td> <td><b>44%</b></td> </tr> </table>	Cash	<b>0%</b>	Diversified Fixed Interest	<b>15%</b>	Australian Shares	<b>41%</b>	International Shares	<b>44%</b>	 <table border="0"> <tr> <td>Cash</td> <td><b>0%</b></td> </tr> <tr> <td>Diversified Fixed Interest</td> <td><b>5%</b></td> </tr> <tr> <td>Australian Shares</td> <td><b>40%</b></td> </tr> <tr> <td>International Shares</td> <td><b>55%</b></td> </tr> </table>	Cash	<b>0%</b>	Diversified Fixed Interest	<b>5%</b>	Australian Shares	<b>40%</b>	International Shares	<b>55%</b>
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International Shares	<b>45-65%</b>																									
<b>Date of inception</b>																										
25 June 2007	29 August 2007	28 September 2007																								
<b>Income distribution frequency</b>																										
Generally half-yearly (as at 30 June and 31 December)	Generally half-yearly (as at 30 June and 31 December)	Generally half-yearly (as at 30 June and 31 December)																								
<b>Performance</b>																										
For up-to-date information on the performance of the scheme(s), including performance history, please visit our website at <a href="http://www.ioof.com.au">www.ioof.com.au</a>																										

<sup>1</sup> To reduce short-term currency volatility, a portion of the international shares exposure may be hedged back to the Australian dollar. For reasons of investment efficiency, the scheme(s) may gain their investment exposure by holding units in other IOOF group unit trusts and/or through direct investment holdings. The underlying investments will generally be managed around these strategic asset allocations, however IISL may revise the weightings, without notice to investors, in response to certain factors impacting the underlying investments such as economic conditions and market movements. Where, in IISL's opinion, a material alteration impacts the nature of the scheme, investors will be given notice.

## Profile asset class range

Profile Diversified Fixed Interest	Profile Australian Shares	Profile International Shares	Profile International Shares (Hedged)
<b>Investment objective</b>			
To provide a gross return similar to that achieved by investing in domestic and global money markets and fixed income securities, generally with maturities of five years or less.	To achieve long term capital growth through structured exposure to listed Australian equities.	To achieve long term capital growth through structured exposure to listed global equities.	To achieve long term capital growth through structured exposure to listed global equities with reduced exposure to foreign currency risk.
<b>Performance objective and benchmark<sup>1</sup></b>			
The performance objective of the scheme is to achieve a gross return at least equal to the return of the JP Morgan Government Global \$A Hedged 1-5yr Bond Index.	The performance objective of the scheme is to achieve a gross return at least equal to the return of the S&P/ASX 300 Accumulation Index.	The performance objective of the scheme is to achieve a gross return at least equal to the return of the MSCI All Country World ex Australia Index (\$A).	The performance objective of the scheme is to achieve a gross return at least equal to the return of the the benchmark of the international shares (hedged) asset class listed on page 5.
<b>Minimum suggested investment timeframe</b>			
3 years	7 to 10 years	7 to 10 years	7 to 10 years
<b>Strategic asset allocation<sup>2</sup></b>			
 <p>Cash <b>0%</b> Diversified Fixed Interest <b>100%</b></p>	 <p>Cash <b>0%</b> Australian Shares <b>100%</b></p>	 <p>Cash <b>0%</b> International Shares <b>100%</b></p>	 <p>Cash <b>0%</b> International Shares (Hedged) <b>100%</b></p>
<b>Range</b>			
<p>Cash <b>0-10%</b> Diversified Fixed Interest <b>90-100%</b></p>	<p>Cash <b>0-10%</b> Australian Shares <b>90-100%</b></p>	<p>Cash <b>0-10%</b> International Shares <b>90-100%</b></p>	<p>Cash <b>0-10%</b> International Shares (Hedged) <b>90-100%</b></p>
<b>Date of inception</b>			
30 September 2008	1 July 2008	1 July 2008	14 April 2009
<b>Income distribution frequency</b>			
Generally half-yearly (as at 30 June and 31 December)	Generally half-yearly (as at 30 June and 31 December)	Generally half-yearly (as at 30 June and 31 December)	Generally half-yearly (as at 30 June and 31 December)
<b>Performance</b>			
For up-to-date information on the performance of the scheme(s), including performance history, please visit our website at <a href="http://www.ioof.com.au">www.ioof.com.au</a>			

<sup>1</sup> Benchmarks are subject to change from time to time.

<sup>2</sup> For reasons of investment efficiency, the scheme(s) may gain their investment exposure by holding units in other IOOF group unit trusts and/or through direct investment holdings. The underlying investments will generally be managed around these strategic asset allocations, however IISL may revise the weightings, without notice to investors, in response to certain factors impacting the underlying investments such as economic conditions and market movements. Where, in IISL's opinion, a material alteration impacts the nature of the scheme, investors will be given notice.

## **Environmental, Social and Governance (ESG) considerations**

IISL acknowledges that ESG factors may be considered by underlying investment managers in investment decision making processes in order to protect and manage investments for the long term. All other things being equal, entities that best manage ESG factors are more likely to be financially sustainable in the long term. ESG, especially good corporate governance, is a key contributor to sustainable positive outcomes for investors. The underlying investment managers generally take ESG considerations into account when making investment decisions, where the investment manager believes these ESG considerations affect valuation of securities.

## **Changes to the schemes**

The rights of an investor are outlined in the constitution for each scheme. Under the constitutions, we have various powers including the right to change a scheme's investment return objective (including its benchmark), asset classes, underlying investments and currency strategy (if any), without prior notice in some cases. We will inform investors of any material change to a scheme(s) details in our next regular communication to them or as otherwise required by law.

# Significant benefits of investing in Profile

## The benefits of investing

There are a number of significant benefits of investing in the Profile managed investment schemes. These include:

### Access to investment opportunities

Investing in a Profile scheme means your money is pooled with that of other investors. This provides the scheme with the investment buying power not often available to you as an individual investor, with smaller amounts to invest.

### Management expertise

Our specialist investment team is well experienced in managing funds and consists of experienced investment and research professionals that undertake the analysis, selection and monitoring of the investment managers who will manage the assets of each scheme.

### Income distributions (if any)

Investing in a Profile scheme means you may benefit from regular income distributions derived from your investments in the scheme (for more information, please refer to page 19). You may also have the opportunity to reinvest any income distributions received from the scheme back into your investment account without incurring a buy-spread.

### Simple transaction process

Investing in a scheme allows you to apply for additional investments or withdrawals at any time (please refer to the offer document of the IDPS or master trust for further information).

### Easy access to your information

You can obtain up-to-date information about the Profile schemes by visiting the IOOF website at [www.ioof.com.au](http://www.ioof.com.au), contacting Investor Services on 1800 002 217, emailing us at [investorservicesemails@ioof.com.au](mailto:investorservicesemails@ioof.com.au) or speak to your financial adviser.

## The risks of investing

All investments carry some level of risk. Different investment strategies carry different levels of risk, depending on the assets that make up the investment strategy. Those assets with the highest long-term returns (such as shares) may also carry the highest level of short-term risk.

Risks can be managed but cannot be completely eliminated. It is important to understand that:

- the value of your investment will go up and down
- investment returns will vary and future returns may be different from past returns
- returns are not guaranteed and there is always the chance that you may lose money on any investment you make
- laws affecting your investment in a managed investment scheme may change in the future
- the appropriate level of risk for you will depend on your age, investment time frame, where other parts of your wealth are invested and what your risk tolerance is.

### Specific risks associated with investing

There are specific risks associated with investing. It is not usually possible to eliminate investment risk altogether. However, it is possible to formulate investment strategies designed to effectively manage and reduce the risk of your investment.

Specific risks apply to all investments. Some can affect the value of your investments and the distributions paid. The specific risks for investing in a managed investment scheme depend on:

- the underlying assets the scheme is exposed to
- the volatility in the scheme's underlying assets which can influence performance.

Neither IISL, the underlying investment managers in which each scheme invests, nor any related body corporate within the IOOF group can give you any assurance as to the future income distributions, return of capital or overall performance of the schemes.

The specific risks of investing include:

- **Market risk** – unexpected conditions such as market sentiment, government regulations and local and international political events may have a negative impact on the returns of all investments within a particular market. Market risk may have different impacts on each type of asset, investment style and investor.
- **Company or security specific risk** – refers to a number of risks that can affect the value of a specific security. For example, a fall in the profit performance of a company may adversely impact its share price and may also affect the interest rate it has to pay to borrow funds which, in turn, will affect the value of its debt securities.
- **Currency risk** – schemes investing in international markets are exposed to changes in exchange rates. Changes in the value of foreign currencies may fall in value relative to the Australian dollar which can have an adverse impact on investment returns.
- **Interest rate risk** – changes in interest rates can influence the value and returns of investments.
- **Counterparty or credit risk** – the risk of a loss arising from the failure of a borrower to repay its debt or meet its financial obligations. It arises primarily from investments in fixed interest securities, mortgage securities and from certain derivatives.
- **Liquidity risk** – the risk that the scheme will experience difficulty in either realising assets or otherwise raising sufficient funds to satisfy commitments associated with financial instruments.
- **Derivative risk** – IISL and the underlying investment managers may utilise a range of derivative instruments such as forward foreign exchange contracts for hedging and investment purposes. Hedging involves establishing offsetting positions in derivative markets to protect the value of the underlying physical assets from anticipated adverse price movements over time. Gains or losses can result from investments in derivatives.
- **Scheme risk** – this is the risk associated with the scheme itself. For example, there is a risk that the scheme may delay or suspend withdrawals, or that a change to the level of fees may impact returns to investors.

- **Investment manager risk** – this is the risk that IISL or the selected investment managers (responsible for the schemes' investments) will not achieve the investment objective of the schemes, may underperform the relevant performance benchmark or may underperform other investment managers.
- **Responsible Entity risk** – Responsible Entity risk is the risk that the responsible entity for the schemes, IISL, does not properly discharge its duties in the management of the schemes.
- **Legislative risk** – changes to existing law or the introduction of new law could have a significant impact on an investment. Legislative risk generally entails an amendment, introduction or abolition of one or more laws that may directly impact a given investment.

### How you can manage risk

When investing, it is always important to consider your investment objectives, your investment time frame and the levels and types of risk you are willing to accept, among other things. Before investing, we recommend you speak to your financial adviser who can help you understand the various types of risks associated with investing and assess whether this investment option is appropriate for your specific requirements.

# Fees and costs

## **DID YOU KNOW?**

Small differences in both investment performance and fees and costs can have a substantial impact on your long term returns.

For example, total annual fees and costs of 2% of your account balance rather than 1% could reduce your final return by up to 20% over a 30 year period (for example, reduce it from \$100,000 to \$80,000).

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

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

## **TO FIND OUT MORE**

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

This section shows fees and other costs that you may be charged. These fees and costs may be deducted from your money, from the returns on your investment or from the assets of the Fund 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. You can also use this information to compare the fees and costs with those of other managed investment schemes.

Profile Managed Investments		
Type of fee or cost	Amount	How and when paid
<b>Fees when your money moves in or out of the managed investment scheme<sup>1</sup></b>		
<b>Establishment fee</b> The fee to open your investment.	Nil	Not applicable
<b>Contribution fee</b> The fee on each amount contributed to your investment.	Nil	Not applicable
<b>Withdrawal fee</b> The fee on each amount you take out of your investment.	Nil	Not applicable
<b>Termination fee</b> The fee to close your investment.	Nil	Not applicable
<b>Management costs<sup>2</sup></b>		
The fees and costs for managing your investment. The amount you pay for a specific scheme is shown on page 15.	The estimated amount currently ranges between 0.74% pa and 0.88% pa depending on the Profile scheme you invest in <sup>3</sup> .	For more information, please refer to the 'Management costs' section on page 15. This fee is not deducted from your account directly but from the assets of each scheme. This fee is calculated on the net asset value of each scheme. It is accrued daily and paid monthly and the accrued amount is incorporated into the daily unit price of each scheme.
<b>Service fees</b>		
<b>Switching fee<sup>1</sup></b> The fee for changing investment options.	Nil	Not applicable

- When money moves in and out of a scheme, you may incur transaction costs (such as a buy-sell spread) which are included in the entry and exit price of the scheme you choose. For more information on the estimated transaction costs, please refer to page 16.
- Please refer to page 17 'Differential fees' for circumstances in which the management costs may be negotiated. The management costs shown are reasonable estimates only. The estimated management cost(s) includes the investment management fee and indirect costs (excluding any unusual or non-recurrent expenses). The actual management cost may vary from the estimated management cost listed above depending on changes to the schemes' underlying assets, changes to underlying investment managers and their fees, where any unusual or non-recurrent expenses are incurred or any changes to other related expenses.
- The estimated management cost for each Profile scheme is listed in the table on page 15. For more information, please refer to the 'Management Costs' section on page 15.

## Additional explanation of fees and costs

All fees and costs are inclusive of the goods and services tax (GST) and take into account any expected reduced input tax credits (RITCs). Where fees have been quoted to two decimal places, the actual fee may have been rounded.

### Management costs

The estimated management cost includes the investment management fee, which is the fee charged by the Responsible Entity for overseeing and managing the assets of each Profile scheme and the indirect costs.

Out of this fee will be paid all ongoing administration, Responsible Entity fees, underlying investment manager fees and other fees that would normally be payable by the scheme(s). It excludes transaction costs and other abnormal expenses.

From time to time, the scheme(s) may incur fees charged directly by underlying investment managers. These directly incurred underlying manager fees will form part of the investment management fee for the applicable scheme.

Currently, we do not recover day-to-day expenses from the schemes separately. Instead, we bear those expenses at no additional cost to you. However, any unusual or non-recurrent expenses incurred by IISL in relation to the schemes (such as for unit holder meetings, acquisition and disposal or other dealings with any investments, or abnormal operating expenses) would be directly recoverable from the relevant scheme as an additional cost to you for administering your investments.

In addition, the estimated management costs may vary due to changes to the scheme's underlying assets, underlying investment managers and their fees.

### Indirect costs

As an investor in the Profile scheme(s), you will incur indirect costs which are not charged directly to the scheme(s), but included as part of management cost referred to in the table below. Indirect costs have the effect of reducing your overall return on investment. These indirect costs may be incurred through investment in underlying unit trusts.

The current estimated management cost for each scheme is detailed below including the estimated buy-sell spread:

Profile Managed Investments	Estimated management costs (% pa) <sup>1</sup>	Buy-sell spread <sup>2</sup>	
		Buy (%)	Sell (%)
Profile 45	0.74	0.03	0.03
Profile 55	0.76	0.04	0.04
Profile 65	0.79	0.04	0.04
Profile 75	0.81	0.05	0.05
Profile 85	0.83	0.06	0.06
Profile 95	0.83	0.08	0.08
Profile Diversified Fixed Interest	0.81	0.00	0.00
Profile Australian Shares	0.75	0.04	0.04
Profile International Shares	0.85	0.09	0.09
Profile International Shares (Hedged)	0.88	0.14	0.14

<sup>1</sup> These estimated fees are subject to change from time to time (please refer to 'Fee changes' on page 17). The actual management costs may vary from the estimated management costs listed above depending on changes to the composition of the schemes underlying assets, changes to underlying investment managers and their fees and where any unusual or non-recurrent expenses are incurred and any changes to other related expenses.

<sup>2</sup> The actual buy-sell spread may differ from the estimated spreads listed. Buy-sell spreads are subject to change from time to time without prior notice. See page 16 and 17 for additional information on transaction costs and the buy-sell spread.

## Transaction costs

Certain transaction costs may be incurred in managing the underlying investments of the schemes. Transaction costs generally arise when the assets of a scheme are changed in connection with day-to-day trading or when there are applications or redemptions which cause net cash flows into or out of the scheme(s).

These transaction costs may include brokerage, settlement costs, clearing costs, stamp duty, custody transaction costs and government charges incurred by changes in the schemes' investment portfolios. The costs of trading in over the counter (OTC) derivatives may also give rise to transaction costs. Transaction costs are an additional charge to you.

The total transaction costs of a scheme, include other transaction costs and the buy-sell spread recovery.

## Other transaction costs

These are transaction costs incurred from changing the scheme's underlying assets or investment portfolio exposures, which are generally paid out of the schemes' assets and reflected in its unit price. They are an implicit cost to you and not a fee paid to the Responsible Entity.

Other transaction costs reflect the total transaction costs less the buy-sell spread recovery.

The indicative estimated transaction costs for each scheme (based on the 30 June 2019 financial year) are detailed in the table below.

Profile Managed Investments	Total estimated transaction costs (% pa) <sup>1</sup>	Minus buy/sell spread recovery (% pa) <sup>1,2</sup>	Equals other transaction costs (% pa) <sup>3</sup>
Profile 45	0.05	0.01	0.04
Profile 55	0.06	0.02	0.04
Profile 65	0.09	0.03	0.06
Profile 75	0.08	0.03	0.05
Profile 85	0.10	0.04	0.06
Profile 95	0.09	0.04	0.05
Profile Diversified Fixed Interest	0.04	0.00	0.04
Profile Australian Shares	0.11	0.03	0.08
Profile International Shares	0.09	0.09	0.00
Profile International Shares (Hedged)	0.23	0.13	0.10

You can determine the dollar value of these costs by multiplying the other transaction cost rate with your average account balance. For example, the other transaction costs on an average balance of \$50,000 in the Profile 65, is estimated at \$30 pa (ie \$50,000 x 0.06% pa). However, it is important to note that such costs for future years may differ.

1 Presented as a percentage of the average scheme size and based on the financial year ending 30 June 2019.

2 The buy-sell spread is incurred by those investors trading (buying and selling investments) in the schemes.

3 This is the estimated percentage by which the scheme's investment return has been reduced by transaction costs.

## Buy-sell spread

The difference between the entry price and exit price is known as a buy-sell spread. It is an adjustment determined by the Responsible Entity to take into consideration the costs incurred when buying and selling the underlying securities in each scheme.

The estimated buy-sell spreads that apply to each scheme as at the date of this PDS are shown in the table on page 15. The actual buy-sell spread is subject to change from time to time depending on changes to the composition of each scheme's underlying assets and exposure to investment managers. Where transaction costs are lower or higher than the estimated buy-sell spreads listed in this PDS, the actual costs may apply.

The buy-sell spread is an additional cost. As it is included in the unit price of each scheme, it is not charged to you separately. It is not a fee paid to the Responsible Entity or an underlying investment manager. Reinvestment of distributions do not incur the buy-spread.

## Fee changes

We have the right to increase the management costs or to charge fees not currently levied, in each case, up to the maximum limits set out in the constitutions governing the schemes without your consent. If we choose to exercise this right, we will provide you with at least 30 days prior written notice or otherwise notify you as the law requires.

At the date of this PDS, no contribution, withdrawal or switching fees apply.

## Performance-related fees

The schemes themselves do not charge performance fees. In addition, there are currently no performance-related investment management fee arrangements in place with any of the underlying investment managers of the schemes.

Whilst the schemes do not currently incur performance-related fees, this position may change in the future if any of the schemes subsequently gain exposure to underlying investment managers that charge performance-related fees. A performance-related fee (if incurred) will be charged to investors indirectly through an increase in the management cost of the schemes and incorporated in the daily unit price. You will be provided with at least 30 days' notice before any performance-related fee is charged, if it is to be incurred at any stage.

## Differential fees

The management costs may be negotiated with persons who qualify as wholesale investors within the meaning of section 761G of the *Corporations Act 2001* (Cth) (Corporations Act), such as sophisticated and professional investors. In negotiating such fees, we will take into consideration our obligations under the Corporations Act. There is no set method for negotiating fees. Any negotiated management

costs are borne by IISL. The cost of any waiver of fees does not increase the management costs paid by any other unitholder in the scheme. Please contact Investor Services on 1800 002 217 for further details.

## Interfunding

Where the Profile schemes invest in other unit trusts, including IOOF group unit trusts (referred to as interfunding), we will ensure there is no doubling-up of management costs.

## Taxation

Taxation information is discussed on page 20.

## Notice to Investor Directed Portfolio Service and Master Trust investors

Investors and potential investors accessing the schemes indirectly through an IDPS or master trust may be charged additional product related fees and costs on top of the fees and charges described on pages 15 to 16 of this PDS. Please refer to the respective IDPS or master trust offer documents or product disclosure statements for more information.

## Example of annual fees and costs for a balanced investment option

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

Example – Profile 65	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	0.79% pa	And, for every \$50,000 you have in Profile 65 you will be charged \$395 each year.
Equals cost of Profile 65		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 will be charged fees of \$395 <sup>1</sup> .  <b>What it costs you will depend on the investment option you choose and the fees you negotiate.</b>

<sup>1</sup> Additional fees may apply. This example assumes the \$5,000 contribution occurred at the end of the first year therefore it does not include the management costs on the additional \$5,000 invested, nor any market movement on the total amount invested. You may be charged a buy-sell spread whenever you make a contribution, withdrawal or investment switch. The sell-spread for withdrawing from the Profile 65 is currently 0.04% (this will equal \$20 for every \$50,000 you withdraw).

# Other information

## Applications and withdrawals

Indirect investors will need to follow the instructions of the relevant IDPS offer document or master trust PDS for instructions on making investments into or withdrawing from the schemes and distribution instructions. If you have any enquiries, the IDPS or master trust operator can assist you.

To apply for investment in to the schemes, please refer to the 'How to apply' section below for further instructions.

Where a valid application for initial or additional investment or withdrawal request is received at our head office before 2.00 pm in Melbourne on a business day and we are satisfied that all proof of identification obligations under AML/CTF legislation have been met, we will generally process the request using the unit price applying to the close of business that day. We will generally process your request using the unit price applying to the following business day if we receive the request at our head office after 2.00 pm in Melbourne. If the required documentation does not accompany your application monies, we may delay your application request for up to 30 days after which the application monies will be returned to you.

You may redeem part or all of your investment from the schemes at any time by writing to us and providing:

- your name and contact details (as registered investor(s) in the scheme)
- your account number
- the amount (dollars or units) you wish to withdraw
- details of your financial institution account where the withdrawal proceeds are to be deposited, and
- your signature(s) as investor(s) or authorised signatory(ies).

**Note:** we will only pay withdrawal proceeds to your nominated bank account or by cheque made out to you. We will not pay withdrawal proceeds to the bank account of a third party. We will endeavour to pay to your nominated bank account as soon as practicable after your withdrawal request is received, provided your withdrawal request is complete and valid. There may be some circumstances when withdrawals maybe delayed or suspended, such as when units cannot be accurately priced or a scheme(s) becomes illiquid. If a scheme is illiquid, withdrawals from the scheme will only be possible if we make an offer of withdrawal in accordance with the Corporations Act. We are not obliged to make such an offer. However, if a withdrawal offer is made, investors may only be able to withdraw their investment in accordance with the terms of any current withdrawal offer.

## Fax or electronic instructions

Investors may provide us with instructions by fax or via electronic means such as scanning and email at our discretion.

To comply with AML/CTF legislation and proof of identity requirements, new applications cannot be processed without accompanying application documentation and applicable proof of identification, with authorised signatures.

You should note that fraudulent or other unauthorised instructions or requests can be made by persons who have access to your account name, investor or account number and a copy of your signature. Accordingly, you agree to accept full responsibility and release and indemnify us or any other related body corporate within the IOOF group and the Profile schemes, against all claims and demands for any loss arising as a result of us acting upon a faxed or electronic instruction which appears to bear your signature(s).

### Important note about our discretions

We have absolute discretion to accept or reject an investment, switch or withdrawal request. Note, for a request to be valid it must be correctly completed, and be appropriately signed and authorised by investor(s).

## Processing your instructions

Where a valid application for initial or additional investment or withdrawal request is received at our head office before 2.00pm in Melbourne on a business day and we are satisfied that all proof of identification obligations under AML/CTF legislation have been met, we will generally process the request using the unit price applying to the close of business that day.

We will generally process your request using the unit price applying to the following business day if we receive the request at our head office after 2.00pm in Melbourne.

If the required documentation does not accompany your application monies, we may delay your application request for up to 30 days after which the application monies will be returned to you.

## Income distributions

Investing in the scheme(s) means you may receive income (such as interest, dividends and realised capital gains) in the form of income distributions or attributable income. The type of income you receive depends on the underlying asset classes within each scheme.

Income attributed or distributed to you is generally assessable income and can be made up of both income and realised capital gains. Such income is generally calculated based on the scheme's net income at the end of the distribution period divided by the number of units on issue.

A scheme will distribute at least annually, but generally income is distributed on a half yearly basis, and is sent to unit holders within one month of the last day of the distribution period. However, the constitution for the scheme(s) provide for income distributions to be paid within a period of 90 days from the last day of the distribution period. There may be times when income distributions may not be made, are lower than expected or are delayed. We may also choose to distribute income or capital at any other time.

You can choose to have your distributions of income:

- reinvested in additional units, or
- paid to a nominated financial institution account.

If you do not make a choice, income distributions will be automatically reinvested in additional units. Where your distributions are reinvested, the units you will receive will be issued without any buy-spread added. If you choose to have your income distribution credited to a nominated financial institution account and the payment is rejected, this will be taken as a direction to reinvest that income distribution and all future income distributions.

You may change your choice of distribution payments up to 10 days prior to the expiration of the current distribution period by sending us a written request.

You will be sent a statement detailing your income distributions or attributable income.

**Note:** Indirect investors will need to consider the IDPS offer document or master trust PDS about what distribution payment options are available to them.

## Investing just before the end of a distribution period

After an income distribution is paid, the unit price usually falls by an amount similar to that of the income distribution per unit. This means that if you invest just before a distribution, the unit price may already include attributable income at the distribution date. Consequently, by investing just before a distribution period, you may have some of your capital returned as income. This could affect your taxation position and therefore we recommend you seek professional taxation advice.

## How to apply

- 1 Read this PDS carefully.  
Indirect investors should contact the operator of the IDPS or trustee of the master trust for details on how to apply. The application form for this PDS is to be completed by IDPS operators or trustees of master trusts only.
- 2 Eligible investors should read the information and complete all required sections of the Profile Managed Investments application form. If you are a new investor to the IOOF group, you will also be required to provide proof of identification information and supporting documentation. We need to collect this information to comply with Anti-money Laundering and Counter-Terrorism Financing Legislation.
- 3 Read and sign the declaration in the Profile Managed Investments application form.
- 4 Send your completed application form together with your supporting documentation and cheque for your initial investment to:

**Profile Managed Investments**  
**Reply Paid 264**  
**Melbourne VIC 8060**

**Please note:** we are unable to accept faxed or emailed initial applications. We recommend you keep copies of your application documentation for future reference.

## Cooling-off

A cooling-off period does not apply to the operator of an IDPS or trustee of a master trust, or other wholesale clients (as defined under the Corporations Act) or where units have been issued as a result of an additional investment or distribution reinvestment plan.

## Foreign Account Tax Compliance Act and the Common Reporting Standard

The United States' (US) Foreign Account Tax Compliance Act (FATCA), and the Organisation for Economic Co-operation and Development (OECD) Common Reporting Standard (CRS) regimes require financial institutions, including IISL, to identify and report certain information relating to investors who are, or who may appear to be, a resident of any foreign jurisdiction(s) for tax purposes. This information is required to be reported to the Australian Taxation Office (ATO) who may exchange this with other countries that have implemented these regimes. We are required by law to ask investors to provide additional information to us and/or to report investors meeting certain criteria.

## Taxation

**Investing in a registered managed investment scheme is likely to have tax consequences. You are strongly advised to seek professional tax advice. The taxation information provided below is of a general nature only.**

The taxation implications from an investment in a managed investment scheme (MIS) can be complex and will depend on a number of factors such as your tax residency, the taxation regime the Responsible Entity has entered into and other factors.

### Attribution Managed Investment Trust (AMIT) regime

The Federal Government enacted legislation which established a tax regime for managed investment trusts (MITs), such as the schemes, known as the Attribution Managed Investment Trust (AMIT) regime. REs can choose to apply AMIT legislation, or Division 6, to MITs from the relevant income tax assessment acts when calculating income for unit holders. The RE has elected to apply the AMIT regime to each of the schemes.

Under the AMIT regime, the Responsible Entity will allocate scheme income components to unitholders on a fair and reasonable basis via an attribution system. This means that the Responsible Entity may stream income components in certain limited circumstances. The regime also allows for scheme income to be 'attributed' to unitholders without actually paying a cash distribution for that income. You may be subject to tax on the attributed income (as if you had derived those components in your own right) even though you may not have received a cash distribution for that income. Reduced, or nil cash distributions, will result in an adjustment to the cost base of your units for capital gains tax purposes. TFN withholding and non-resident withholding tax may also apply to attributed income, in certain circumstances.

### The schemes

Each scheme may derive assessable income as a result of its investment activities. The assessable income of each scheme may include realised capital gains.

The Responsible Entity will generally attribute all taxable income to unitholders each financial year to ensure that each individual scheme itself will not be subject to Australian income tax.

## Resident individual unitholders

As a unitholder, you will be assessed for tax purposes on the income that has been attributed to you, which may include capital gains generated by the scheme(s). In normal circumstances, you may expect that some income (and/or capital gains) will be generated each year.

We will provide you with an Attribution MIT Member Annual (AMMA) statement after 30 June each year. The AMMA statement will detail the amounts characterised as assessable income, tax-exempt income, non-assessable non-exempt income and tax offsets that are attributed to you for each 12-month period to 30 June.

Your share of the taxable components of the attributed income should be included in your assessable income for the year to which it relates, even though you may have reinvested the attributed income in additional units, or may not have been physically paid a cash distribution. The impact of the attributed income on your tax position depends on the type of income components attributed to you, amongst other factors.

### For example:

#### Franked distributions and franking credits

The share of a scheme's taxable income which is attributed to you each year may include a franked distribution which has an entitlement to franking credits. You may be entitled to a tax offset (and in certain circumstances a refund of excess credits) for any franking credits received, depending on your particular circumstances.

#### Foreign-sourced income and foreign income tax offsets

Income received by a scheme from sources outside Australia may be subject to taxation in the country of source. Resident unitholders may be entitled to claim a foreign tax credit in respect of their share of foreign taxes paid against their Australian tax liability on this foreign-sourced income.

#### Capital gains

Realised capital gains derived by a scheme which are attributed to you may form part of your assessable income or be used to offset against any of your capital losses. You may also incur capital gains on the sale of your units in a scheme. Unitholders that hold their units for at least 12 months may be entitled to a CGT discount on capital gains derived from the sale of their units.

#### Non-assessable income

The scheme(s) may distribute amounts (such as tax deferred, tax exempt income and non-assessable non-exempt income) which are not immediately assessable for tax purposes. However, the receipt of such non-assessable income from the scheme may result in reducing the cost base of your units in that scheme for capital gains tax purposes.

## Other gains

Gains on disposal of certain assets held by the scheme(s) and/or assets held by the underlying portfolios in which the scheme(s) invest (including foreign exchange gains) may be characterised as assessable other income rather than realised capital gains for taxation purposes.

## Taxation of Financial Arrangements (TOFA) regime

Certain financial arrangements may be taxed under the TOFA regime. The TOFA provisions aim to align the taxation recognition of gains and losses on financial arrangements with commercial recognition of such gains and losses. Under TOFA, the gains and losses on financial arrangements are recognised on accruals basis rather than on realisation basis. In some cases, amounts may be recognised for taxation purposes before the relevant gains or losses are realised by the scheme(s).

## Non-resident individual unitholders

If you are a non-resident unitholder, it is important you seek independent professional taxation advice before investing, taking into account your particular circumstances and the provisions of the relevant Double Tax Agreement between Australia and your country of residence. The scheme(s) may be required to withhold tax on part or all of the income distributed and/or attributed to non-resident unitholders.

## Goods and Services Tax (GST)

GST will not apply to applications or withdrawals from the scheme(s). Certain expenses incurred by the scheme(s) may be subject to GST (currently at a rate of 10 per cent). The scheme(s) may be able to claim a reduced input tax credit (RITC) in relation to those expenses subject to GST. Unless otherwise stated, the fees quoted in the PDS take into account the expected net impact of GST (ie net of available RITCs).

## Tax File Numbers and Australian Business Numbers

You are not required to quote your tax file number (TFN), or Australian business number (ABN)<sup>1</sup> (if applicable), nor claim an exemption from providing a TFN. However, if a TFN or ABN is not provided or an exemption is not claimed, IISL is required by law to withhold tax from distributions at the top marginal tax rate plus the Medicare Levy. If you are making this investment on behalf of a business or enterprise you carry on, you may quote your ABN instead of a TFN.

## How we keep you informed

### Annual statements

After the end of the financial year, you will receive an annual statement. The annual statement will outline the total value of the investment as at the end of that period, including any withdrawals and additional investments made and income distributions received.

### Annual taxation statements

You will receive an annual taxation statement called an Attribution Managed Investment Trust Member Annual (AMMA) statement after 30 June each year, detailing your share of the taxable components of the income you are entitled or attributed to.

### Distribution statements

A distribution statement will be sent to you in the month following the end of a distribution period, detailing the distribution and current balance.

### Financial report

A financial report can be downloaded from our website after 30 September each year detailing the financial position of the scheme(s) for the financial year ending 30 June.

### Reports under an IDPS or master trust

If you are investing through an IDPS or master trust, then reports on your investment will be distributed by the operator of the IDPS or trustee of the master trust.

### Constitutions

Each scheme is governed by a constitution. The constitutions, the Corporations Act and certain other laws govern our relationship with investors. The constitutions of the schemes may be inspected at our registered office or we can provide you with copies on request.

### Compliance plan

The schemes are governed by a compliance plan that details how IISL will comply with the schemes constitutions and the Corporations Act. The compliance plan of each schemes' may be inspected at our registered office or we can provide you with copies on request.

### Borrowings

Currently there are no borrowings in any of the managed investment schemes. The schemes are permitted to borrow provided the total liabilities do not exceed 50 per cent of the gross value of the managed investment scheme. It is the Responsible Entity's policy not to borrow for the purpose of gearing.

<sup>1</sup> Under AML/CTF legislation, disclosure of an ABN is required for those individual investors who are a sole trader.

## Related party contracts

IISL has investment and service contracts with related parties within the IOOF group, including:

- **IOOF Service Co Pty Ltd ABN 99 074 572 919 (IOOF Service Co)**

IOOF Service Co is the services company which IISL has engaged to provide certain ongoing administration and operational services; and is entitled to a monthly fee paid by IISL in consideration of IOOF Service Co providing those services; and

- **Australian Executor Trustees Limited ABN 84 007 869 794 (AETL)**

AETL has been appointed by IISL to provide custody services; and is entitled to a fee paid by IISL in consideration of AETL providing those services.

## Your Privacy

We are committed to protecting your privacy. Any personal information we collect about you will be handled in accordance with our privacy policy, which outlines how we manage your personal information, how you may access or correct your personal information, and how you may complain about a breach of your privacy. To obtain a copy of the IOOF group privacy policy, please contact Investor Services on 1800 002 217 or visit our website at [www.ioof.com.au/privacy](http://www.ioof.com.au/privacy)

We collect your personal information from the application form you complete when applying for this product for the purpose of providing you with the products and services that you request and for related purposes, including providing you with financial advice and ongoing services in relation to your account with us, or providing information about other products and services that may be of interest to you. If you do not provide all the information requested in your application form, we may not be able to process your application.

To verify your identity for Know Your Customer (KYC) purposes, we may also solicit personal information about you from reliable identity verification service providers.

For the purpose of providing the requested products or services to you, we may disclose your information to our related bodies corporate or external parties, including your financial adviser or employer, banks or other financial institutions, medical professionals, insurers, legal or accounting firms, auditors, mail houses, or when required or authorised to do so by law. It is generally unlikely that we will disclose your personal information overseas, however any overseas disclosure does not affect our commitment to safeguarding your personal information and we will take reasonable steps to ensure any overseas recipient complies with Australian privacy laws.

## Complaints

If you have a complaint (or wish to obtain further information about the status of an existing complaint), please contact the Manager, Customer Care on 1800 002 217 or write to:

**Manager, Customer Care**  
**IOOF Investment Services Ltd**  
**GPO Box 264**  
**Melbourne VIC 3001**

Where possible, concerns will be resolved immediately. If further investigation is required, our Customer Care Team will acknowledge your complaint in writing and will consider and deal with your complaint as quickly as possible. We are required by law to deal with your complaint within 45 days.

If an issue has not been resolved to your satisfaction, you can lodge a complaint with the Australian Financial Complaints Authority (AFCA). AFCA provides fair and independent financial services complaint resolution that is free to consumers.

**Website:** [www.afca.org.au](http://www.afca.org.au)  
**Email:** [info@afca.org.au](mailto:info@afca.org.au)  
**Telephone:** 1800 931 678 (free call)  
**In writing to:** Australian Financial Complaints Authority, GPO Box 3, Melbourne VIC 3001



# Contact details

## Responsible entity

IOOF Investment Services Ltd  
ABN 80 007 350 405  
AFS Licence No. 230703

## Registered office

Level 6, 161 Collins Street  
Melbourne VIC 3000

## Postal address

GPO Box 264  
Melbourne VIC 3001

## Telephone

1800 002 217

## Fax

1800 558 539

## Email

[investorservicesemails@ioof.com.au](mailto:investorservicesemails@ioof.com.au)

## Website

[www.ioof.com.au](http://www.ioof.com.au)