



Select

Term Allocated Pension

The IOOF Pursuit Select Term Allocated Pension is available to:

- new applicants electing to roll over from an existing Term Allocated Pension
- the Reversionary Beneficiary of a current IOOF Pursuit Select Term Allocated Pension member who will continue the pension on the death of that member.

Dated: 1 February 2012

Product Disclosure Statement

Issuer: IOOF Investment Management Limited (ABN 53 006 695 021, AFS Licence No. 230524), as Trustee of the IOOF Portfolio Service Superannuation Fund (ABN 70 815 369 818)



IOOF Pursuit

This Product Disclosure Statement (PDS) has been prepared and issued by IOOF Investment Management Limited (IIML) ABN 53 006 695 021, AFS Licence No. 230524. IIML is the Trustee of the IOOF Portfolio Service Superannuation Fund (Fund), ABN 70 815 369 818. The IOOF Pursuit Select Term Allocated Pension is a pension product in the Fund.

About the Trustee

- IIML is a part of the IOOF group comprising IOOF Holdings Limited ABN 49 100 103 722 and its related bodies corporate (IOOF group).
- As Trustee, IIML is responsible for operating the Fund honestly and in the best interests of members.
- IIML is also responsible for holding the assets of the Fund on behalf of members and undertakes all of the administrative tasks through Australian Wealth Management Services Co Pty Ltd ABN 99 074 572 919. IIML has investment and service contracts with related parties within the IOOF group, including Perennial Investment Partners Limited (Perennial) ABN 59 087 901 620, AFS Licence No. 238763 and Australian Wealth Management Services Co Pty Ltd.

IIML is solely responsible for the content of this PDS. This PDS was prepared by IIML based on its interpretation of the relevant legislation as at the date of issue.

Rollovers to, and investments in, an IOOF Pursuit Select Term Allocated Pension do not represent assets or liabilities of IIML (other than as trustee of the Fund) or any other company or business within the IOOF group. The terms 'our', 'we', 'us' and 'Trustee' in this PDS refer to IIML.

Neither IIML, nor any other related or associated company, the investment managers providing the managed funds, service providers or the related bodies corporate of the parties mentioned, guarantee the repayment of capital or the performance or any rate of return of the investment options chosen in an IOOF Pursuit Select Term Allocated Pension. Investments made into the investment options in an IOOF Pursuit Select Term Allocated Pension are subject to investment risks and other risks. This could involve delays in the repayment of principal and loss of income or principal invested.

IIML operates the IOOF Pursuit Select Term Allocated Pension on the terms and conditions outlined in this PDS and in accordance with the Fund's Trust Deed. We may change any of the terms and conditions set out in the PDS at any time where permitted to do so under the Trust Deed and superannuation (super) law.

IIML is the Responsible Entity of the Perennial Trusts, the IOOF MultiMix Trusts and the IOOF Multi Series Balanced Trust (collectively referred to as the Trusts), and we receive fees under the Constitutions of the Trusts. These are some of the investment options offered in the IOOF Pursuit Select Term Allocated Pension (as listed in **IOOF Pursuit fact sheet 2: IOOF Pursuit Select investment options menu**).

An IOOF Pursuit Select Term Allocated Pension is only available to persons receiving this PDS (electronically or otherwise) within Australia. We may refuse an application to join the Fund without providing reasons for the refusal. You become a member of the Fund when we accept your completed application and record you as a member.

About the relationship between Perennial and IIML

Perennial, another company within the IOOF group, has been appointed by us to manage the investment assets of the Perennial Trusts. Perennial is paid arm's length asset management fees by us (as the Responsible Entity) for the management of the Perennial Trusts.

Investment options offered

IIML makes no recommendation regarding the investment options set out in **IOOF Pursuit fact sheet 2**.

As Trustee, IIML regularly monitors the investment options available to members in the IOOF Pursuit Select Term Allocated Pension and provides no assurance that any investment option currently available will continue to be available in the future. We have the right to suspend or cease investments in a specific investment option and if necessary, can redeem and transfer your investments to your Cash Account in circumstances where the investment option is no longer available and no alternative instructions are provided. We will notify you of any such change where possible before the change occurs.

The investment managers have not authorised or caused the issue of this PDS but have consented to the inclusion of statements which relate to their particular managed fund.

In order to choose an investment option for your investment strategy, you should review the information in **IOOF Pursuit fact sheet 1: IOOF Pursuit Select investment strategies**. Before selecting an investment option, your adviser should give you the product disclosure statement for that managed fund or the product guide for the term deposit. These documents provide you with important information to consider and evaluate prior to investing. Product disclosure statements for each managed fund and product guides for each term deposit are also available on our website (www.ioof.com.au). Please note; product disclosure statements and product guides are not available for Direct Share Choice investment options.

General advice warning

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 and you may want to seek advice from a financial adviser before making a decision about an IOOF Pursuit Select Term Allocated Pension.

Updated information

Naturally, the information referred to in this PDS may change from time to time. We will inform you of any significant changes that could affect you, or other significant events that may affect the information in this PDS. Any updated information that is not materially adverse may be obtained by:

- checking our website (www.ioof.com.au)
- emailing us at clientservices@ioof.com.au
- calling us on 1800 062 963.

A paper copy of the updated information will be provided free of charge on request.

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How to find your way around this PDS

This PDS is important because it will help you decide whether an IOOF Pursuit Select Term Allocated Pension will meet your needs. You can use it to compare the IOOF Pursuit Select Term Allocated Pension with any other pension product you may be considering.

This PDS describes the key features, risks and purpose of the IOOF Pursuit Select Term Allocated Pension. It also contains some information we are required to include by law.

You will see that the PDS refers to a number of fact sheets – these contain statements and information that we are required by law to disclose to you. The contents of the fact sheets are classified by a

unique identifier and a description of what is covered. You can then use this description to decide whether to read the information. By law the statements and information in these fact sheets are taken to be included in the PDS.

This PDS and the fact sheets can be downloaded from our website (www.ioof.com.au) or contact us and we will send you a paper copy at no charge.

Key words

There may be words in this PDS and the fact sheets you may not be familiar with. To help you understand these terms, we have defined them in **IOOF Pursuit fact sheet 308: Key words explained**.

An introduction to the IOOF Pursuit Select Term Allocated Pension

Arranging the investment of your super is important. If managed correctly, it could ensure financial security and peace of mind when it comes time for you to retire. Choosing a quality investment partner is a key step towards achieving your financial goals in retirement.

An IOOF Pursuit Select (Pursuit Select) Term Allocated Pension can help you control and manage your super savings, and aims to provide a tax-effective pension in retirement.

In this introduction, you will find important information about Pursuit Select, including a snapshot of the key features and benefits available to help you meet your retirement needs.

Investing in an IOOF Pursuit Select Term Allocated Pension

You can select an investment strategy using one convenient administration facility. This includes having access to:

- a well-researched range of Australian and international investment managers
- the majority of listed securities in the S&P/ASX 300 Index plus other listed securities approved by the Trustee from time to time
- flexible Investment Instruction options
- secure online access to your account
- a straight-forward cost structure
- consolidated reporting.

This makes it very simple for you to manage your retirement goals.

The value of the investment options you select forms part of your pension account. You do not directly invest into (or hold an interest in) any investment option. This means investing in Pursuit Select is not the same as personally investing in term deposits, managed funds or listed securities.

About the IOOF Pursuit Select Term Allocated Pension

The Pursuit Select Term Allocated Pension is only open to rollovers from other complying income streams such as a previous term allocated pension.

Pension payments will cease when your pension account balance is exhausted, so this pension may not provide you with an income for the rest of your life. Your account balance depends on withdrawals (where permitted) or the amount of pension payments, as well as investment earnings which may rise or fall.

If you are aged 60 or more, your pension payments will be tax-free. If you are below age 60, your pension payments will be taxed (until you reach age 60), but you will be eligible to receive a 15 per cent tax offset on the taxable component and no tax is payable on any tax-free component.

Who is the IOOF group?

For more than 160 years, IOOF has been helping Australians secure their financial future. In that time, we've grown to become a leading provider of financial services and a trusted partner for financial advisers and their clients.

At 30 June 2011, IOOF Holdings Limited (IOOF) had more than \$100 billion in funds under management, administration, advice and supervision.

The Group's products and services are designed to accompany the lives of around 700,000 Australians from wealth accumulation into retirement and across to the next generation.

IOOF is a fully integrated financial services company offering:

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

Snapshot of the IOOF Pursuit Select Term Allocated Pension

The following table provides a snapshot of the key features and benefits.

Investing		Page
Investment options	<ul style="list-style-type: none"> • Easy Choice – offers a range of IOOF multi-manager trusts. • Premier Investor Choice – complements our existing Easy Choice investment selection by providing a suite of screened managers who offer high-conviction, quality investments with significantly lower management fees. • Investor Choice – offers over 250 sector or asset class specific managed funds and term deposits. • Direct Share Choice – offers 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. 	8
Cash Account	The Cash Account records all transactions and aims to generate a competitive investment return on that part of your pension account that is required to be held in cash.	13
Flexible income distributions	Options for income distributions from your investment option(s) are: <ul style="list-style-type: none"> • re-invest the distribution back into the same investment option • nominate specific investment option(s) for all distributions • retain distributions in your Cash Account. 	11
Options		Page
Estate planning options	The following estate planning options apply: <ul style="list-style-type: none"> • Reversionary Beneficiary • Binding Nomination • Non-Binding Nomination. 	7
Social security treatment	Only 50% of your account balance is counted as an assessable asset under the Centrelink assets test if you are commencing this term allocated pension either: <ul style="list-style-type: none"> • from the full commutation and rollover of another term allocated pension that commenced before 20 September 2007 • as the Reversionary Beneficiary of an existing Pursuit Select Term Allocated Pension member. <p>The annual pension payment less the deductible amount is counted as income under the Centrelink income test. The deductible amount is calculated as the purchase price divided by the term of the pension.</p>	26
Managing your pension		Page
Pension payment options	You can choose to receive your pension payments: <ul style="list-style-type: none"> • twice-monthly • monthly • quarterly • half-yearly • annually. <p>We withhold any PAYG tax liability on gross pension payments, as required by law.</p>	17
Portfolio Online	View your account details online, normally 24 hours a day, seven days a week with secure access to your account over the internet.	10
Fee Aggregation	You can link multiple Pursuit Select accounts (conditions apply), including those of family members, which may reduce the Administration Fee payable.	21

Minimum amounts		Page
Initial rollover	\$20,000 per pension account.	7
Investment options and switching instruction ¹	<ul style="list-style-type: none"> Managed funds – \$200 per managed fund. Term deposits – \$5,000 per term deposit. Direct Share Choice – a minimum parcel of \$2,000 is required per share trade. 	12
Cash Account	Your initial rollover requires a minimum allocation to the Cash Account of 3%.	13
Pension income	Annual pension payments are fixed. You can however select an annual pension of between 90% ² and 110% of the fixed amount.	15
Lump sum withdrawals ³ (one-off)	The lesser of \$2,000 or your pension account balance.	19
Fees		Page
Entry or exit fees	Nil ^{4,5}	19
Administration Fee	<p>Account balance Administration Fee</p> <p>\$0 – \$100,000 0.95% pa</p> <p>Next \$400,000 0.55% pa</p> <p>Above \$500,000 Nil</p> <p>Minimum Administration Fee is \$30 per month (\$360 pa).</p> <p>Maximum Administration Fee is \$3,150 pa.</p>	19
Listed Security Administration Fee	<p>\$350 pa.</p> <p>This fee only applies if you choose to invest in listed securities available under the Direct Share Choice.</p>	19
Investment management cost	Charged separately by the investment manager of each managed fund.	20
Switching fees ⁵	<p>Managed funds and term deposits – nil.</p> <p>Listed securities – brokerage charges apply.</p>	20
Performance-based fees	We do not charge any performance-based fees for Pursuit Select. An investment manager may charge a performance-based fee for a particular managed fund.	21
Member advice fees	You and a financial adviser selected by you have the flexibility to nominate an amount (if any), within limits that are set by us. If you do not have a financial adviser, these fees are not charged.	22

1 Investment limits apply to the proportion of your portfolio which can be held in restricted investments, annuity funds, term deposits and listed securities. For further information regarding these limits, see **IOOF Pursuit fact sheet 1: IOOF Pursuit Select investment strategies** and **IOOF Pursuit fact sheet 2: IOOF Pursuit Select investment options menu**.

2 The Commonwealth Government has reduced the minimum pension drawdown requirement to 67.5 per cent for the 2011/12 and 2012/13 financial years.

3 Commonwealth Government regulations impose restrictions on when you can make lump sum (cash) withdrawals from a term allocated pension.

4 An Exit Fee may apply to certain members who had invested in another product in the Fund (under the Deferred Entry Fee option) and who transfer their benefit into Pursuit Select. Refer to 'Transitional fee arrangements' on page 23 of this PDS.

5 When you move money in or out of Pursuit Select or when you switch between managed funds, you may incur a 'buy/sell spread' which is included in the unit price of the managed fund you choose. Refer to 'Transaction costs - managed funds' on page 22 and the product disclosure statement for the particular managed fund for details.

How does an IOOF Pursuit Select Term Allocated Pension work?

Commencing a Pursuit Select Term Allocated Pension is easy. You can start your pension as long as you are rolling over your benefits from:

- another term allocated pension
- another type of complying income stream such as a guaranteed lifetime or term annuity.

A Reversionary Beneficiary of a Pursuit Select Term Allocated Pension member can also continue the pension on the death of that member.

Your initial rollover

The minimum initial rollover amount required to establish a Pursuit Select Term Allocated Pension is \$20,000 per pension account.

We can facilitate the rollover on your behalf, if you complete the 'Request to transfer a superannuation benefit for IOOF Pursuit Select – Form C' (Transfer form) located in the 'IOOF Pursuit Select Term Allocated Pension Forms Booklet' (Forms booklet). If you are transferring your benefit from another Pursuit or IOOF Portfolio Service term allocated pension account, please complete the 'Application for IOOF Pursuit Select Term Allocated Pension – Form A' (Application form) and a new 'Investment Instructions for IOOF Pursuit Select – Form B' (Investment Instructions form). You can transfer your current investment options directly into your new pension account if those options are available in Pursuit Select. You may also request that your existing investment options be aligned (or re-weighted) to your new Investment Instructions by requesting this on your Investment Instructions form.

How can an initial rollover be made into the pension account?

For new members, your initial rollover is credited first to your Cash Account. This rollover (less any nominated Member Advice Fee - Upfront⁶) will be invested in accordance with your Investment Instructions. Information on how your Cash Account balance is invested is contained on page 19.

Dependants – paying benefits if you die

If you die while you are a Pursuit Select Term Allocated Pension account holder, super law requires that we pay your Death Benefit (the remaining balance of your pension account) to one or more of your nominated dependants and/or your estate.

To provide greater certainty as to who will receive your benefit in the event of your death, there are three estate planning options (only one option can be selected):

- Reversionary Beneficiary
- Binding Nomination
- Non-Binding Nomination.

The most appropriate nomination will depend on your personal circumstances. Any person you nominate must be a dependant as defined by super law. Dependants include your spouse, de facto spouse, same-sex partner and children.

If you choose to make a Binding Nomination or Non-Binding Nomination, you can nominate one or more people and allocate your benefit between them in any proportion.

A short description of how each form of nomination works follows:

Reversionary Beneficiary⁷

If you nominate a Reversionary Beneficiary, in the event of your death, we must continue to pay the remaining balance of your pension account (if any) to your nominated Reversionary Beneficiary. The pension will automatically continue to be paid until the account balance is exhausted or for the remaining term, whichever occurs first.

If the term of your pension is based on your spouse's age, the pension must revert to your spouse on death and cannot be commuted until after the death of your spouse. On the other hand, if the term of your pension is based on your age, your Reversionary Beneficiary may choose to take a lump sum rather than continue to receive the pension payments upon your death.

⁶ For more information regarding the member advice fee options, refer to page 22 of this PDS.

⁷ This option is not available to you if you have received the pension as a Reversionary Beneficiary. You can, however, make a Binding or Non-Binding Nomination.

The nomination of a Reversionary Beneficiary must be made before your pension commences and the nomination cannot be changed once your pension has commenced. If the nominated Reversionary Beneficiary can no longer receive a Death Benefit (if your nominee dies before you, for example), you cannot nominate a new Reversionary Beneficiary. However, you can make a Binding Nomination or Non-Binding Nomination in favour of another dependant(s).

Not all dependants can be nominated as a Reversionary Beneficiary. See **IOOF Pursuit fact sheet 306: Dependant nominations for term allocated pensions** for further details.

Binding Nominations

If you have a valid Binding Nomination in effect at the date of your death, we **must** pay your benefit to the dependant(s) and/or Legal Personal Representative that you have nominated in the proportions that you have set out in your nomination. A valid Binding Nomination remains in effect for **three years** from the date it was first signed, last amended or confirmed.

Non-Binding Nominations

Your nomination is **not binding** on us but rest assured we will take it into account when we determine who to pay your benefit to. You can amend your Non-Binding Nomination at any time by sending us a new Non-Binding Nomination.

No nomination

If you do not nominate a Reversionary Beneficiary or make a Binding Nomination or Non-Binding Nomination, we must pay your Death Benefit to your Legal Personal Representative, unless your estate is insolvent.

As there may be taxation and other implications to consider, we recommend that you seek professional advice before making your nomination.

Important note

When we receive evidence of your death, if there is no nomination in place or you have made a Non-Binding Nomination or a Binding Nomination to pay your Legal Personal Representative, we will sell your investment options and put your money into your Cash Account until the Death Benefit is paid.

Further information about dependant nominations and available payment options is in **IOOF Pursuit fact sheet 306**.

Making investment choices

Your investment strategy

Pursuit Select Term Allocated Pension provides access to over 250 managed funds, term deposits, the majority of listed securities in the S&P/ASX 300 Index plus other listed securities approved by the Trustee from time to time. With so many investment options you can construct a portfolio to help achieve your retirement goals.

Your investment strategy should be a reflection of your attitude to investing, the level of risk you are comfortable accepting and your investment timeframe.

What investment options can you choose?

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 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	Direct Share Choice provides you with 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.

IOOF Pursuit fact sheet 1: IOOF Pursuit Select investment strategies provides more information about the range of investment strategies and options.

Choose what is right for you

The investment options available vary in risk, investment objectives (goals), strategies (ways of achieving those goals) and the types of assets in which investments are made. This allows you to invest in a range of investment options which may be diversified across different asset classes, investment managers and investment styles.

You can normally switch between different managed funds at any time and you can also select diversified managed funds managed by a range of leading Australian and international investment managers.

We carefully research leading Australian and international investment managers before selecting managed funds to be part of the investment menu. We also monitor and review the investment managers and managed funds on an ongoing basis and may add or remove managed funds 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** and also in the Investment Instructions form contained in the Forms booklet. The list may change from time to time.

You can obtain the most current list of investment options from our website (www.ioof.com.au) or request a copy free of charge by calling our client services team on 1800 062 963.

Important note

More information about each of the available managed funds is detailed in the product disclosure statement issued by the investment manager for the particular managed fund and the product guide for the particular term deposit.

Product disclosure statements include information about performance, asset allocation, costs and the risks associated with investing in a particular managed fund and must be read and considered before selecting a managed fund.

Before investing, a financial adviser should provide you with a copy of the product disclosure statement for the managed fund(s) and the product guide for any term deposit(s) you have selected. Alternatively, you can obtain a copy free of charge by downloading it directly from our website (www.ioof.com.au) or requesting it from our client services team on 1800 062 963.

It is recommended that you consult a financial adviser prior to selecting the investment options that you would like to invest in.

Please note that listed securities do not have product disclosure statements.

Direct Share Choice

You have the option to invest in various listed securities through your Pursuit Select Term Allocated Pension account. Direct Share Choice provides you with 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 current list of Direct Share Choice investment options is available on our website (www.ioof.com.au). This list may change from time to time.

See **IOOF Pursuit fact sheet 14: Investing in listed securities available in Direct Share Choice** for more information on how you can invest in listed securities through a Pursuit Select Term Allocated Pension.

Term deposits

Terms and conditions relating to investing in a term deposit are contained in the product guide and **IOOF Pursuit fact sheet 13: Investing in a term deposit**.

Important note

The maximum percentages which can be allocated to each of restricted investments, annuity funds, term deposits and listed securities are detailed in **IOOF Pursuit fact sheet 1**.

Managing your pension account

This section provides you with instructions about how to select and maintain your Investment Instructions and manage the operation of your Cash Account.

Using Portfolio Online

Portfolio Online is a valuable tool to help manage your investment. This user friendly website gives you access to a range of current and historical transaction and performance details about your pension account, including the following.

- **Portfolio summary** – view the total value of your account.
- **Account transactions** – view all your transactions including your initial rollover amount, pension payments, withdrawals and income distributions.
- **Account information** – view information about your Investment Instructions and other account features.
- **Statements** – view current and historical Member Statements online.
- **Reports** – view your portfolio history, Cash Account statement, asset allocation and performance reports.
- **Electronic communications** – view the Trustee's communications to members which you elect to receive electronically.

How to register for Portfolio Online

You can register for Portfolio Online once you have received your client number. Simply apply online at www.ioof.com.au and we will send you an email allowing you to create your own password.

Your Investment Instructions

Your Investment Instructions outline how you would like your initial rollover (less any Member Advice Fee – Upfront⁸) to be invested.

You can instruct us to invest your initial rollover in two different ways:

- Primary Instruction
- Specific Instruction.

You can also provide an Investment Instruction for re-investing income distributions (referred to as a 'Distribution Instruction').

You provide your Investment Instructions on the Investment Instructions form contained in the Forms booklet.

Types of Investment Instructions

1. Primary Instruction

This is your main Investment Instruction and is used for your initial rollover unless alternative instructions are provided to us.

A Primary Instruction will include the following information:

- The managed fund(s) you wish to invest in.
- The percentage of your initial rollover you want to invest in each managed fund.
- The required allocation to your Cash Account (which must be at least three per cent).

Annuity funds, term deposits and Direct Share Choice investment options cannot form part of your Primary Instruction.

To confirm your allocation to each managed fund you can view your current Primary Instruction via Portfolio Online or you can call our client services team on 1800 062 963.

2. Specific instruction

This is a one-off specific instruction for an initial rollover made by **cheque** only.

When provided, this one-off specific instruction will override the use of the Primary Instruction for the rollover.

Please note that the total percentage allocated to each managed fund and your allocation to the Cash Account (of at least three per cent), must add up to 100 per cent for both types of Investment Instructions.

Investment Instructions are not used to invest in listed securities, except to the extent that you must use one or more of these instructions or switch funds from other investment options to increase the available funds in your Cash Account balance above the Minimum Cash account requirement (detailed under 'Your Cash Account' on page 13) to make funds available for this purpose.

8 For more information regarding the member advice fee options, refer to page 22 of this PDS.

Distribution Instruction

This instruction may be used to re-invest your income distributions paid from your investment options. This instruction will only be used when you nominate 'Distribution Instruction' for your re-investment method on the Investment Instructions form.

Re-investing income distributions

Income distributions and dividends may be paid from your investment option(s). You determine how this income is to be re-invested.

Any income distributions that you receive from your investment option(s) are automatically credited to your Cash Account. This income can then be re-invested using one of the following three methods (only one method can be selected).

1. Re-invest (default option)⁹

This method allows you to automatically re-invest 100 per cent of the income distributions back into the same managed fund that made the income distribution. The re-investment will normally be completed within five business days after the income distribution is received in your Cash Account.

Where we have suspended or stopped investments in a managed fund or where a managed fund is redeemed in full (except where a managed fund is no longer held due to the requirement to top up your Cash Account) income distributions received from that managed fund will be retained in the Cash Account.

2. Distribution Instruction

This method allows you to invest your income distributions and interest generated by your Cash Account in accordance with your Distribution Instruction. This means income distributions can be re-invested in one or more managed fund(s).

You can provide your Distribution Instruction by completing the Investment Instructions form.

Distribution income will remain in the Cash Account until the 20th day of the relevant month (or nearest business day).

This re-investment will normally be completed within five business days after this date.

Important note

When you select 'Distribution Instruction' as the re-investment method but you do not provide a Distribution Instruction, income distributions will be invested in accordance with your Primary Instruction.

3. Retain in your Cash Account

This method allows you to leave all income distributions in your Cash Account¹⁰ to accumulate.

Income distributions will remain in your Cash Account until we receive an Investment Instruction from you.

Changing your Investment Instructions

To update your Primary Instruction and/or Distribution Instruction, please complete the Investment Instructions form which is available from our website (www.ioof.com.au) and send it to us.

Where we have suspended or stopped investments in a managed fund or where a managed fund is redeemed in full (except where a managed fund is no longer held due to the requirement to top up your Cash Account), that managed fund will be removed from any Investment Instructions and the instructions will be re-weighted. We will do this automatically and you will not be advised of the change.

For example

Meilin submits a request to fully redeem her investment in Fund C. As a result, Meilin's Primary Instruction is automatically updated to remove Fund C and to re-weight the remaining funds.

Managed fund	Existing holding	Withdrawal request	Primary Instruction	
			before	after
Cash Account	3%		3%	3%
Fund A	17%		17%	22%
Fund B	60%		60%	75%
Fund C	20%	100%	20%	

Where the suspension or stopping of investments in a managed fund results in all managed funds being removed from your Distribution Instruction, your re-investment method will revert to the default option of Re-invest as detailed above.

⁹ Any re-investment of income distributions will involve the purchase of new units in one or more managed funds. Please note that you may not have the most recent product disclosure statement for the managed fund at the time these re-investments are made.

¹⁰ This may not reflect your retirement savings goals.

Changing your investment options (switching)

Pursuit Select gives you the ability to change your selected investment options. The decision is yours.

Easy Choice, Premier Investor Choice and Investor Choice

Changing your managed fund selection generally requires you to redeem units from one or more of your existing managed funds and purchase units in one or more managed funds selected by you. This process is often referred to as a switching instruction.

We currently do not charge a separate fee for switching between managed funds in your account. A switching instruction can be made by completing the Investment Instructions form which is available from our website (www.ioof.com.au).

Unless you are redeeming the full balance held in a managed fund:

- the minimum amount that must be redeemed from a managed fund is \$200
- the minimum amount that must be retained in a managed fund is \$200.

If you select a new managed fund you must invest a minimum of \$200.

Switching between managed funds generally involves redeeming units in one or more of your managed funds. This means you must complete a redemption transaction before you can purchase units in a new managed fund.

The proceeds of any redemption transaction are first deposited into your Cash Account before units are purchased in the new investment option(s).

The product disclosure statement for a managed fund may be updated or replaced by the investment manager from time to time. This means that you may not always have the most recent copy of the applicable product disclosure statement for a new managed fund before making your switch request. We provide electronic versions of product disclosure statements for the available managed funds via Portfolio Online. You can also obtain a copy free of charge by contacting a financial adviser or by calling our client services team on 1800 062 963.

Important note

A buy/sell spread may be incurred when switching between managed funds. See 'Transaction costs – managed funds' on page 22 and the product disclosure statement for the particular managed fund for details.

Listed securities

An order to buy or sell a listed security involves an online switch from or to your Cash Account to or from the listed security involved. See **IOOF Pursuit fact sheet 14: Investing in listed securities available in Direct Share Choice** for more information.

Brokerage applies to any listed security trades (buy or sell). See 'Transaction costs – listed securities' on page 22 for more information.

Portability of super benefits

If you provide us with a request to transfer your benefits out of the Fund, super law requires that we transfer your benefits within 30 days of receiving all relevant prescribed information (including all information necessary to process your request).

However, restricted investments may have extended redemption periods. If you have invested in an investment option that is a restricted investment, we may not be able to transfer part or all of your withdrawal benefit within 30 days because the underlying investment managers may take up to 360 days to process our withdrawal request. Before you invest in restricted investments, you are required to sign a written consent (which is set out in the declaration section of the Investment Instructions form). This consent confirms your acceptance that a period longer than 30 days may be required (in respect of the whole or part of your requested transfer amount) to effect the transfer because of the illiquid nature of restricted investments and that you understand the possible extended redemption period applicable to your investment. Investment options that fall into the category of restricted investments are identified in **IOOF Pursuit fact sheet 2: IOOF Pursuit Select investment options menu**.

Where you invest in an annuity fund, term deposit or a restricted investment, part or all of a withdrawal or switching request may be delayed until sufficient assets from that investment can be redeemed to fund the withdrawal.

Pension payments may be delayed, reduced or unable to be paid until sufficient assets from your investment in annuity fund(s), term deposit(s) and restricted investment(s) can be redeemed to fund the next pension payment.

Your Cash Account

Why do you have a Cash Account?

Your Cash Account is used to process all cash transactions that occur within your pension account. For example, all money paid into your account and any earnings from your investment options go through your Cash Account and all fees, pension payments and taxes are paid out of this account.

Competitive investment returns from your Cash Account

The Cash Account provides you with exposure to a mix of Australian short-term money market securities and cash. Interest generated by these investments (less bank fees and charges) is calculated daily and credited monthly to your Cash Account.

The Cash Account provides competitive returns when compared to cash funds.

Any income distributed by your chosen investment options is deposited into your Cash Account. From there it can then be re-invested using one of the three methods available. See 'Re-investing income distributions' on page 11.

Minimum Cash Account requirement

You are required to maintain a minimum of three per cent of your pension account balance in your Cash Account. This amount is used for funding fees and expenses, pension payments and taxes (where applicable).

You can nominate a higher percentage as your minimum Cash Account balance if you wish to fund these expenses as they fall due.

If we determine that the balance in your Cash Account is likely to fall below zero within the next seven days, we will top up your Cash Account to three per cent of your account balance (or any higher percentage you have nominated) by redeeming the necessary amount from your investment options. In making our determination we will take into consideration any fees, pension payments and taxes that will be deducted from your Cash Account during this period.

We recommend that you talk to a financial adviser about the minimum Cash Account requirement.

Top up your Cash Account

If we are required to top up your Cash Account, the amount required to top up your Cash Account will be funded using one of the following three options. You can select the option that is right for you.

1. Investment option with the highest balance (default option)

- Redeems funds from the managed fund with the highest balance.
- This is the 'default' option which applies if you do not nominate a top up cash option on the Investment Instructions form or where all the managed fund(s) provided under your pecking order have been redeemed in full.

2. Pecking order option

- Redeems funds from your managed funds according to a prioritised list. You choose which managed funds are to be used and the (pecking) order in which the funds are to be redeemed, one at a time.

3. Pro-rata option

- Redeems funds across all managed funds according to the proportion invested in each managed fund.

The top up cash options give you the control and flexibility to determine the most appropriate way for you to manage your Cash Account. Term deposits, listed securities and restricted investments are excluded from the top up process.

Pension options explained

A Pursuit Select Term Allocated Pension is designed to provide you with pension payments each year for a fixed term.

If you are rolling over into the Pursuit Select Term Allocated Pension, you must determine the number of years over which you would like your term allocated pension to be paid. How to select the term of your pension is explained below.

If you have received this Pursuit Select Term Allocated Pension as the Reversionary Beneficiary of a deceased member, the pension will continue for the remainder of the term of the original pension.

Selecting your annual pension income

The term selected must be within certain ranges set by the Commonwealth Government. These ranges are based on:

- your life expectancy
- your spouse's life expectancy.

Important note

You can only use your spouse's life expectancy if you nominate your spouse (legal or de facto) as your Reversionary Beneficiary and he/she has a longer life expectancy than yourself.

You can choose the term between:

- your life expectancy on the commencement of your pension (rounded to the nearest whole number¹¹)
- the number of years from your last birthday until you reach age 100.

If you nominate your spouse (legal or de facto) as your Reversionary Beneficiary and he/she has a longer life expectancy than yourself, you can alternatively choose a term between:

- your spouse's life expectancy on the commencement of your pension (rounded up to the nearest whole year¹¹)
- the number of years from your spouse's last birthday until he/she reaches age 100.

To nominate your spouse as a Reversionary Beneficiary, you must indicate this on the Application form before your pension commences. **Once you have nominated a Reversionary Beneficiary, the nomination cannot be changed.**

Important note

A Pursuit Select Term Allocated Pension has restrictions affecting your ability to change your mind or commute your pension and withdraw it as a lump sum. Please consult a financial adviser about the terms and specific product options available before investing in a Pursuit Select Term Allocated Pension or contact our client services team on 1800 062 963.

The available terms for a term allocated pension (based on your age and gender at the commencement of the term allocated pension) are set out in the following table:

Range of available pension terms (in years)		
Age	Male	Female
50	32 - 50	36 - 50
51	31 - 49	35 - 49
52	30 - 48	34 - 48
53	29 - 47	33 - 47
54	28 - 46	32 - 46
55	27 - 45	31 - 45
56	27 - 44	30 - 44
57	26 - 43	29 - 43
58	25 - 42	28 - 42
59	24 - 41	27 - 41
60	23 - 40	26 - 40
61	22 - 39	26 - 39
62	21 - 38	25 - 38
63	21 - 37	24 - 37
64	20 - 36	23 - 36
65	19 - 35	22 - 35
66	18 - 34	21 - 34
67	17 - 33	20 - 33
68	17 - 32	20 - 32
69	16 - 31	19 - 31

¹¹ Using life expectancy factors from the 2005-2007 Australian Life Tables.

Range of available pension terms (in years)		
Age	Male	Female
70	15 - 30	18 - 30
71	15 - 29	17 - 29
72	14 - 28	16 - 28
73	13 - 27	16 - 27
74	12 - 26	15 - 26
75	12 - 25	14 - 25
76	11 - 24	13 - 24
77	11 - 23	13 - 23
78	10 - 22	12 - 22
79	9 - 21	11 - 21
80	9 - 20	11 - 20
81	8 - 19	10 - 19
82	8 - 18	9 - 18
83	7 - 17	9 - 17
84	7 - 16	8 - 16
85	7 - 15	8 - 15

Selecting your term

For example

As at 1 July 2011, Darren is aged 65 and his wife Elisha is aged 60. Darren has an existing term allocated pension with XYZ Superannuation Fund. However, he is unhappy with his current pension and decides to rollover to a new Pursuit Select Term Allocated Pension. Darren can select one of the following terms for his Pursuit Select Term Allocated Pension:

- If Darren wants to acquire a term allocated pension that becomes payable to Elisha on his death (so that Elisha becomes his Reversionary Beneficiary), he can select a term for his pension between:
 - 19 and 35 years (based on the term for a 65 year old male, see previous table)
 - 26 and 40 years (based on the longest term for a 60 year old female, see previous table).
- If Darren does not want to nominate Elisha as his Reversionary Beneficiary or would like the pension to become payable to a

dependant other than Elisha, he can only choose a term based on his life expectancy (between 19 and 35 years).

Important note

If you have selected a Reversionary Beneficiary option and a term based on your spouse's life expectancy, in the event of your death, the pension must be paid to your spouse for the remaining term of the pension. Your spouse cannot convert the pension to a lump sum after your death.

When you apply for your Pursuit Select Term Allocated Pension, we will verify the actual term you select to ensure that it is available to you. The actual term you select will impact on the amount of pension you receive each year, the income tax treatment of your annual pension and the calculation of your Centrelink/Department of Veterans' Affairs entitlements (if applicable).

How is your annual pension calculated?

Super law specifies the rules for calculating your annual pension payment.

The annual pension payments for the first year are calculated by dividing your account balance on commencement of the pension by the Pension Payment Factor (PPF) that relates to the term you have selected.

For pensions commencing after 1 July in a financial year, pension payments for the first year will be reduced in proportion to the number of days between the date your pension account was established and the following 1 July.

The annual pension payments for subsequent years are calculated by dividing your account balance on 1 July each year by the PPF that relates to the remaining term of your pension.

The remaining term must be a whole number and must be rounded:

- down if your pension commenced in the first half of a financial year (between 1 July and 31 December)
- up if it commenced in the second half of the financial year (between 1 January and 30 June).

Pension payment amounts will be rounded to the nearest \$10.

The following table shows the payment factors for members according to the product's remaining term at purchase, or on 1 July each year.

Terms (years)	Payment factor	Terms (years)	Payment factor
70 or more	26.00	35	20.00
69	25.91	34	19.70
68	25.82	33	19.39
67	25.72	32	19.07
66	25.62	31	18.74
65	25.52	30	18.39
64	25.41	29	18.04
63	25.30	28	17.67
62	25.19	27	17.29
61	25.07	26	16.89
60	24.94	25	16.48
59	24.82	24	16.06
58	24.69	23	15.62
57	24.55	22	15.17
56	24.41	21	14.70
55	24.26	20	14.21
54	24.11	19	13.71
53	23.96	18	13.19
52	23.80	17	12.65
51	23.63	16	12.09
50	23.46	15	11.52
49	23.28	14	10.92
48	23.09	13	10.30
47	22.90	12	9.66
46	22.70	11	9.00
45	22.50	10	8.32
44	22.28	9	7.61
43	22.06	8	6.87
42	21.83	7	6.11
41	21.60	6	5.33

Terms (years)	Payment factor	Terms (years)	Payment factor
40	21.36	5	4.52
39	21.10	4	3.67
38	20.84	3	2.80
37	20.57	2	1.90
36	20.29	1 or less	1.00

Source: Superannuation Industry (Supervision) Regulations 1994.

For example

Monique is age 66 and invests \$200,000 in a Pursuit Select Term Allocated Pension to commence on 1 September 2011. She selects a term of 23 years. The annual pension in year one is calculated by dividing the purchase price by the PPF. The PPF applicable for a term of 23 years is 15.62. Therefore her annual fixed pension payment in year one is $\$200,000/15.62 = \$12,800$ (rounded to the nearest \$10). As she is commencing her pension part way through the financial year, the first year's pension is pro-rated. Her pension payment for 2011/12 is therefore $\$12,800 \times 0.83 = \$10,624$.

On 1 July 2012, Monique's account balance was \$197,000, after allowing for her pension payments, account fees and growth in the value of her investments¹². The remaining term is 22.17 years. However, this is rounded down to 22 years so that the 2012/13 pension payment is determined by dividing the account balance on 1 July 2012 by the PPF applicable to a term of 22 years (15.17). Therefore her new fixed pension payment for 2012/13 is $\$197,000/15.17 = \$12,990$ (rounded to the nearest \$10).

How are pension payments calculated for Reversionary Beneficiaries?

On transfer of the pension to a Reversionary Beneficiary, the deceased member's pension payments continue for the remainder of the financial year. On 1 July the pension payments will be recalculated as described previously in the 'How is your annual pension calculated?' section above.

¹² Depending on your investment selection, nominated level of pension payments and the amount of any lump sum withdrawals, your pension account balance may rise or fall. This example is for illustrative purposes only and does not in any way indicate an expected level of performance.

Minimum and maximum payment requirements

The payment options available include:

- 90 per cent of the fixed pension payment (the minimum pension)¹³
- the fixed pension payment¹⁴
- 110 per cent of the fixed pension payment (the maximum pension).

The Commonwealth Government has reduced the minimum pension by 25 per cent for the 2011/12 and 2012/13 financial years. That means a reduced minimum of 67.5% applies for 2011/12 and 2012/13.

If you do not nominate a payment option on your Application form, you will receive the fixed pension payment. You can vary your pension payments on an annual basis based on the limits above.

Your annual pension payment is also subject to a minimum level set by the Commonwealth Government that applies to allocated (ie. account-based) pensions generally. The minimum is a percentage of your account balance based on your age and is measured at commencement and on 1 July each year.

For example

On 1 July 2011, Wendy commenced a Pursuit Select Term Allocated Pension for a term of 13 years with an initial investment of \$200,000. For 2011/12, Wendy can choose to take:

- the fixed pension payment of \$19,420 (\$200,000 divided by the PPF of 10.30 (rounded to the nearest \$10))
- the fixed pension payment of \$19,420 for 2011/12 and five per cent annual indexation of the pension thereafter
- the minimum pension of \$13,109 (67.5 per cent of the fixed pension payment)
- the maximum pension of \$21,362 (110 per cent of the fixed pension payment).

Frequency of pension payments

You may elect to receive your annual pension payment as one annual payment or in instalments based on one of the following frequencies:

- twice-monthly
- monthly
- quarterly
- half-yearly.

Irrespective of the frequency you select, we will, where necessary, withhold any PAYG tax liability on the gross pension payment for that frequency as required by law. For more information, see 'Tax and social security information' on page 25 of this PDS.

We will deduct the required pension payments from your Cash Account and credit them electronically to your nominated account with a financial institution. Payments are made by the 28th day of the month where a pension payment is due, unless you have selected the twice-monthly option which is paid by the 14th and 28th day of each month.

Receiving a pension on the death of a Member

Once a Reversionary Beneficiary has been nominated, the nomination cannot be changed.

If you receive a Pursuit Select Term Allocated Pension as a Reversionary Beneficiary, the remaining balance of the deceased member's pension account will be transferred into your name. A new client and account number will be allocated at this time. The deceased member's existing Investment Instructions and nominated level of annual pension income will also be transferred and remain unchanged unless alternative instructions are received from you.

In the case of a Reversionary Beneficiary who is a child of the deceased member, the benefit will only be paid as a pension if the child:

- is under the age of 18
- is over the age of 18 but less than age 25 and is financially dependent on the member when he/she died
- is permanently disabled.

If a reversionary pension is paid to a child, the pension must be commuted to a lump sum on the child's 25th birthday unless the child is permanently disabled.

Can a lump sum withdrawal be made?

You cannot make a full or partial cash lump sum withdrawal from your pension account except in the following limited circumstances:

- To pay the superannuation surcharge.
- To give effect to a Release Authority under the *Income Tax Assessment Act 1997*.
- To give effect to a payment split under the *Family Law Act 1975*.
- Upon your death (except where you have nominated your spouse as a Reversionary Beneficiary).

You can, however, choose to roll over your pension to purchase another term allocated pension or other complying income stream.

¹³ If you select the minimum pension for the 2011/12 financial year, you will receive the reduced minimum pension rate for the remainder of the financial year.

¹⁴ If you select the fixed pension payment option, you can also choose to index your fixed pension by CPI or a fixed percentage (up to a maximum of five per cent per annum). Indexation is subject to the minimum and maximum limits above. If the annual pension payment is outside these ranges, the pension payment will default to the closest limit.

The nuts and bolts

What will this cost?

A Pursuit Select Term Allocated Pension is competitively priced and easy to understand.

Fee Aggregation allows you to link up to four Pursuit Select accounts (conditions apply) for the purpose of calculating and possibly reducing your Administration Fee.

You are able to negotiate the remuneration structure payable to a financial adviser for financial advice and other services provided in relation to your investment. We do not build in any standard remuneration for a financial adviser as part of our Administration Fee.

The following is a consumer advice warning that the Commonwealth Government requires all super providers to include in their PDS. It is a useful tool to help you compare the relative costs of our competitors using the same format.

Fees and other 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 per cent of your account balance rather than 1 per cent could reduce your final return by up to 20 per cent 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, ASIC's MoneySmart website (www.moneysmart.gov.au) has a superannuation fee calculator to help you check out different fee options.

* Only the member advice fees can be negotiated with a financial adviser.

This section shows fees and other costs that you may be charged. These fees and costs may be deducted directly from your account, from the returns on your investment or from the fund assets as a whole.

Taxes are set out under 'Tax and social security information' on page 25.

You should read all of the information about fees and costs as it is important to understand their impact on your investment.

The investment management costs for Easy Choice, Premier Investor Choice and Investor Choice investment options are set out in **IOOF Pursuit Select fact sheet 2: IOOF Pursuit Select investment options menu.**

Fee table

Type of fee or cost	Amount	How and when paid
Fees when your money moves in or out of the Fund¹⁵		
Establishment Fee The fee to open your investment.	Nil.	Not applicable.
Contribution Fee The fee on each amount contributed to your investment.	Nil.	Not applicable.
Withdrawal Fee¹⁶ The fee on each amount you take out of your investment.	Nil.	Not applicable.
Termination Fee The fee to close your investment.	Nil.	Not applicable.
Management costs		
The fees and costs for managing your investment.	Administration Fee	
	Part of your account balance	Administration Fee (pa)
	\$0 – \$100,000	0.95% (or \$9.50 per \$1,000 invested)
	Next \$400,000	0.55% (or \$5.50 per \$1,000 invested)
	Above \$500,000	Nil.
Minimum Administration Fee of \$30 per month (\$360 pa). Maximum Administration Fee of \$3,150 pa.		The Administration Fee is calculated daily on your account balance ¹⁷ . The fee is charged monthly in arrears and it is deducted from your Cash Account ¹⁸ at the beginning of each month.
Listed Security Administration Fee		
\$350 pa. The fee for providing you with the option to invest in and the administration of listed securities holdings on your behalf. This fee is only applicable if you 'opt in' to investing in listed securities.		The Listed Security Administration Fee is calculated daily. The fee is charged monthly in arrears and it is deducted from your Cash Account ¹⁸ at the beginning of each month. Where you opt in to investing in listed securities during the month, the fee will be charged on a pro rata basis for that month.

15 Buy/sell spreads - when you move money in or out of Pursuit Select or when you make a switch, you may also incur a buy/sell spread which is included in the unit price of the managed fund you choose. See 'Transaction costs – managed funds' on page 22 and the product disclosure statement for the particular managed fund for details.

16 There may be an Exit Fee for members who have transferred from another product in the Fund - see 'Transitional fee arrangements' under 'Additional explanation of fees and costs'.

17 Account balance - comprises your Cash Account together with the value of your investment options.

18 Your Cash Account is currently invested in an operating bank account (for day-to-day transactions) and the IOOF/Perennial Cash and Income Fund (ARSN 087 727 277) (Cash and Income Fund), for which IIML is the responsible entity. Interest generated by this investment is reduced by bank charges and the management costs charged by IIML, as the responsible entity of the Cash and Income Fund, before it is credited to the Cash Account. You are charged an indirect management cost on your Cash Account balance. As at 30 June 2011, this indirect management cost was 0.60 per cent pa. We may change the investment of the Cash Account at any time.

Management costs		
	Investment management cost (excluding any performance-based fee)	
	Varies across the managed funds and can range from 0.22% to 2.12% pa ¹⁹ (\$2.20 to \$21.20 pa per \$1,000 invested). No investment management cost applies to annuity funds and term deposits.	Generally calculated daily as a percentage of the amount that you have invested in each managed fund. It is not deducted directly from your account but is generally incorporated into the unit price of the managed fund and generally charged monthly or quarterly in arrears. Please refer to the product disclosure statement for the applicable managed fund.
Service fees ²⁰		
Investment Switching Fee¹⁵ The fee for changing investment options in your account.	Nil.	Not applicable.

In certain circumstances, your fees may be different from those described in this PDS. This can apply for various historical reasons, including where you joined the Fund as a result of a successor fund transfer or your account was transferred to Pursuit Select from another product within the Fund.

Often in these circumstances, the Trustee of the Fund agrees to adopt the same fees as the old super fund or product. This allows the Trustee to transfer the super benefits as a whole, while protecting existing rights of transferring members. If this is the case, your fees may be more or less than those described in 'The nuts and bolts' section on pages 18 to 26. In all cases, any different fees will be those that have been agreed between you and your financial adviser, or your employer and the adviser of your employer plan.

Example of annual fees and costs for a balanced investment option

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

Example - IOOF Multi Series Balanced Trust	Balance of \$50,000	
Contribution Fees	Nil.	Nil.
Plus Management Costs	1.50% ²¹ pa	And, for every \$50,000 you have in the Fund you will be charged \$750.
Equals Cost of Fund²²		If your balance was \$50,000, then for that year you will be charged fees of \$750. ²³ What it costs you will depend on the investment option you choose and the fees you negotiate with your financial adviser.

19 Investment management costs (excluding any performance-based fee) applied by each investment manager – this fee range is an estimate only and is based on the information provided by each investment manager as at the date of this PDS (for further information refer to **IOOF Pursuit Select fact sheet 2**). Investment options and investment management costs may change from time to time. The most recent investment management cost (excluding any performance-based fee) applied by each investment manager for a particular managed fund can be obtained from **IOOF Pursuit Select fact sheet 2**.

20 Member advice fees – we will acquire and pay for the services of a financial adviser selected by you. You may negotiate the amount of these fees up to a limit set by us. These fees are deducted from your account. See 'Financial adviser remuneration' under 'Additional explanation of fees and costs'. We do not charge these fees if you have not selected a financial adviser.

21 The Management Costs comprise the Administration Fee of 0.95 per cent pa and the investment management cost applied by IOOF Multi Series Balanced Trust of 0.55 per cent pa. The investment management cost applied by IOOF Multi Series Balanced Trust was current as at the time this PDS was prepared. For account balances of \$100,000 and above, the sliding scale on page 19 will apply in relation to the Administration Fee and the amount you pay will be reduced accordingly.

22 The total annual cost of administering your pension account will vary depending on the value of your account, the investment options you choose and any eligibility for Fee Aggregation.

23 The example assumes a constant account balance of \$50,000 for the entire year. Please note you cannot make additional rollovers to your existing account once your pension has commenced. However, you can set up a new pension account at any time provided you meet the conditions described on page 7.

Additional fees may apply

There may be an Exit Fee for members who have transferred from another Fund product. See 'Transitional fee arrangements' under 'Additional explanation of fees and costs'.

- For this product, you may not negotiate directly with the Fund. You may negotiate with a financial adviser for one or more member advice fees that are deducted separately from your pension account.
- No withdrawals have been taken into account with this example.
- The example does not take into consideration any market movement in the value of the investment option and assumes that no further transactions were made and no further buy/sell spreads were incurred.

Additional explanation of fees and costs

This section explains the fees and costs set out in the fee table (page 19) and also provides a brief explanation about any additional transactional fees and charges that may apply to your account.

Administration Fee

The Administration Fee represents the annual fees and costs charged by us for operating and managing your pension account. This fee includes all administration and other expenses we incur, excluding the financial adviser remuneration (outlined later) and the fees and costs charged by the investment managers for each managed fund (the investment management cost, any buy/sell spread and any performance-based fee). For further information, see **IOOF Pursuit fact sheet 2**.

The minimum Administration Fee generally applies to account balances below \$37,895 and the maximum applies to account balances above \$500,000. Further details about the minimum and maximum Administration Fee is contained in the fee table on page 19.

The Administration Fee is inclusive of GST. A reduced input tax credit (RITC) at the rate of 75 per cent can be claimed against the GST incurred in the Administration Fee. Therefore, the GST in relation to the cost of the Administration Fee charged against your account is reduced by the amount of the RITC.

Listed Security Administration Fee

The Listed Security Administration Fee represents the fee charged by us for providing you with the option to invest in listed securities available under the Direct Share Choice and the ability to participate in most corporate actions and Dividend Reinvestment Plans (DRPs) and for the additional expense incurred by the Trustee for administering the listed security holdings on your behalf.

Performance-based fees

We do not charge any performance-based fees. However, an investment manager may charge a performance-based fee for a particular managed fund when the investment return generated by the managed fund exceeds a specific criteria or benchmark.

The performance-based fee (if applicable) is generally calculated daily as a percentage of the amount that you have invested in the managed fund. The fee is generally deducted on a monthly, quarterly or annual basis. Please refer to the product disclosure statement for the relevant managed fund.

An investment manager may incorporate the cost into the unit price of the managed fund, or alternatively, the investment manager can charge us and we will pass on the cost to you by directly deducting it from your pension account.

The investment managers that can charge a performance-based fee are outlined in **IOOF Pursuit fact sheet 2**.

Fee Aggregation

Fee Aggregation allows you to link your Pursuit Select account(s) for the purpose of calculating the Administration Fee payable. Under Fee Aggregation, we will waive the minimum Administration Fee of \$30 per month per account where the aggregated total of the 'linked' accounts exceeds \$100,000. This can mean a reduction in the Administration Fee payable by all 'linked' members/investors. This is another way that we can help you lower the cost of managing your investments.

Fee Aggregation allows you to link:

- your account(s) within Pursuit Select Investment Service, Pursuit Select Personal Superannuation, Pursuit Select Allocated Pension and Pursuit Select Term Allocated Pension
- your account(s) with those of your immediate family members (as defined in the terms and conditions) who also have accounts in those Pursuit Select products
- any account(s) in Pursuit Select Investment Service held in the name of a trust or company, provided that either a director or trustee has a linked account in their own name or the director or trustee is an immediate family member with another 'linked' account.

Terms and conditions

- Each person applying to link for the purpose of Fee Aggregation must be a member of the same immediate family (husband, wife, son, daughter, de facto, partner, father, mother, brother or sister).
- A Fee Aggregation request can be rejected and linking can be cancelled at any time by us.
- Any new Fee Aggregation nomination will override any previous nomination.

A maximum of four accounts are allowed to be linked together for Fee Aggregation purposes.

Transaction costs – managed funds

Some managed funds have a difference between their entry (purchase) and exit (sale) unit prices and this is referred to as the 'buy/sell' spread. This difference is an allowance for the transaction costs (such as brokerage, clearing and settlement costs and stamp duty if applicable) of buying and selling the underlying securities/assets incurred by the investment manager of the particular managed fund.

The buy/sell spread (if applicable) is incurred when you purchase or redeem units in a managed fund (at the time of a switch or when you move money in or out of your account) and is additional to investment management costs and performance fees. However, the buy/sell spreads are not charged separately to your account; they are generally included in the unit prices of each managed fund. The buy/sell spread that applies to each managed fund can change from time to time. Details of the buy/sell spread (or how to obtain the current buy/sell spread) applicable to each investment option are outlined in the product disclosure statement issued by the investment manager for the particular managed fund which are available on our website (www.ioof.com.au).

Transaction costs – listed securities

Brokerage of \$45.66 (net of RITCs) applies to each order to buy or sell a listed security. The brokerage is deducted from the Cash Account at the time of the transaction.

Financial adviser remuneration

We will acquire and pay for the services of a financial adviser selected by you to provide financial advice in relation to your pension.

The following optional fees are available for you to select the most appropriate remuneration arrangement with the financial adviser:

- Member Advice Fee - Upfront
- Member Advice Fee – Ongoing
- Member Advice Fee – Once-Off

- Member Advice Fee – Listed Security Buy
- Member Advice Fee – Listed Security Sell.

You may agree to one, or more of these options. For each option, we set a maximum amount that we will pay to the financial adviser. You and the financial adviser must agree on the amount of each member advice fee within these relevant limits.

The net amount of any member advice fee(s) (after allowing for RITCs) that we pay to the financial adviser, as agreed by you, will be an additional cost to you and charged against your pension account. We shall not charge a member advice fee unless you tell us to do so.

Any agreed member advice fee(s) will be charged by us to your pension account and paid in full to the financial adviser until you instruct us to cease payment.

Where you change the nominated financial adviser, the member advice fee(s) you agreed with the former financial adviser will continue with the new financial adviser.

Member Advice Fee - Upfront

This fee is charged by us and we deduct the net cost from your account. We then pay the full amount of our fee to the financial adviser for financial advice and services provided to you in relation to the establishment of your pension account.

You can agree with the financial adviser on the amount of this fee up to a maximum of 4.4 per cent (inclusive of GST) of your initial rollover. The net cost charged to your account can be up to a maximum of 4.1 per cent (which reflects the effect of RITCs) of your initial rollover. For example, on an initial rollover of \$50,000, we would pay the financial adviser up to a maximum of \$2,200. The net cost charged to your account would be up to \$2,050.

The amount of this fee is deducted from your Cash Account at the time of your initial rollover.

This fee is not applied to:

- any income distributions credited to your Cash Account
- switches between investment options.

Member Advice Fee – Ongoing

This fee is charged by us and we deduct the net cost from your account. We then pay the full amount of our fee to the financial adviser for ongoing financial advice and services provided to you in relation to your account. You can agree with the financial adviser on the amount of this fee which can be either:

- up to a maximum of 2.1 per cent pa (inclusive of GST) of your account balance (calculated daily). The net cost to you can be up to a maximum of 1.96 per cent pa (which reflects the effect of RITCs) of your account balance (calculated daily)
- up to a maximum of \$1,500 per month (inclusive of GST). The net cost to you can be up to a maximum of \$1,397.73 per month (which reflects the effect of RITCs).

The amount of this fee is accrued daily and is deducted from your Cash Account at the beginning of each calendar month. For example, on an average monthly account balance (over 12 months) of \$50,000, we would pay the financial adviser up to a maximum of \$1,050 pa (based on a Member Advice Fee - Ongoing of 2.1 per cent pa) (inclusive of GST). The fee charged to your account would be up to \$978.41 pa (which reflects the effect of RITCs).

Member Advice Fee – Once-Off

This fee is charged by us and we deduct the net cost from your account. We then pay the full amount of our fee to the financial adviser for once-off financial advice and services provided in relation to your pension account.

The amount of this fee can be up to a maximum of \$10,000 (inclusive of GST) per request. The net cost charged to your account can be up to a maximum of \$9,318.18 per request (which reflects the effect of RITCs).

This fee can only be deducted from your Cash Account once in any 12 month period. A new request must be supplied each time you wish this fee to be applied.

Member Advice Fee – Listed Security Buy

This fee is charged by us and we deduct the net cost from your account. We then pay the full amount of our fee to the financial adviser for financial advice and services provided in relation to listed security purchases.

The amount of this fee can be up to a maximum of \$110 (inclusive of GST) per buy order. The net cost charged to your account can be up to a maximum of \$102.50 per buy order (which reflects the effect of RITCs).

This fee will only be deducted from your Cash Account once per buy order where all or part of the order is filled.

Member Advice Fee – Listed Security Sell

This fee is charged by us and we deduct the net cost from your account. We then pay the full amount of our fee to the financial adviser for financial advice and services provided in relation to listed security sales.

The amount of this fee can be up to a maximum of \$110 (inclusive of GST) per sell order. The net cost charged to your account can be up to a maximum of \$102.50 per sell order (which reflects the effect of RITCs).

This fee will only be deducted from your Cash Account once per sell order where all or part of the order is filled.

Additional financial adviser benefits

We may pay additional amounts to a financial adviser (or their dealer group) in return for the promotion and marketing of Pursuit Select. This payment may include both financial and non-financial rewards. Any such amounts are paid from our resources and are not separate or additional charges to you.

The financial adviser should provide you with the details of any such benefit that they may receive. This information will be included in the adviser's Financial Services Guide and/or a Statement/Record of Advice, detailing any recommendations with respect to Pursuit Select Term Allocated Pensions.

Low account balances

Where there are insufficient funds in your Cash Account to fund any applicable fees, the fees may be accrued and deducted when sufficient funds are available.

Transitional fee arrangements

If you transfer your account balance to Pursuit Select Term Allocated Pension from another Pursuit or IOOF Portfolio Service term allocated pension that has an Exit Fee liability, we will deduct the outstanding Exit Fee (plus any Benefit Payment Fee) at the date the existing account is transferred to the new account.

GST and taxes

The fees quoted in this section are inclusive of GST and net of any applicable RITCs. See the 'Tax and social security information' section on page 25 for more information on tax.

Netting

We often buy and sell units in a managed fund on the same day. We intend to deal as a net buyer or net seller of units on any given day. As a result, no transactions may need to be made at all to give effect to your Investment Instruction. However, you will still receive the prevailing sell or buy price applied to your particular investment transaction. We are entitled to retain any benefit that may arise from the netting of transactions.

Fund manager payments

We may receive a fee from the investment managers of certain investment options for administration and investment related services. This fee (up to 0.30 per cent pa plus GST, with a minimum annual dollar amount of \$5,000 plus GST, as at the date of this PDS) is generally based on the total amount of funds we have invested in each investment option and is paid to us from the investment manager's own resources. The fee is retained by us and is not an additional cost to you.

Alternative remuneration register

We maintain an alternative remuneration register in accordance with the FSC/FPA Industry Code of Practice, which outlines the alternative forms of remuneration that are paid and received by us. You can see a copy of this register at IOOF's offices (Level 6, 161 Collins St, Melbourne VIC 3000) at any time between 9 am and 5 pm on business days.

Alteration to fees

In certain circumstances, where it is reasonable for us to do so, we may alter the fees and costs applied to your pension account (subject to law). However, before doing so, we will provide you with at least 30 days notice of any change. We also have the right to introduce new fees. There are no maximum fees specified in the Trust Deed for Pursuit Select Term Allocated Pension.

Under the Trust Deed, we might decide to recover the costs and expenses incurred as a result of operating the product. As at the date of this PDS, we will not recover these amounts directly from your pension account. However, the Fund has a historical reserve, which we use to pay certain regulatory costs, professional fees and other expenses authorised under the Trust Deed. No amounts are paid into this historical reserve, which means there is no effect on your returns.

We may also impose reasonable fees and pass on any expenses we incur, where your account is affected by requirements under the *Family Law Act 1975* or related legislation. These may include fees for providing information to an eligible person, implementing the splitting of, or the application of a payment flag on your pension account. You will be notified of any fees and expenses that may be charged.

What are the risks?

All investments carry some risk. As with the purchase of any financial product, you should consider the risks that may impact your investment in a Pursuit Select Term Allocated Pension.

If you leave the product shortly after joining, or switch out of an investment option shortly after selecting it, you could get back less than the amount put in because of the level of investment returns and the effect of fees, costs and taxes.

Other key risks that may adversely affect your investment in a Pursuit Select Term Allocated Pension include the possibility of negative investment returns, insufficient diversification of investments and changes to super and taxation law.

There are also investment risks that may affect the investment options, like market risk or credit risk and general risks associated with changing economic conditions. In the case of an investment in a restricted investment, depending upon the amount of pension required, pension payments may be delayed, reduced or unavailable until sufficient assets from that restricted investment can be redeemed.

For further information on these risks and others, see **IOOF Pursuit Select fact sheet 304: More about risks with term allocated pensions**.

How can investment risk be reduced?

An important way to help reduce your investment risk is to spread your investment over a number of assets, asset classes and even different investment managers. This process is called diversification. It is designed to help you achieve more consistent investment returns over time.

Pursuit Select offers you a choice of investment options across all the major asset classes. When determining your investment strategy, this choice allows you to create a level of diversification in your investment portfolio.

A financial adviser can help you understand the various types of investment risk and assess which investment options are more appropriate for your specific requirements considering your risk tolerance and risk/return investment objectives.

Tax and social security information

This section provides you with some general information about the tax implications of investing in a Pursuit Select Term Allocated Pension.

The laws relating to super, including tax laws, are complex and subject to change from time to time. We recommend that you obtain professional advice on the consequences before investing.

Rollovers into your term allocated pension

No tax is payable on the rollover of benefits into your Pursuit Select Term Allocated Pension.

Tax on pension earnings

No tax is payable on your investment earnings (interest, income distributions or realised capital gains). Plus, as your pension investments are held within a tax exempt environment, no CGT applies if you choose to switch your investments or redeem any investments to provide for pension payments.

Your pension account may be entitled to a tax refund due to franking credits. A franking credit is a tax credit available to the Fund for the tax that has already been paid by the issuing company on dividends received by a managed fund.

Tax on pension payments

If you are aged 60 or over, or at the date of death the primary beneficiary was aged 60 or over, all pension payments from your Pursuit Select Term Allocated Pension account will be tax-free.

If you are under age 60, and at the date of death the primary beneficiary was under age 60, pension payments from your account are split into a tax-free component and a taxable component. The taxable component is included in your assessable income; however, a 15 per cent tax offset may apply to this component.

PAYG tax (if any) will be deducted from the taxable component prior to each pension payment. At the end of the financial year you will be sent a PAYG payment summary. When you reach age 60, your pension payments will be received tax-free.

Death Benefits

If the payment is made directly to your Death Benefits Dependents it will be tax-free. If the benefit is paid to your Legal Personal Representative and is to be distributed to your Death Benefits Dependents via your estate, the benefit will also be received tax-free.

If the lump sum benefit is to be paid direct to a beneficiary who is not a Death Benefits Dependant or paid to your Legal Personal Representative and the ultimate beneficiaries of your estate are not Death Benefits Dependents, the taxable component of the Death Benefit will be taxed at the rate of 15 per cent (plus Medicare Levy²⁴).

Tax file numbers

We require you to provide your tax file number (TFN) in order for your application to be accepted (unless we already hold your TFN). Without a TFN, we would be required to deduct tax from the taxable component of the pension at the top marginal tax rate for those under age 60.

If you are aged 60 or over

You can notify us of your TFN by completing Step 6 on the Application form located in the Forms booklet. If we already hold your TFN (for example, if you are transferring from another term allocated pension within the Fund), you do not have to submit it again.

If you are under age 60

You need to complete a tax file number declaration. You can obtain a tax file number declaration by calling our client services team on 1800 062 963 or by emailing clientservices@ioof.com.au

Please complete this form even if we already have your TFN, as the form includes additional tax information for us to appropriately deduct tax from your pension.

Under super law, the Trustee is required to ask you for your TFN. Although it is not an offence, if you do not provide your TFN to us, the consequences relating to non-disclosure can be significant. That is why the Trustee has determined not to accept applications without a TFN. If you provide your TFN, it will only be used for purposes permitted by law, which include disclosure to another super provider if your account balance is transferred and you do not ask us not to disclose your TFN in these circumstances.

²⁴ Medicare Levy does not apply to your Legal Personal Representative and the ultimate beneficiaries of your estate who receive the lump sum benefit.

Centrelink/Department of Veterans' Affairs information

The Commonwealth Government determines whether you are eligible for a Centrelink or Department of Veterans' Affairs (DVA) pension or allowance payment. In determining your eligibility for a pension or allowance, Centrelink or DVA will use the test which gives you the lower rate of payment.

1. Assets test

If you are rolling over the whole amount from a term allocated pension that commenced before 20 September 2007, only 50 per cent of the value of a Pursuit Select Term Allocated Pension account is counted as an asset. This also applies if you were the spouse of the deceased primary beneficiary and you are receiving this pension as a Reversionary Beneficiary (even if this occurred after 19 September 2007).

If you are rolling over from another complying income stream that is not a term allocated pension that commenced before 20 September 2007, the whole account balance of your new Pursuit Select Term Allocated Pension is counted as an asset under the assets test.

2. Income test

Under the income test, only part of the annual pension is counted as income. The amount excluded from the calculation is the original purchase price (less any later lump sum withdrawals from the pension²⁵) divided by the fixed term that you select on commencement of the pension.

If the pension is reversionary, the fixed term will continue to be used to determine your assessable income.

²⁵ Commonwealth Government regulations impose restrictions on when you can make lump sum (cash) withdrawals from a term allocated pension (refer to page 17).

General information

Cooling-off period

To ensure that you are happy with your pension account in Pursuit Select Term Allocated Pension, you have a 14 day cooling-off period to check that it meets your needs. The 14 day period starts from the earlier of the date you receive your Welcome Letter, or five business days after your pension account has been established.

If you want to close your pension account during the 14 day cooling-off period, you must provide written notice by mail to the postal address on the back cover of this PDS.

The amount returned (if applicable) will be adjusted for any market movements in your chosen investment option(s) (up or down) up to the date we receive your notification. We will not refund taxes and reasonable transaction or administration costs incurred by us in issuing your investment (excluding the payment of any member advice fee or similar fee). As a result, the amount received may be more or less than the amount of your initial rollover.

Please note that the cooling-off period ceases to apply if you exercise your rights or powers in a Pursuit Select Term Allocated Pension, such as if you make an investment switch during the 14-day cooling-off period.

As you have transferred from another complying income stream, we cannot repay your initial rollover amount directly to you. You must nominate another complying income stream to roll it over to.

If you do not make a nomination within one month after notifying us of your intention to seek the return of your initial rollover or your nominated provider does not accept the transfer, we will retain your initial rollover in the Cash Account.

Your instructions and communications

Instructions must be made in writing unless another facility for providing instructions is made available to you or your financial adviser by us. Your instructions may generally be accepted by fax except, for instance, if they are instructions to change your name.

Any changes (or corrections) to your personal details (changing your name by marriage, for example) should be advised in writing to us as soon as possible (together with a certified copy of documentation verifying the name change).

You can change your address details over the telephone by calling our client services team on 1800 062 963 provided you satisfy our identification and verification requirements. Where you wish to update your postal address to a Post Office Box, a signed request is required.

If you wish to amend your Death Benefit Nomination, you must submit a new Binding Nomination or Non-Binding Nomination form completed in accordance with the instructions on that form.

You may also confirm or revoke your nomination as per the process outlined in **IOOF Pursuit fact sheet 306: Dependant nominations for term allocated pensions**, by completing the relevant form. Visit our website (www.ioof.com.au), see a financial adviser or call our client services team on 1800 062 963 to obtain a copy of these forms.

Please contact us directly for further instructions if you want to make any other changes to your pension account (such as changing your selected investment options).

We will act in accordance with instructions from you or your appointed representative (including a financial adviser). We are not required to ask whether instructions are genuine or proper.

You agree to release us from, and indemnify us against, any and all losses and liabilities arising from any payment or action we make based on any written instruction (even if not genuine) that we receive bearing your account number and a signature we reasonably believe is yours or that of your representative. You also agree that neither you, nor anyone claiming through you, has any claim against us or the Fund in relation to these payments or actions.

However, please note that we are not required to effect any instructions if:

- it would make your account balance fall below the minimum holding requirement
- giving effect to the instruction is contrary to our agreement with you, the law or any market practice
- the instructions are incomplete or are, in our opinion, unclear
- you do not have sufficient investments or funds in your Cash Account for us to carry out the instruction
- we are not reasonably satisfied that the instructions are genuine
- you have not provided us with relevant documents or information we consider necessary to act on your instructions
- your membership of the Fund is suspended or terminated.

We do not accept any liability whatsoever for an instruction not being implemented in these circumstances.

You can find all other general information about Pursuit Select in **IOOF Pursuit fact sheet 109: Other pension information you may find useful.**

Keeping track of your investments

We provide you with comprehensive and consolidated reporting on all of your investments in your pension account.

We provide regular communications that are sent to you for your records. Additionally, you can view your account information via Portfolio Online or request reports from our client services team.

What you will receive from us

Statement of Membership

- Sent on the establishment of your pension account in a Pursuit Select Term Allocated Pension, normally within seven business days of joining.
- Your Statement of Membership confirms your pension account details and initial Investment Instructions.
- On receipt of your rollover amount to commence your pension, we will also send a Centrelink/Department of Veterans' Affairs Schedule.

Member Statement

- Provides a summary of all transactions during the financial year including:
 - your initial rollover and withdrawals over the 12 month period
 - taxation and other fees or costs deducted
 - details of your pension account value, current investments and historic performance results for each of your investment options
 - pension payments
 - estate planning nominations
 - preservation status of your super benefit.
- A Member Statement is provided within six months of the end of each financial year and following the closure of your account.

Annual Pension Pack

- You will also receive a **Pension Pack** each year detailing your new annual pension payment for the following financial year, your PAYG payment summary for tax purposes (where required) and Centrelink/Department of Veterans' Affairs Schedule.
- The Annual Pension Pack is sent to you by 14 July each year.

What other information is available for you to access?

Additional information available free of charge

- You can request a copy of:
 - the most recent audited accounts for the Fund, together with the auditor's report
 - the Trustee's Annual Report
 - the Trust Deed
 - the Fund's Risk Management Plan.
- You can also request other information that is reasonably required to help you understand your benefit entitlements in the Fund.

Trustee's Annual Report

- We will provide on our website the Trustee's Annual Report for the Fund, which covers financial statements, general super updates and managed fund information for each financial year ending 30 June.
- It is provided within six months of the end of each financial year.

Internet access and functionality

- Portfolio Online is a user-friendly internet facility. It provides you with convenient and secure access to your key pension account details, including the value of your investment options.
- You can register for access to Portfolio Online at our website (www.ioof.com.au).

Electronic communications

You can choose to receive any or all of the following communications from the Trustee electronically via Portfolio Online:

- your Member Statement
- confirmation of transactions which are required by law to be confirmed
- notice of any change or event required by law to be given to members
- all communications other than those points listed immediately above.

You will be able to access and download these communications electronically at any time while you are a member and registered user of Portfolio Online.

When a communication is available for you to access using Portfolio Online, we will send a notification to your preferred email address. You will need to let us know your preferred email address on your Application form and then tell us your new email address if it changes.

By making these communications available to you electronically, we satisfy our obligations under the *Corporations Act 2001*. However, if you ever change your mind and would like paper copies of any of these communications, we will provide them to you free of charge on request.

Terms and conditions for electronic communications

Where you elect to receive communications from the Trustee electronically via Portfolio Online, you agree:

- to receive the communications (selected in your application) from the Trustee electronically by regularly accessing them using Portfolio Online
- to register or be registered and remain registered as a user of Portfolio Online
- any communication given to you electronically by making it available to you to access using Portfolio Online will be taken to be delivery of the communication to you
- the Trustee will send an email notification to your preferred email address when a communication is available for you to access using Portfolio Online
- you have provided your preferred email address in your application and are responsible to notify the Trustee of any change to your preferred email address
- you will be able to access such communications at any time while you are a member and registered user of Portfolio Online

- you can download a copy of any such communication
- the Trustee will send you a free paper copy of any communication you request
- Portfolio Online is a 'facility' for the purposes of section 1017F(5) of the *Corporations Act 2001*
- the Trustee may give you any communication in any other method permitted by law.

Transferring assets into your Pursuit Select account

Any external assets that you currently hold may be able to be transferred into your account in the Fund. As a transfer of external assets is treated as a contribution to the Fund, tax and superannuation rules may apply to the transfer. The Trustee will treat the contribution as having been received by the Fund when legal title passes to the Trustee.

Where the Trustee permits the transfer of assets into the Fund as some or all of your rollover, any external expenses (including stamp duty) incurred by the Trustee in facilitating the transfer shall be debited to your account. In addition, the Trustee may apply an administration fee per asset transferred into the Fund.

Transferring from another Pursuit or IOOF Portfolio Service term allocated pension

If you apply to transfer to a Pursuit Select Term Allocated Pension from another Pursuit or IOOF Portfolio Service term allocated pension, you are authorising us to transfer each investment option (where possible), and the balance of your Cash Account (together comprising the full balance of your existing account), to your new pension account.

Any investment options you may have held in your existing Pursuit or IOOF Portfolio Service account that are not currently available in Pursuit Select Term Allocated Pension, will be redeemed and invested in the Cash Account until you provide us with new Investment Instructions (refer to the Investment Instructions form). If any of those investments are redeemed prior to the transfer, you may incur a CGT liability.

If you have any outstanding Investment or Withdrawal Instructions (including any Standing/Investment Instructions) that apply to your existing account, they will be cancelled upon your transfer to Pursuit Select Term Allocated Pension. In that case, you would need to complete the relevant sections of the Application form and Investment Instructions form to establish the instructions or features you would like to apply to your new pension account. You are not required to provide a Primary Instruction.

A Member Advice Fee – Upfront will not be charged on the transfer of your existing account balance to your new account.

If you would like to transfer your account from another product in the Fund, please complete Part B of Step 2 of the Application form located in the Forms booklet.

For more information on transferring from another product within the Fund, please see **IOOF Pursuit fact sheet 109**.

Financial Adviser Authority

If you appoint a financial adviser you are taken to have automatically authorised your financial adviser and their staff (your financial adviser), as your agent, to operate your account and to give any instructions on your behalf in relation to your account to us by any method acceptable to us, including electronically.

This authority does not authorise your financial adviser to:

- withdraw any funds from your account
- authorise any change in fees and charges, including Fee Aggregation, for your account
- sign any form on your behalf where the law or an external party requires your signature of the form (such as a Binding Nomination form and a Transfer form)
- change the name on your account
- authorise any other person to operate your account.

Accordingly, your current or any future financial adviser you appoint can do everything you can do with your account except the things listed above. We will continue to follow instructions given by your financial adviser under this authority until we receive notice in writing signed by you to cancel the authority.

If you have authorised your financial adviser to do so, your financial adviser may submit switch or re-weight instructions and establish or change Investment Instructions in relation to your account (online instructions) using Portfolio Online.

If you have chosen to invest in various listed securities available under the Direct Share Choice, your financial adviser must submit orders to buy or sell listed securities and other instructions on your behalf using Portfolio Online.

Your financial adviser may also be authorised to use Portfolio Online to complete and submit on your behalf any forms which the Trustee permits to be submitted electronically using Portfolio Online.

What if you have a complaint?

If you have a complaint about your Pursuit Select account (or wish to obtain further information about the status of an existing complaint), please contact the Manager, Customer Care on 1800 062 963 or write to:

Manager, Customer Care
IOOF Investment Management Limited
GPO Box 264
Melbourne VIC 3001

If you let us know of any concerns arising from your dealings with us, we can work towards providing suitable resolutions and better service for all clients in the future.

When you get in touch with us, please provide:

- your contact details
- your account or client number
- a detailed description of the facts surrounding your complaint.

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 90 days.

If you are not satisfied with our handling of your complaint or a decision we have made in relation to your complaint, you may contact the Superannuation Complaints Tribunal (SCT) by calling 1300 884 114, or by writing to the SCT at Locked Bag 3060, Melbourne VIC 3001.

This service is available free of charge to you, however the SCT can only hear your complaint after you have first made use of our internal complaints handling arrangements (as explained above).

Your privacy

The Trustee recognises the importance of protecting your privacy. The main reason we collect, use and/or disclose your personal information, is to provide you with the products and services that you request. This may also include the following related purposes:

- to help your financial adviser provide you with financial advice and ongoing services in relation to your pension account
- to facilitate internal administration, accounting, research, risk management, compliance and evaluation of IOOF group products and services
- to provide you with information about other products and services that we or other members of the IOOF group have that may interest you.

We may also disclose your information (or parts thereof) to external parties some of whom act on your or our behalf. These parties can include:

- your financial adviser
- your employer
- banks or other financial institutions
- legal and accounting firms, auditors, mail houses, contractors, or other consultants involved with the Fund
- the Australian Taxation Office (ATO)
- other companies in the IOOF group.

We are also permitted to collect and disclose your personal information when required or authorised to do so by law.

If you do not provide the information requested in your Application form, we may not be able to accept and process your application.

If you have concerns about the accuracy and completeness of the information we hold, you may request access to your personal information by writing to:

Privacy Officer
IOOF Investment Management Limited
GPO Box 264
MELBOURNE VIC 3001

Depending upon the nature of the request, we have the right to impose a reasonable charge for providing access to that information. If you have provided us with information about another person (such as a family member to whom you have granted a power of attorney to deal with your pension account), you must advise them that we collect, hold and use the information for the purposes set out above.

To obtain a copy of the IOOF group privacy policy or to elect not to receive marketing information about other IOOF group products and services, please contact our client services team on 1800 062 963 or visit our website (www.ioof.com.au).

Anti Money Laundering (AML) and Counter Terrorism Financing (CTF) legislation

We are required to carry out 'proof of identity' procedures before establishing a pension. These requirements arise under the Government's AML/CTF Law.

Where you have not already provided us with appropriate identification, we will be required to collect customer identification information and to verify it by reference to a reliable independent source. You will be notified of these procedures when you request a pension payment. If you do not provide the information or we are unable to verify the information, payment of your pension may be delayed or refused.

How to apply

Application procedure

Joining is simple. All you have to do is complete the Application form and any other relevant forms in the Forms booklet.

You can obtain a copy of this booklet:

- from your financial adviser
- by downloading one from our website (www.ioof.com.au)
- by calling our client services team on 1800 062 963.

Contact us

POSTAL ADDRESS

Client Services
GPO Box 264
Melbourne VIC 3001

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