



IOOF Portfolio Service Investments

IDPS Guide

Dated: 1 June 2011

Issuer: IOOF Investment Management Limited
(ABN 53 006 695 021, AFS Licence No. 230524)

Legal notes

IOOF Portfolio Service Investments (the Service) is an Investor Directed Portfolio Service (IDPS). This IDPS Guide (Offer Document) is not a product disclosure statement for the purposes of the *Corporations Act*. It has been prepared in accordance with the current Australian Securities and Investments Commission (ASIC) policy governing IDPSs.

The Service is only available to persons receiving this Offer Document (electronically or otherwise) within Australia. The contents of this document are intended to help you understand the Service being offered by IOOF Investment Management Limited (IIML) and to make an informed decision on how it may meet your investment needs.

About the Service Operator and Custodian

The Service Operator and Custodian, IIML, is a company within the IOOF group, comprising IOOF Holdings Limited ABN 49 100 103 722 and its related bodies corporate (IOOF group). Investments into managed funds or term deposits acquired through the Service do not represent assets or liabilities of IIML or any other company or business within the IOOF group. The terms 'our', 'we', 'us' and 'Service Operator' in this Offer Document refer to IIML.

As the Service Operator, IIML operates and administers the Service on the terms and conditions outlined in this Offer Document. 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 Service Co. Pty Ltd ABN 99 074 572 919.

We may refuse an application to join the Service without providing reasons for the refusal. An applicant becomes a client in the Service when IIML accepts the application and records them as a client in its records.

As custodian, IIML holds the assets of the Service on behalf of investors and undertakes all of the administrative tasks through Australian Wealth Management Service Co. Pty Ltd.

IIML is the issuer of this Offer Document and is solely responsible for its contents. This Offer Document was prepared by IIML based on its interpretation of the relevant legislation as at the date of issue.

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. IOOF Global One Limited ABN 54 093 415 251, AFS Licence No. 234432, is the Responsible Entity of the IOOF Wholesale Solutions and IOOF Wholesale Single Manager Solutions range of trusts, and is entitled to charge fees under the Constitutions of IOOF Wholesale Solutions and IOOF Wholesale Single Manager Solutions. These are some of the investment options offered in IOOF Portfolio Service Investments (as listed in [IOOF Portfolio Service investment options menu](#)).

About the relationship between Perennial and IIML

Perennial 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 the [IOOF Portfolio Service investment options menu](#).

IIML regularly reviews the investment options available to investors through the Service 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 Offer Document 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 'Making investment choices' in this Offer Document. 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).

General advice warning

The information contained in this Offer Document 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 deciding to invest through the Service.

Disclaimer

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 acquired through the Service. Investments made through the Service into the investment options are subject to investment risks and other risks. This could involve delays in the repayment of principal and loss of income or principal invested.

Updated information

Information referred to in this Offer Document 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 Offer Document. 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.

Key words

There may be words in this Offer Document you may not be familiar with. To help you understand those terms, we have defined them on page 46-47.

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An introduction to IOOF Portfolio Service Investments

The Service offers you a comprehensive investment and administration solution to help you achieve your financial goals. When you invest through the Service you gain access to a broad range of managed funds and term deposits. You can choose the investment options and investment methods that suit you and which may assist you in achieving the financial goals you have set. Your investment through the Service can be used for anything from simple wealth creation to meeting longer-term retirement plans.

The contents of this section will inform you about the basics of the Service and some of the key features and benefits available to you when you invest through the Service. Whether you are an experienced investor or new to this type of administration facility, this introduction will help to lay the foundations of your understanding and assist you to make decisions about your investment needs.

Investing in the Service

With the Service you can select an investment strategy that suits you via one convenient administration facility. This includes having access to:

- a well-researched range of Australian and international investment managers
- secure online access to your account details
- regular savings and withdrawal options to manage your cash flow needs
- a choice of fee structures
- margin lending facilities
- consolidated reporting.

Since we hold and administer all the investments on your behalf through the Service, all you need to do is provide us with the instructions and then we do the rest. This makes investing simpler.

By signing and lodging an application form you will be bound by the terms and conditions as set out in this Offer Document.

Who is the IOOF group?

The IOOF group has demonstrated expertise in the administration and management of investments and superannuation. The IOOF group has more than 160 years' experience in financial services. It is important to know that your investments are being managed by a trusted company.

Snapshot of IOOF Portfolio Service Investments

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 around 230 sector or asset class specific managed funds and term deposits. 	11
Regular Savings Plan	Direct debit facility to enable you to make regular investments by deductions from your nominated financial institution account into your investment account.	6
Standing instructions	<p>You can provide a standing instruction for investments and/or redemptions.</p> <ul style="list-style-type: none"> • A standing investment instruction specifies how excess cash (ie the amount above the minimum balance required) held in your Cash Account is to be invested. • A standing redemption instruction specifies the investment options to be redeemed to meet the minimum balance required for your Cash Account, or to fund a withdrawal request where you have not provided a specific instruction. 	23
BPAY ^{®1}	Make regular or one-off investments without a direct debit facility.	6
Cash Account	The Cash Account records all transactions and aims to generate a competitive investment return on that part of your investment account that is required to be held in cash.	25
Income distributions	Income distributions from your investment options (if or when payable) will be credited to your Cash Account. To automatically invest your distributions (when in excess of your minimum Cash Account requirement), a standing investment instruction is required.	24
Margin lending	We have arrangements in place with certain lenders to facilitate margin lending through the Service.	8
Transacting		Page
Regular Withdrawal Plan	Set up a regular payment facility from the Service into your nominated account with your financial institution.	10
Automatic Withdrawal Facility	Allows regular payment of income distributions into your nominated account with your financial institution.	10

1 Registered to BPAY Pty Ltd ABN 69 079 137 518. Only available if your nominated financial institution offers this service.



An introduction to IOOF Portfolio Service Investments (continued)



Managing your account		Page
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.	23
Fee aggregation	You can link multiple IOOF Portfolio Service accounts (conditions apply), including those of family members, which may reduce the Administration Fee payable.	34
Minimum amounts		Page
Initial investment	<ul style="list-style-type: none"> \$10,000 \$2,500 with a Regular Savings Plan. 	6
Additional investments (one-off)	\$2,000 per investment.	6
Regular Savings Plan	\$200 per frequency.	6
Lump sum withdrawals (one-off)	The lesser of \$2,000 or your account balance.	9
Regular Withdrawal Plan	\$200 per month or quarter.	10
Automatic Withdrawal Facility	\$200 per month or quarter.	10
Account balance	\$2,000 ²	9
Investment options and switching instruction ³	<ul style="list-style-type: none"> Managed funds – no minimum applies. Term deposits – \$5,000 per term deposit. 	25
Cash Account	Standard Entry Fee Option – Contribution Fee paid upfront	Deferred Entry Fee Option – Contribution Fee paid later
	Minimum: <ul style="list-style-type: none"> higher of \$500 or 2% of account balance; plus three months of regular withdrawal payments (if applicable). 	

² If an investor holds an investment in a term deposit the minimum account balance will be \$2,000 plus the value of that term deposit.

³ Investment limits apply to the proportion of your portfolio which can be held in annuity funds, term deposits and investment options with extended redemption periods. For further information regarding these limits, see page 22 and the [IOOF Portfolio Service investment options menu](#).

Fees		Page												
Entry (Contribution) or Exit Fees	<p>Choose between:</p> <ul style="list-style-type: none"> Standard Entry Fee Option – Contribution Fee paid upfront <p>Under this option No Exit Fee applies.</p> <ul style="list-style-type: none"> Deferred Entry Fee Option – Contribution Fee paid later <p>Under this option the Exit Fee reduces each year for 5 years with an additional charge on the Administration Fee for that same period.</p>	30												
Administration Fee	<table border="1"> <thead> <tr> <th style="background-color: #444; color: white;">Account balance</th> <th style="background-color: #444; color: white;">Administration Fee</th> </tr> </thead> <tbody> <tr> <td>\$0 – \$100,000</td> <td>Up to 1.35% pa</td> </tr> <tr> <td>Next \$150,000</td> <td>Up to 1.10% pa</td> </tr> <tr> <td>Next \$250,000</td> <td>Up to 0.95% pa</td> </tr> <tr> <td>Next \$500,000</td> <td>Up to 0.65% pa</td> </tr> <tr> <td>Above \$1,000,000</td> <td>Up to 0.40% pa</td> </tr> </tbody> </table> <p>plus up to an additional 0.98% pa for the first 5 years of each deposit where an account is opened under the Deferred Entry Fee Option.</p>	Account balance	Administration Fee	\$0 – \$100,000	Up to 1.35% pa	Next \$150,000	Up to 1.10% pa	Next \$250,000	Up to 0.95% pa	Next \$500,000	Up to 0.65% pa	Above \$1,000,000	Up to 0.40% pa	31
Account balance	Administration Fee													
\$0 – \$100,000	Up to 1.35% pa													
Next \$150,000	Up to 1.10% pa													
Next \$250,000	Up to 0.95% pa													
Next \$500,000	Up to 0.65% pa													
Above \$1,000,000	Up to 0.40% pa													
Monthly Member Fee	\$7 per month for account balances below \$150,000.	30												
Investment Management Cost	Charged separately by the investment manager of each managed fund.	31												
Switching Fees ⁴	Managed funds and term deposits – nil.	31												
Performance-based fees	We do not charge any performance-based fees under the Service. An investment manager may charge a performance-based fee for a particular managed fund.	34												
Adviser service fee	You and a financial adviser selected by you have the flexibility to nominate an ongoing adviser service fee payable as either a dollar-based amount or a percentage of your account balance. If you do not have a financial adviser, this fee is not charged.	37												

⁴ When you move money in or out of the Service 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 (see 'Transaction costs – managed funds' on page 36 and the product disclosure statement for the particular managed fund for details).

How does the Service work?

Who can use the Service?

The Service is an investment administration facility that has been designed with features for investors who want to construct and manage their portfolio. Any individual over 18 years of age may invest through the Service either by themselves or jointly.

This Service is ideal for individual investors, partnerships, companies or the trustees of self managed superannuation funds and other trusts. With access to a wide range of managed funds across all asset classes and term deposits, the Service will suit the sophisticated investor who wants to create a portfolio from a wide selection of managed funds and term deposits to meet their financial goals.

If you are looking for a one-stop administrative solution to manage your investment needs without the substantial burden of administration and record keeping, the Service may be for you. Talk to a financial adviser about how the Service can be tailored to suit your individual financial objectives.

Making a start

You can start your investment account with an amount (an 'initial investment') of:

- \$10,000
- \$2,500 (if you have selected the Regular Savings Plan).

Investments made into your account are credited first to your Cash Account. Those investments (less any Contribution Fee⁵) will be invested in accordance with your Investment Instructions and held by us on your behalf. Information on how your Cash Account balance is invested is contained on page 30.

How to make additional deposits

One of the benefits of the Service is that you can add to your investment account using a variety of methods such as B_{PAY}, cheque and Regular Savings Plan (direct debit). Unfortunately, we cannot accept cash or credit cards.

All cheques should be made payable to:

IOOF IPS – [your full name or account number]

Types of deposits

Initial investment

If your initial investment is made by cheque, please complete Step 3 of the Application form, (Form A) located in the IOOF Portfolio Service Investments Forms Booklet.

Additional deposits (one-off by cheque or B_{PAY})

You can make additional one-off deposits to your investment account by either cheque or B_{PAY} if this facility is available from your nominated financial institution.

For investments made via B_{PAY}, a Biller Code and Customer Reference Number are sent to you when you invest through the Service.

Where a one-off deposit is made by cheque, you may nominate investment options which differ from your standing investment instruction (refer to 'Specific instructions' on page 24).

Regular Savings Plan (direct debit)

A Regular Savings Plan facility allows you to set up a direct debit arrangement for regular monthly, quarterly or half-yearly investments to your investment account by completing a Direct Debit Request (Form C).

The direct debit will occur from your nominated account with a financial institution on the 15th day of the relevant month (or nearest business day after the 15th day).

Your Direct Debit Request must be received at least five business days before then to ensure that your deduction is processed that month. If an application is not received within these timeframes, it will be processed either that month or the following month (and then continue regularly according to the frequency you selected).

⁵ For more information regarding the Contribution Fee, refer to page 30.

Differences between investing directly in the investment options and investing through an IDPS (such as the Service)

The following table illustrates some key differences.

Investing through the Service	Investing directly
<p>You have access to a range of wholesale managed funds that generally charge lower fees than equivalent retail funds.</p>	<p>Generally, you only have access to retail managed funds, unless you have a large sum of money to invest, or if you are a professional investor and can invest directly in wholesale funds.</p>
<p>We have custody of your investments but you are the beneficial owner of them. All investments are legally held by us in the name of the Service on trust for you and not in your name. Generally, you will not receive any direct communications from the underlying investment managers, but you may elect to receive certain communications – refer to page 44 for further details.</p>	<p>You are the legal and beneficial owner of the investments and hold the investments directly in your name.</p>
<p>You pay no entry, exit or switching fees when you change your investment options within the Service.</p>	<p>If you switch from one investment option to another you may incur entry or exit fees on any amount that you switch.</p>
<p>Income received from any investment option is collected first by us and deposited into your Cash Account. It is then invested into the managed fund(s) of your choosing. Alternatively, it can remain in your Cash Account or you can use the Automatic Withdrawal Facility to pay the income distributions to yourself.</p>	<p>Income received from any managed funds will be reinvested or paid directly to you by each investment manager. You need to deal with each one separately.</p>
<p>At maturity, the proceeds from a term deposit (principal and interest) will be paid into your Cash Account. A new Investment Instruction will be required if you wish to open another term deposit.</p>	<p>At maturity, you can elect that the proceeds from a term deposit (principal and interest) be rolled into another term deposit.</p>
<p>You have one point of contact for all investment administration issues and receive a consolidated report on your account.</p>	<p>You need to contact each investment manager separately for all investment administration issues. You will receive numerous communications such as reports, valuations and accounts from each investment manager for each investment.</p>
<p>You do not have any specific ‘cooling off’ rights with respect to the underlying investments that we purchase on your behalf. We provide a five day ‘cooling off’ period in respect of your initial investment through the Service.</p>	<p>If you invested directly in a managed fund you would generally be entitled to a 14-day ‘cooling off’ period to change your mind and cancel your investment. Term deposits can generally be redeemed early subject to an interest rate penalty and/or a processing fee.</p>
<p>You will pay a separate administration and investment management fee under the Service.</p>	<p>Generally, you will pay one combined administration and investment management fee for each investment you choose. For term deposits these costs are built into the interest rate.</p>
<p>Any cash withdrawals from the Service are subject to our rules and procedures, including any Cash Account or investment restrictions.</p>	<p>You deal directly with the relevant investment manager to make cash withdrawals. They may have their own rules, procedures and restrictions.</p>



How does the service work (continued)



Margin lending

Margin lending allows you to borrow money to invest in managed funds or term deposits. This strategy is called gearing. A gearing strategy has the potential to amplify your investment returns because you are investing more money than simply using your own savings. However, it is important to recognise that gearing also potentially amplifies the negative effects of falls in market values – in other words, it could increase your investment losses.

Depending on your circumstances, the interest cost of any borrowed funds may be tax deductible.

Margin lending may not be suitable for your particular investment objectives, financial situation or individual needs. Before making a decision to borrow funds, you should speak with a financial adviser about how margin lending works and to determine whether gearing your investments is appropriate in your case. You should also seek tax advice on the potential tax benefits of borrowing funds using a margin lending facility.

We have arrangements in place with certain lenders to facilitate margin lending through the Service. We do not provide any margin loans. You are required to organise any margin loan with a margin lender approved by us. For details of approved margin lenders, please call our client services team. All margin loans are subject to the requirements of the individual lender and accordingly, all of the managed funds and term deposits available through the Service may not be approved for the purposes of the loan.

Any loan approved and obtained using margin lending is first deposited into your Cash Account. It is then invested according to the Investment Instructions you provide to us as per any deposit into your account.

Any proceeds from the sale of the managed funds through the Service that are subject to the margin lending arrangement will be automatically transferred to the margin lender for offsetting against the loan, unless we are instructed otherwise by the margin lender.

We may pass information relating to you and your accounts to the margin lender if we consider doing so is necessary or desirable in relation to the margin lending arrangements or the Service.

These terms will generally apply until the margin lender tells us they do not.

A margin lender may require you to pay a fee in relation to the margin loan. Any such fee will be disclosed in the margin lender's offer document. In certain circumstances, including default under your margin lending arrangement, a margin lender may have the right to recoup charges and expenses from your investment account through the Service.

Important note

The margin lender generally requires you to mortgage your total investment account and surrender your rights under the Service in favour of the margin lender. If your investment account is held as security for a margin loan, it is important to note and understand the changes this will have to your rights and obligations under the Service. Withdrawal instructions on the investment account and withdrawal proceeds are generally only released to you subject to approval by the margin lender. The margin lender also has the right to redeem your managed funds to recover loan amounts and interest. Should this occur, we will action this request without notification to you.

You should also refer to the margin lender's offer document or contract for full details on how a margin loan arrangement will impact your investment through the Service.

Rights and obligations under margin lending arrangements

By entering into margin lending arrangements, you understand and agree to the following:

- The time it takes to process a transaction may be longer depending on the processing requirements of your margin lender.
- Your rights in relation to the Service are subject to the rights of the margin lender.
- The account, subject to the margin lending arrangement will generally become subject to a mortgage or charge in favour of the margin lender.
- Any proceeds from the sale of managed funds through the Service, subject to the margin lending arrangement, will be automatically transferred to the margin lender for offsetting against the loan balance, unless we are instructed otherwise by the margin lender.
- You may not be able to deal in the account without prior agreement from the margin lender.
- There may be restrictions on accessing the account information.
- Information and/or alterations that you request to the account may be provided to the margin lender.

While in place, the margin lending arrangement will mean that we can act in good faith on instructions from the margin lender in relation to the investment options held through the Service even if they conflict with your rights under the Service.

You release, discharge and agree to indemnify us from (and against) any and all actions, proceedings, accounts, claims, costs, demands, charges and expenses as well as losses and liabilities arising from any margin lending arrangement you have no matter how they arise in relation to any of your investments in the Service or arising from us acting on the instructions of your margin lender.

The margin lender may instruct the Service Operator on:

- applications, redemptions and transfers of investments
- payments to and from the account, for their fees and expenses or repayments of the margin loan
- sale of managed funds in a margin call.

The Service Operator can continue to act until the margin lender tells us that we cannot, even if you instruct us not to act.

The Service Operator will not act on instructions from you in relation to any of the managed funds purchased using the margin lending arrangements (including to redeem or withdraw) unless the margin lender has agreed. The Service Operator is not responsible for the margin lender or the services provided by it.

The Service Operator may pass information relating to you and the accounts to the margin lender provided that it considers doing so necessary or desirable in relation to the margin lending arrangements or the Service.

These terms will generally apply until the margin lender tells us they do not.

Any charges and other fees payable under your margin lending agreement are separate to and in addition to the fees payable under the Service.

Margin lending arrangements may vary between different margin lenders. Some margin lenders may require their clients to transfer title or ownership of their investments to the lenders. If you require any more information, please contact your margin lender directly.

Withdrawing money from the Service

It is important to have access to your money when you want it. That's why we have provided you with three withdrawal options for ease of ongoing account management.

As you need it access

You may request a full or partial withdrawal from your account at any time by providing written instructions by mail or fax.

The minimum amount you can withdraw is the lesser of \$2,000 or your remaining account balance. The minimum amount that can be redeemed from a managed fund is \$200.

The value of your Cash Account (including any income distributions reserved under the Automatic Withdrawal Facility) is used to fund withdrawals before we redeem any of your investment options.



How does the service work (continued)



Your standing redemption instruction will be used to identify the investment option(s) that should be redeemed to pay any withdrawals. Alternatively, a withdrawal can be redeemed from the investment option(s) you specify.

Upon leaving the Service, you will receive a statement by mail showing your closing balance and all transactions that took place in the final calendar quarter.

Regular Withdrawal Plan (optional)

You can set up a Regular Withdrawal Plan if you need funds to supplement your income on a regular basis.

The minimum regular withdrawal amount is \$200 per month or quarter.

Regular withdrawals can be paid monthly or quarterly from your Cash Account and credited electronically to your nominated account with your financial institution.

The regular withdrawal will occur on the first day of the month or nearest business day after the first day of the month, according to the frequency you selected.

A request for the Regular Withdrawal Plan must be received at least five business days before the first of the month to ensure your withdrawal plan commences in that month.

Automatic Withdrawal Facility (optional)

This facility allows you to have income distributions from investment options paid monthly or quarterly to your nominated account with your financial institution.

The minimum automatic withdrawal amount is \$200.

The automatic withdrawal will occur on the 15th day of the month (or next business day) following the end of the relevant calendar month or quarter.

If the accumulated income distribution (net of any one-off withdrawals) is at least \$200, it will be paid electronically into your nominated account with your financial institution. Where the amount is less than \$200, it will remain in the Cash Account for the next monthly or quarterly payment.

The income distributions credited to your Cash Account will be reserved and they will not form part of your Cash Account for the purposes of calculating the amount available to fund expenses. However these reserve amounts can be used to fund one-off withdrawal requests.

A request for the Automatic Withdrawal Facility must be received at least five business days before the 15th of the month in which the payment is to be made or it will be processed in the following monthly or quarterly payment period as appropriate. Where your advice is received in time to be processed for that period, it will only apply in respect of income distributions received after the date your request is processed.

What are the key differences between the Automatic Withdrawal Facility and the Regular Withdrawal Plan?

Automatic Withdrawal Facility	Regular Withdrawal Plan
<ul style="list-style-type: none">• Only allows for withdrawal of accumulated income distributions credited to your Cash Account.• Payments will vary depending on the amount of income distributed by the investment options.• Payable each calendar month or quarter.	<ul style="list-style-type: none">• The payment is deducted from your Cash Account (this may include income distributions and the proceeds of redemptions from managed funds).• Regular payments are based on a fixed dollar amount each time.• Payable each calendar month or quarter.

Investors may have one or both of these options active for their account management.

Making investment choices

The IOOF Portfolio Service provides access to around 230 managed funds and term deposits. With so many investment options you can construct a portfolio to help achieve your investment needs.

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

About your investment

Your investment risk and return profile

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

Diversification

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

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

Indexed investment options

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

Choosing 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. You also have the option to invest in term deposits.

We carefully research leading Australian and international investment managers before selecting managed funds to be part of the investment options 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 investment options is set out in the **IOOF Portfolio Service investment options menu** and also in the Investment Authority (Form B) contained in the IOOF Portfolio Service Investments Forms Booklet. The list may change from time to time.

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

Making investment choices (continued)



Important note

More information about each of the investment options available 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.

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 requesting it from our **client services team** on **1800 062 963** or directly from our website (www.ioof.com.au).

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.

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

Investment options with extended redemption periods

Some of the managed funds may be classified as investment options with extended redemption periods (see the **IOOF Portfolio Service investment options menu**). You are not able to invest more than 30 per cent of your account balance in each investment option or in each investment category, with not more than 70 per cent of your portfolio in investment options with extended redemption periods. Investment options with extended redemption periods are assets which either cannot be readily realised within 30 days, or where realising those assets within 30 days would have an adverse impact on their value.

Labour standards, environmental, social and ethical considerations

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

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

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 multi-manager Diversified and Sectoral Trusts simplify the investment selection process by combining the 'best of the best' manager blends to suit your investment objectives. For further information see the table commencing on page 14.
Premier Investor Choice	Premier Investor Choice complements our 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 investment options. For further information see the table commencing on page 16.

Making investment choices (continued)



Easy Choice			
Investment Categories	IOOF Diversified Multi – Conservative	IOOF Diversified Multi – Balanced	IOOF Diversified Multi – Growth
Investment objective	To provide consistent returns over the medium to long-term through high exposure to defensive assets.	To provide moderate growth over the medium to long-term through a balanced exposure to growth and defensive assets.	To provide moderate to high growth over the long-term through high exposure to growth assets.
Investment strategy	To invest predominantly in defensive assets such as fixed interest and cash investments. Some capital growth is provided through a small exposure to growth assets such as shares and property.	To invest in a diversified portfolio providing a balanced exposure to the major asset classes such as cash, fixed interest securities, shares and property.	To invest predominantly in a diversified range of Australian and international shares and property with a small exposure to income producing investments.
Factors influencing investment returns	Volatility in interest rates may cause the value of the fixed interest investments to fluctuate.	Returns in the short term may be somewhat volatile and will be affected by movements in global and local share markets, property values as well as movements in foreign currencies.	Returns in the short term may be volatile and will be affected by movements in global and local share markets, property values as well as movements in foreign currencies.
Asset allocation ranges*	Growth assets: 0% – 40% Defensive assets: 60% – 100%	Growth assets: 40% – 70% Defensive assets: 30% – 60%	Growth assets: 70% – 100% Defensive assets: 0% – 30%
Risk	Low to medium	Medium to high	High
Return	Low to medium	Medium to high	High
Typical investment time frame	2 to 3 years	5 to 7 years	7 years or more
A negative annual return is not expected more frequently than	Once in every 10 years	Once in every 7 years	Once in every 6 years
Typical investor	Investors seeking a conservative portfolio with some exposure to growth assets.	Investors seeking a balanced exposure to growth and defensive assets and who are prepared to tolerate short term volatility.	Investors seeking superior long-term returns and who are prepared to tolerate short term volatility.

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

IOOF Sectoral Multi – Cash	IOOF Sectoral Multi – Fixed Interest	IOOF Sectoral Multi – Australian Shares	IOOF Sectoral Multi – Global Shares
To provide a high degree of security and stability, while delivering returns that are consistent with the prevailing market cash rates.	To provide a return that is higher than the available cash rates through holdings of a diversified portfolio of fixed interest, mortgage and enhanced yield securities.	To produce high returns over the long-term.	To produce high returns over the long-term.
To invest in a range of short term interest-bearing securities including bank bills, bank deposits, Government, corporate and mortgage-backed securities by combining different investment managers, and styles within a single asset class.	To invest in either Australian and/or international Government, semi-Government, and corporate fixed interest securities as well as inflation-linked bonds, mortgage securities and money market assets by combining different investment managers, and styles within a single asset class.	To invest predominantly in listed Australian shares in a variety of market sectors by combining different investment managers, and styles within a single asset class.	To invest predominantly in shares listed on stock exchanges in a range of countries by combining different investment managers, and styles within a single asset class.
Movements in short term interest rates will affect investment returns.	The value of fixed interest investments is linked to the market, and therefore they may lose value in periods where interest rates rise and correspondingly gain value in times of decreasing interest rates.	Returns are affected by movements in the share market and may be volatile in the short term. Returns may also be affected by the level of gearing and whether any short-selling strategies are employed by the investment manager. Currency movements may also have an impact on international fixed interest returns.	Returns in the short term may be volatile and will be affected by movements in global share markets as well as movements in foreign currencies.
Very low	Low to medium	High	High
Very low	Low to medium	High	High
1 year	3 to 5 years	5 to 7 years	5 to 7 years
Negligible risk	Once in every 8 years	Once in every 4 years	Once in every 4 years
Investors seeking absolute security of capital.	Investors seeking returns higher than that available from cash.	Investors seeking long-term investments who are prepared to accept short term fluctuation in returns.	Investors seeking long-term investments who are prepared to accept short term fluctuation in returns.

Making investment choices (continued)



Investor Choice			
Investment Categories	Cash	Australian Fixed Interest	Global Fixed Interest
Investment objective	To provide a high degree of security and stability, while delivering returns that are consistent with the prevailing market cash rates.	To provide a return that is higher than the available cash rates through holdings of a diversified portfolio of Australian fixed interest and mortgage securities.	To provide exposure to global fixed interest securities and provide higher than available cash rates through holdings of diversified fixed interest and enhanced yield securities.
Investment strategy	To invest in a range of short term interest-bearing securities including bank bills, bank deposits, Government, corporate and mortgage-backed securities.	To invest in either Australian Government, semi-Government, and corporate fixed interest securities as well as inflation-linked bonds, mortgage securities, high yielding securities and money market assets.	To invest in either Foreign Government, semi-Government, and corporate fixed interest securities as well as inflation-linked bonds, mortgage securities, high yielding securities and money market assets.
Factors influencing investment returns	Movements in short term interest rates will affect investment returns.	The value of fixed interest investments is linked to the market, and therefore they may lose value in periods where interest rates rise and correspondingly gain value in times of decreasing interest rates. Other factors such as liquidity and credit risk play a part in the value of fixed interest securities.	The value of investments in this category may lose value in periods where interest rates rise and correspondingly gain value in times of decreasing interest rates. In addition, the credit quality of the securities and liquidity of the market is also an important factor in influencing investment returns. Currency movements may also have an impact on international securities returns.
Sub-category	<ul style="list-style-type: none"> • Cash Management • Term Deposits • Cash Enhanced 	<ul style="list-style-type: none"> • Annuity Funds • Mortgages • Diversified • Enhanced Yields • Indexed 	<ul style="list-style-type: none"> • Diversified • Enhanced Yields • Indexed
Risk	Very low	Low to medium	Low to medium
Return	Very low	Low to medium	Low to medium
Typical investment time frame	1 year	3 to 5 years	3 to 5 years
A negative annual return is not expected more frequently than	Negligible risk	Once in every 8 years	Once in every 8 years
Typical investor	Investors seeking absolute security of capital.	Investors seeking returns higher than that available from cash.	Investors seeking returns higher than that available from cash.

Australian Shares	Global Shares	Property
To produce high returns over the long-term.	To produce high returns over the long-term.	To provide a combination of income and growth over the long-term.
To invest predominantly in listed Australian shares in a variety of market sectors.	To invest predominantly in shares listed on stock exchanges in a range of countries.	To invest predominantly in property investments and listed property trusts within Australian and international property markets.
Returns are affected by movements in the share market and may be volatile in the short term. Returns may also be affected by the level of gearing and whether any short-selling strategies are employed by the investment manager.	Returns in the short term may be volatile and will be affected by movements in global share markets as well as movements in foreign currencies.	Returns will be affected by movements in property values and in the case of listed property trusts, by movements in the share market. Movements in both short and long-term interest rates will also affect investment returns. Currency movements may also have an impact on international property returns.
<ul style="list-style-type: none"> • Large Companies • Mid/Small Companies • Specialist 	<ul style="list-style-type: none"> • Large Companies (Hedged) • Large Companies (Unhedged/Active Hedged) • Small Companies • Regional • Specialist • Indexed 	<ul style="list-style-type: none"> • Australian Property (Listed) • Australian Property (Hybrid/Direct) • Global Property (Listed) • Global Property (Hybrid/Direct) • Indexed
High	High	Medium
High	High	Medium
5 to 7 years	5 to 7 years	5 to 7 years
Once in every 4 years	Once in every 4 years	Once in every 6 years
Investors seeking long-term investments who are prepared to accept short term fluctuation in returns.	Investors seeking long-term investments who are prepared to accept short term fluctuation in returns.	Investors seeking mostly income returns and some growth to increase the value of their investment in the long-term.

Making investment choices (continued)



Investor Choice			
Investment Categories	Infrastructure	Commodities	Alternative Investments
Investment objective	To produce a balance of income and medium to long-term capital growth.	To gain exposure to commodity related returns and diversification of portfolio risk. Over the long-term, returns tend to be higher than bonds and close to stock returns.	To provide diversification benefits to clients' portfolios by exposure to investment strategies that are not linked with the returns of traditional asset classes over the medium to long-term. Alternative investments generally aim to provide a return above the prevailing cash rate.
Investment strategy	To invest in Australian and overseas infrastructure securities.	To invest in commodity-linked derivatives, commodity exposed industries and funds benchmarked to commodity indices.	Alternative Investments can range from hedge funds, private equity, managed futures and exchange funds to fixed income alternatives and special co-investment opportunities. The role of alternative investments is to provide returns that are less influenced by fluctuations in the market and other traditional asset classes.
Factors influencing investment returns	Factors which will influence returns from infrastructure investments include risks in development, construction and under-usage of assets. Also, the level of gearing an infrastructure trust will take on will influence returns. More gearing, the greater the potential return for a greater risk.	Commodity returns move in line with the world economic cycle. In times of economic growth, demand for commodities is generally stronger, and the reverse is true. Being real assets, commodity prices and returns are linked to inflation, and rise when inflation rises. Commodities can serve as a hedge against inflation.	Alternative Investments take on a broad range of investment strategies. Hedge funds include significant liquidity risk where there is no secondary market for such investments.
Sub-category	<ul style="list-style-type: none"> • Australian Infrastructure (Listed) • Global Infrastructure (Listed) • Global Infrastructure (Hybrid/Direct) • Indexed 		
Asset allocation ranges	N/A	N/A	N/A
Risk	Medium to High	High	High
Return	Medium to High	High	High
Typical investment time frame	5 to 7 years	5 to 7 years	5 to 7 years
A negative annual return is not expected more frequently than	Once in every 6 years	Once in every 4 years	Once in every 4 years
Typical investor	Investors seeking inflation hedging and diversification of returns in their portfolios.	Investors seeking inflation hedging and diversification of returns in their portfolios.	Investors seeking diversification to their portfolios and returns that are not significantly linked to traditional asset classes in the medium to long-term.

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

Diversified – Conservative	Diversified – Balanced	Diversified – Growth
To provide consistent returns over the medium to long-term through high exposure to defensive assets.	To provide moderate growth over the medium to long-term through a balanced exposure to growth and defensive assets.	To provide moderate to high growth over the long-term through high exposure to growth assets.
To invest predominantly in defensive assets such as fixed interest and cash investments. Some capital growth is provided through a small exposure to growth assets such as shares and property.	To invest in a diversified portfolio providing a balanced exposure to the major asset classes such as cash, fixed interest securities, shares and property.	To invest predominantly in a diversified range of Australian and international shares and property with a small exposure to income producing investments.
Volatility in interest rates may cause the value of the fixed interest investments to fluctuate.	Returns in the short term may be somewhat volatile and will be affected by movements in global and local share markets, property values as well as movements in foreign currencies.	Returns in the short term may be volatile and will be affected by movements in global and local share markets, property values as well as movements in foreign currencies.
Growth assets: 0% – 40% Defensive assets: 60% – 100%	Growth assets: 40% – 70% Defensive assets: 30% – 60%	Growth assets: 70% – 100% Defensive assets: 0% – 30%
Low to medium	Medium to high	High
Low to medium	Medium to high	High
2 to 3 years	5 to 7 years	7 years or more
Once in every 10 years	Once in every 7 years	Once in every 6 years
Investors seeking a conservative portfolio with some exposure to growth assets.	Investors seeking a balanced exposure to growth and defensive assets and who are prepared to tolerate short term volatility.	Investors seeking superior long-term returns and who are prepared to tolerate short term volatility.

Making investment choices (continued)



Premier Investor Choice

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

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

The investment strategy for Premier Investor Choice is identical to Investor Choice (as detailed in the table on pages 16 to 19), except Premier Investor Choice does not have any sub-categories.

IOOF multi-manager Trusts

We recognise the importance and expertise required in managing investments through all investment cycles and believe a multi-manager approach provides investors with an expertly managed portfolio incorporating the latest in investment, strategic and economic information.

Our multi-manager Trusts simplify the investment selection process by accessing a team of investment professionals who are dedicated to identifying, blending and managing specialist investment managers to improve returns for investors.

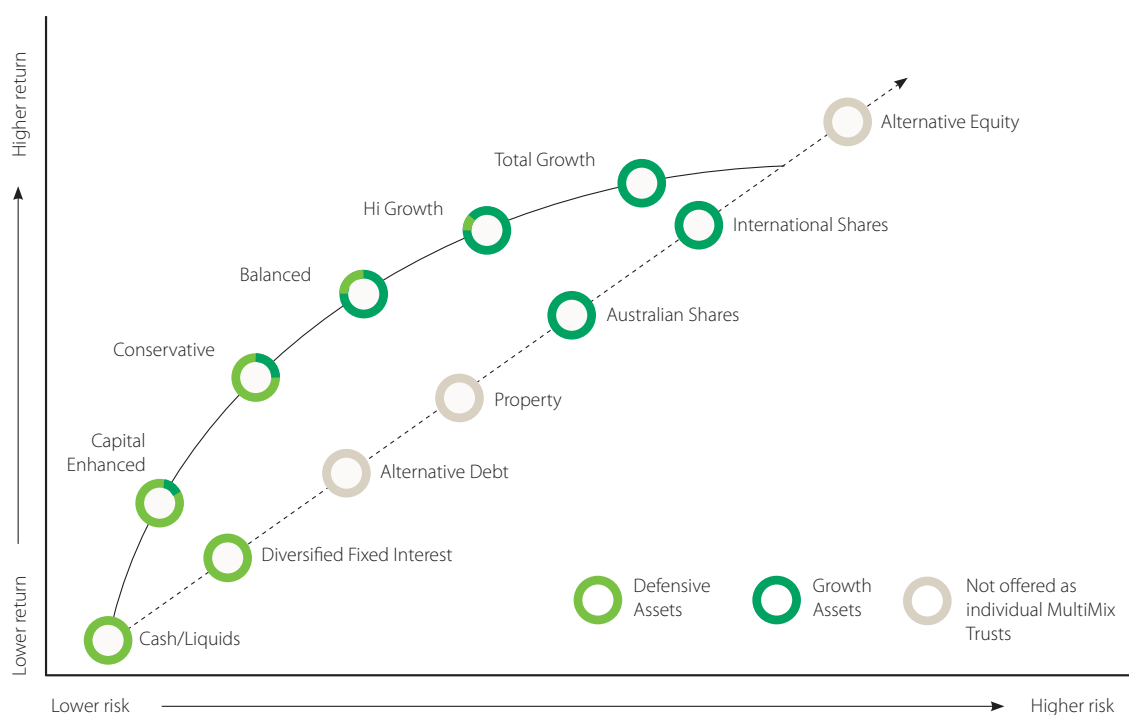
Managing risk through diversification

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

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

Understanding risk versus return

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



Term deposits

In addition to managed funds, the Service allows you to invest in term deposits. Terms and conditions relating to an investment in a particular term deposit are contained in the product guide for that term deposit, however, some further terms and conditions appear below.

Opening a term deposit

Term deposits will only be opened on the 15th day of each month or the next business day if the 15th falls on a non-business day.

Cut off date

An Investment Instruction to open a term deposit must be submitted and adequate funds to open the term deposit available in your Cash Account **on or before the 10th day of the relevant month** (cut off date). Where the 10th falls on a non-business day, the Investment Instruction must be submitted on the business day immediately prior to the 10th. Where an Investment Instruction is received after the cut off date or there are insufficient funds to open the term deposit in your Cash Account by the cut off date, this Investment Instruction will be taken as an instruction to open a term deposit on the 15th day of the following month, unless the Investment Instruction is able to be processed in time to open the term deposit on the 15th day of the relevant month.

Where you elect to redeem assets to open the term deposit, we will not open the term deposit until the proceeds from all redemptions necessary have been received into the Cash Account. In the event some redemption proceeds are not available on or before the cut off date, the required funds to open the term deposit will remain quarantined in the Cash Account until the term deposit is opened in the following month.

Where you elect to fund the investment in the term deposit from the redemption of existing investment options, any operative standing investment instruction will be suspended until the term deposit has been opened. This means that any contributions/deposits or distributions credited to the Cash Account pending receipt of the proceeds from redemption undertaken to fund the term deposit will be retained in the Cash Account until the term deposit is opened. Once the suspension is lifted, any excess balance in the Cash Account will be automatically invested in accordance with the standing investment instruction in the next excess cash sweep.

From time to time, we may offer once-off opportunities to invest in term deposits on different dates. These offers will generally be communicated to your financial adviser, and noted on the updated information page for IOOF Portfolio Service on our website (www.ioof.com.au)

Early redemption

We have the right, on behalf of an investor, to redeem a term deposit early where the investor's account has insufficient funds to meet required payments from the Cash Account. This may result in the term deposit interest rate being reduced.

Investment amount

The final value of any term deposit purchased on your behalf will be reduced by any Contribution fee, or where we are required to retain additional funds in the Cash Account to restore it to the required minimum balance (or higher amount you have nominated). If this reduces the amount available to open the term deposit to less than \$5,000, the Investment Instruction will be invalid.

The total value of assets redeemed to open a term deposit must be an amount sufficient to open the desired term deposit plus any amount required to restore the Cash Account to the required minimum balance (or the higher amount nominated by you). If specific dollar amounts are nominated, where required, we will increase these dollar amounts proportionately to meet the required Cash Account minimum balance.

Making investment choices (continued)



Maturity

At maturity, the proceeds from the term deposit (principal and interest) will be paid into your Cash Account. You can elect to rollover your term deposit principal into a new term deposit by providing an instruction prior to maturity.

A communication will normally be sent to investors four to six weeks prior to maturity as a reminder that the maturity is approaching.

Investment limits

IOOF Portfolio Service Investments has maximum amounts which can be allocated to particular assets or investment categories. The amounts are detailed in the table below and are only applicable at the time an investment instruction is supplied.

We will not monitor these limits on an ongoing basis and will generally not sell down investment options if these limits are exceeded, other than where necessary to ensure adequate liquidity is maintained within your account.

Investment option	Not more than...
Investment options with extended redemption periods	30% of your account balance in each investment option or in each investment category, with not more than 70% of your account balance invested in investment options with extended redemption periods.
Annuity funds and term deposits	80% of your account balance.

Managing your investment account

This section provides you with instructions about how to select your investment options, manage income distributions, change your managed fund selections and top up 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 investment account, including the following:

Portfolio summary – view the total value of your account ('portfolio').

Account transactions – view all your transactions including your investments, withdrawals and income distributions.

Account information – view information about your regular savings and withdrawal plans, Investment Instructions and the nomination made for your income distributions from the managed funds.

Statements – view current and historical statements online.

Reports – view your portfolio history, Cash Account statement, asset allocation and performance reports.

Electronic communications – view the communications which you elect to receive electronically.

How can you 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 us to:

- allocate your deposits across the various investment options
- invest the excess cash held in your Cash Account
- top up your Cash Account to meet the minimum requirement
- process a withdrawal request (which investment options we should redeem from).

The percentage allocated to each investment option must be a whole number.

You are able to supply two types of Investment Instructions.

You provide your Investment Instructions on the Investment Authority (Form B) contained in the IOOF Portfolio Service Investments Forms Booklet.

Types of Investment Instructions

1. A standing investment and/or redemption instruction

- A standing investment instruction specifies the investment options you wish the excess cash held in your Cash Account to be invested in and how deposits should be invested.
- A standing redemption instruction specifies which investment options you wish to redeem to top up your Cash Account or to fund a withdrawal request.

All standing investment and redemption instructions must total 100 per cent. Your allocation to the Cash Account **does not** count towards this 100 per cent, including where you have nominated a Cash Account holding above the minimum requirement.

To confirm your allocation to each investment option you can view your current standing instructions via Portfolio Online or you can call our **client services team** on **1800 062 963**.



Managing your investment account (continued)



2. Specific instructions

Additional deposits

A one-off specific instruction can be supplied only where the deposit is made by **cheque**.

When provided, this one-off specific instruction will override the use of the standing investment instruction for that particular deposit. You may need to retain all or part of a deposit in your Cash Account to satisfy the minimum requirement.

Withdrawals

In the event of a withdrawal, you may also supply a **one-off** specific instruction indicating from which investment option(s) you wish your withdrawal request to be redeemed. When provided, such an instruction will override the use of the standing redemption instruction for that particular withdrawal.

Income distributions

Income distributions may be paid from your investment option(s).

Any income distributions that you receive from your investment option(s) are automatically credited to your Cash Account (less any tax in the case of non-residents or where an Australian tax file number (TFN) or Australian business number (ABN) is not provided). These distributions may be retained in your Cash Account to restore the balance to the required minimum. Where your Cash Account exceeds the minimum requirement, the excess may be invested in accordance with the process outlined under 'Surplus cash' on page 27.

For example

Maria submits a request to fully redeem her investments in Funds C and D. As a result, Maria's standing investment instruction is automatically updated to remove Funds C and D and to re-weight the remaining funds.

Managed fund	Existing holding	Withdrawal request	Standing investment instruction before	Standing investment instruction after
Fund A	10%		10%	25%
Fund B	40%		30%	75%
Fund C	25%	100%	20%	
Fund D	25%	100%	40%	

To automatically invest your distributions (when in excess of your minimum Cash Account requirement), a standing investment instruction is required.

If you wish to have your income distributions paid out to you from your Cash Account and credited electronically to your nominated account with your financial institution you will need to set up an Automatic Withdrawal Facility.

This feature is described in more detail on page 10.

Changing your Investment Instructions

To update your Investment Instructions, please complete the Investment Authority (Form B) located in the IOOF Portfolio Service Investments Forms Booklet and send the completed form back to us.

Where we have suspended or stopped investments in a managed fund or where a managed fund is redeemed in full, that managed fund will be removed from your standing instructions and the instructions will be re-weighted. We will do this automatically and you will not be advised of the change.

Where you have nominated a single managed fund as your standing redemption instruction, and the balance in that managed fund has been exhausted, your standing redemption instruction will be invalid. Any future redemptions will be drawn from all managed funds according to the proportion invested in each managed fund.

Changing your investment options (switching)

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

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 Authority (Form B) located in the IOOF Portfolio Service Investments Forms Booklet.

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

- Switching between investment options may give rise to a CGT liability. Please speak to a financial adviser or tax adviser for more information.
- A buy/sell spread may be incurred when switching between managed funds. See 'Transaction costs – managed funds' on page 36.
- The process for opening or redeeming an investment in a term deposit differs from switching for managed funds. For further information regarding this process, refer to 'Term deposits' on page 21.
- If you have a margin lending facility, the lender's approval generally must be obtained before any transaction can proceed.

Your Cash Account

Why do you have a Cash Account?

Your Cash Account is used to process all cash transactions that occur within your investment account. For example, all money paid into your account and any earnings from your investment options goes through your Cash Account and all fees 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.

To achieve the competitive returns, the Cash Account balances of all investors are invested in a combination of an operating bank account (for day-to-day transactions) yielding overnight cash rates and in the IOOF/Perennial Cash and Income Fund (ARSN 087 727 277) (Cash and Income Fund).



Managing your investment account (continued)



Before investing through the Service, you must obtain and read a copy of the product disclosure statement (and any supplementary product disclosure statement) for the IOOF Flexi Trust (which includes details on the Cash and Income Fund) because in applying to become an investor through the Service, you are authorising the investment of part of your cash holdings into the Cash and Income Fund. The Cash Account therefore forms part of your Investment Instruction to us.

The required balance of the operating account for each business day is calculated according to the following formula:

$$X = A + (B \times 0.1)$$

Where:

- A = the amount required to cover payments of any operating expenses, withdrawals and purchases of underlying investments for the Service that are payable within the next ten business days.
- B = the aggregate value of the Cash Account at close of business on that day.
- X = the required balance of the operating account for the opening of business on the following business day.

Any portion of the Cash Account which exceeds the required balance of the operating account from time to time will be invested in the Cash and Income Fund.

By investing through the Service, you are taken to have provided an Investment Instruction to us to make such investments or withdrawals as are necessary from time to time:

- to maintain the required balances (calculated as above) in the operating account and make any withdrawals from the Cash and Income Fund required for that purpose
- to invest any part of the Cash Account which exceeds those required balances from time to time in the Cash and Income Fund
- in spite of the above, to make no change to the amounts held in the operating account or the Cash and Income Fund because of the application of the above formula if the change would involve an amount of less than three per cent of the aggregate value of the Cash Account at close of business on the relevant day.

Any income distributed by your chosen investment options is deposited into your Cash Account.

Minimum allocation to your Cash Account

You are required to maintain a minimum amount in your Cash Account (as detailed in the table below). This amount is used for funding fees, expenses and taxes (where applicable). The amount required to maintain the minimum balance in your Cash Account will vary depending on the fee option selected.

Cash Account minimum

Standard Entry Fee Option – Contribution Fee paid upfront	Deferred Entry Fee Option – Contribution Fee paid later
<p>Minimum:</p> <ul style="list-style-type: none"> Higher of \$500 or 2 per cent of account balance; plus three months of regular withdrawal payments (if applicable). 	<p>Minimum:</p> <ul style="list-style-type: none"> Higher of \$500 or 3 per cent of account balance; plus three months of regular withdrawal payments (if applicable).

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

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

Minimum balance

We will check your Cash Account balance at least quarterly.

If the balance in your Cash Account falls below the required minimum, we may top up the balance by redeeming the necessary amount from your investment option(s). Where you have supplied a standing redemption instruction (see page 23), we will redeem the necessary amounts from each option based on the instruction provided by you. Where no instruction has been supplied, the amount redeemed from each investment option will normally be weighted in proportion to the balance of your investment options.

Please note annuity funds, term deposits and investment options with extended redemption periods are excluded from the top up process.

Surplus cash

We will review your Cash Account on or around the 20th day of each month. If your Cash Account exceeds your minimum balance plus \$200, we will invest the excess according to your standing investment instruction (see page 23) if you have provided one. The excess (if applicable) will normally be invested within five business days following our review of your Cash Account balance.

Transaction processing

The following information details some timeframes that we strive to achieve, explains the factors that may influence the processing of transactions and outlines the communications that you will receive or may obtain from us in regard to your account.

Processing investments

We will normally commence processing a newly invested amount on the day of receipt or not later than the next business day, subject to any unforeseen circumstances.

Each amount will be first credited to your Cash Account before being invested in accordance with your Investment Instruction. This will normally be completed within five business days following the receipt of each investment.

Regular Savings Plan (direct debit)

Direct debits will occur from your nominated account with a financial institution on the 15th day of the relevant month (or nearest business day after the 15th day).

Your Direct Debit Request must be received at least five business days before then to ensure that your deduction is processed that month. If an application is not received within these timeframes, it will be processed either that month or the following month (and then continue regularly according to the frequency you selected).

Withdrawal instructions

Payment of a withdrawal request will normally be processed within ten business days of receipt of your completed request (excluding investment options with extended redemption periods). If any units in the investment option(s) are required to be redeemed to action your withdrawal request, individual investment manager operations and processes may cause the payment of funds to be delayed. We are not responsible for any late payments as a result of the investment manager's operations or processes.

Where you have a margin lending arrangement, withdrawal instructions on the account and withdrawal proceeds are generally only released to you subject to approval by the margin lender.

We are required to carry out proof of identity procedures before processing a cash withdrawal. These requirements arise under the Government's Anti Money Laundering and Counter Terrorism Financing legislation (AML/CTF Law). We are 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 cash withdrawal. If you do not provide the information or we are unable to verify the information, payment may be delayed or refused.

Withdrawals can be paid by cheque or direct credit to your nominated account with your financial institution. It is important to note that withdrawal payments can only be made in favour of the investor/entity registered on the investment account.

If you want your withdrawal proceeds to be credited directly into your nominated account with your financial institution, please provide all relevant account details with your written or faxed instructions. If this is not supplied, all withdrawal amounts will be paid to you by cheque.

In the event that you make a full withdrawal from your account no interest will be earned from the date of withdrawal.

If any of the units in your managed fund(s) are required to be redeemed to process your withdrawal request, this may give rise to CGT liability. You may like to speak to your financial adviser or tax adviser for more information.



Managing your investment account (continued)



Investment transactions

Your request to invest, switch or redeem an amount from an investment option in your account must satisfy the minimum requirements at all times.

We are not responsible for any delays by the investment managers in processing investments, switches, redemptions or distributions. Your request to invest, switch or redeem from a managed fund may be delayed in the following circumstances:

1. Redemptions from multiple investment managers

Where your instructions require the redemption of units from a number of different investment managers, each investment manager may complete their part of the instruction at different times.

We will deposit the funds into your Cash Account as we receive them from each investment manager. As such, the processing of a switch transaction may be staggered depending on when each investment manager finalises their part of the transaction. The purchase of units in the new investment option(s) will therefore occur progressively as funds become available. Your request will be finalised when we have received the proceeds from all investment managers involved in your transaction.

2. Minimum restrictions by investment managers

Some investment managers may impose minimum investment or redemption limits on their managed funds. Where a managed fund has a minimum investment or redemption limit, we will only process the instruction when we have received sufficient requests (from you and other investors), which in aggregate, satisfy the relevant limit. Accordingly, a delay in your instruction being effected will occur in such circumstances.

Delays may also apply when investing in and redeeming from illiquid managed funds (if applicable). Investments and redemptions will be based on the timing restrictions imposed by the investment managers of those investment options.

3. Pending transactions

The processing of transactions for issuing, switching or redeeming units may be delayed where an earlier transaction relating to your account is in progress (or pending).

4. Unforeseen circumstances

The processing of transactions for the issuing, switching and redeeming of units may be delayed by unusually high volumes of processing or circumstances beyond our control.

The nuts and bolts

What will this cost?

IOOF Portfolio Service Investments is competitively priced and easy to understand. As your account balance grows, the administration fee applied reduces.

In addition, fee aggregation allows you to link your account with other IOOF Portfolio Service accounts (see page 34 for the terms and conditions) for the purpose of calculating and possibly reducing your Administration Fee even further.

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

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

You may be able to negotiate to pay lower contribution fees and management costs where applicable. Ask us 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 managed investment fee calculator to help you check out different fee options.

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

Taxes are set out under 'What taxes apply and how do they work?' on page 39.

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

The Management Costs for the investment options are set out in the **IOOF Portfolio Service investment options menu**.

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.

The total fees and charges you will pay include the costs of this Service as well as the cost of any investment you choose. It is important that you understand the fees of any investment you choose and that those fees are in addition to the fees charged by us for the Service together with transaction and account costs incurred on your behalf.

The following is a consumer advice warning that the Commonwealth Government requires us to include in an Offer Document. It is a useful tool to help you compare the relative costs of our competitors using the same format.

IOOF Portfolio Service Investments offers two different fee payment options:

- a **Standard Entry Fee Option:** To pay a Contribution Fee upfront at the time when you make each investment in the Service.
- b **Deferred Entry Fee Option:** To pay a Contribution Fee later (for example, on the termination of your investment or by way of other increased fees).

Important note

You may pay more in total fees if you choose the Deferred Entry Fee Option. Once a fee payment option is implemented it is set for the life of the account and cannot be altered. Where no fee option is selected, the **Standard Entry Fee Option** applies.

The nuts and bolts (continued)



Fee Table

Type of fee or cost	Amount		How and when paid	
Fees when your money moves in or out of the Service⁶				
Establishment Fee The fee to open your investment.	Nil.		Not applicable.	
Contribution Fee⁷ The fee on each amount contributed to your investment.	Standard Entry Fee Option	Deferred Entry Fee Option	Standard Entry Fee Option	Deferred Entry Fee Option
	Up to 4.10% of the value of each deposit.	Nil.	Deducted from your Cash Account ⁸ at the time of each deposit.	Not applicable.
Withdrawal Fee⁹ The fee on each amount you take out of your investment.	Exit Fee			
	Standard Entry Fee Option	Deferred Entry Fee Option	Standard Entry Fee Option	Deferred Entry Fee Option
	Nil.	Up to 4% of the value of each deposit. 20% of the value of each deposit becomes exit fee free on each anniversary of the original deposit so that where a deposit has remained in the fund for more than 5 years at the time of withdrawal, no Exit Fee is applicable on that amount.	Not applicable.	Deducted from your Cash Account prior to payment of any withdrawal which attracts an Exit Fee.
Termination Fee The fee to close your investment.	Nil.		Not applicable.	

6 Buy/sell spreads – when you move money in or out of the Service 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 36).

7 This fee includes an amount payable to a financial adviser. Where you do not have a financial adviser, the maximum fee specified will be applied and retained by IIML.

8 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 2010, this indirect management cost was 0.60 per cent per annum. We may change the investment of the Cash Account at any time.

9 There may be an Exit Fee for investors who have transferred into the Service from another IOOF group product.

Management Costs

The fees and costs for managing your investment.

Administration Fee⁷

Part of your account balance	Administration Fee (pa)
\$0 – \$100,000	Up to 1.35% (or \$13.50 per \$1,000 invested)
Next \$150,000	Up to 1.10% (or \$11 per \$1,000 invested)
Next \$250,000	Up to 0.95% (or \$9.50 per \$1,000 invested)
Next \$500,000	Up to 0.65% (or \$6.50 per \$1,000 invested)
Above \$1,000,000	Up to 0.40% (or \$4 per \$1,000 invested)

Plus up to an additional 0.98% pa for the first 5 years of each deposit where an account is opened under the **Deferred Entry Fee Option**.

The Administration Fee is calculated daily on your account balance¹⁰.

The Additional Administration Fee is calculated based on the value of each deposit.

Both fees are charged monthly in arrears and are deducted from your Cash Account at the beginning of each month.

Monthly Member Fee

\$7 per month for accounts with a balance less than \$150,000.

Where your account balances exceeds \$150,000, this fee does not apply.

The fee is charged monthly in arrears and it is deducted from your Cash Account at the beginning of each month. Where you are only an investor for a portion of the month, the Fee will be charged on a pro rata basis.

Investment Management Cost (excluding any performance-based fee)

Varies across the managed funds and can range from 0.22% to 2.12% pa (\$2.20 to \$21.20 pa per \$1,000 invested).

No Investment Management Cost applies to 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 Fees¹²

Investment Switching Fee⁶

The fee for changing investment options in your account.

Nil.

Not applicable.

¹⁰ Account balance – comprises your Cash Account together with the value of your investment options.

¹¹ 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 Offer Document (for further information see the **IOOF Portfolio Service investment options menu**). 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 the **IOOF Portfolio Service investment options menu**.

¹² Adviser service fee – we will acquire and pay for the services of a financial adviser selected by you. You may negotiate the amount of this fee(s) up to a limit set by us. This fee is deducted from your account (see 'Financial adviser remuneration' under 'Additional explanation of fees and costs' starting on page 34). We do not charge this fee if you have not selected a financial adviser.

The nuts and bolts (continued)



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.

In certain circumstances, your fees may be different from those described in this Offer Document. This can apply for various historical reasons, including where your account was transferred to the Service from another IDPS managed by us.

Often in these circumstances, the Service Operator agrees to adopt the same fees as the old IDPS. If this is the case, your fees may be more or less than those described in 'The nuts and bolts' section on pages 30 to 37. In all cases, any different fees will be those that have been agreed between you and your financial adviser.

Total fees indicator

The annual cost of administering your portfolio will vary depending on the value of your portfolio and the investment option(s) you choose.

Listed below are two examples to assist you in understanding the potential fees applied to your investment portfolio over the first year. The examples are based on a single investment only – no withdrawals have been taken into consideration.

Example 1

Based on a single investment of \$100,000 in the following:

Cash Account – \$5,000; Perennial Balanced Wholesale Trust – \$45,000; Perennial Value Shares Wholesale Trust – \$25,000; Perennial International Shares Wholesale Trust – \$25,000.

Fees applied		Dollar cost of fees over the first year	
		Standard Entry Fee Option ¹³	Deferred Entry Fee Option ¹⁴
Entry Fee	4.1%	X \$100,000 = \$4,100.00	Nil
Annual Administration Fee ¹⁵	1.35% pa (plus 0.98% pa for Deferred Entry Fee Option only)	X \$95,900 = \$1,294.65 (net of Entry Fee)	X \$100,000 = \$1,350.00 plus 0.98% x 100,000 = \$980.00
Monthly Member Fee	\$7.00	X 12 months = \$84.00	X 12 months = \$84.00
Investment Management Costs applied by the investment manager (assume 0.95% ¹⁶)	0.95% pa	X \$95,900 = \$911.05 (net of Entry Fee)	X \$100,000 = \$950.00
Approximate total cost over the first year		= \$6,389.70 (as a % of your investment: \$6,389.70/\$100,000 = 6.39%) ¹³	= \$3,364.00 (as a % of your investment: \$3,364.00/\$100,000 = 3.36%) ¹⁴

¹³ **Standard Entry Fee Option** – includes a 4.10% Entry Fee which will not apply to the investment after year one. This will drop the annual cost of your investment after the first year.

¹⁴ **Deferred Entry Fee Option** – includes an additional 0.98% pa administration fee which applies for the first five years of the deposit. The annual cost of your investment will reduce after year five.

¹⁵ The cost of any adviser service fee (optional) is not included and if payable, is an additional fee charged to your account in the Service.

¹⁶ The Investment Management Cost is based on the weighted average of the Investment Management Cost in the portfolio. Managed fund fees and expenses are expressed through the unit price of the managed funds and not deducted separately from your account.

Example 2

Based on a single investment of \$300,000 in the following:

Cash Account – \$15,000; Perennial Balanced Wholesale Trust – \$135,000; Perennial Value Shares Wholesale Trust – \$75,000; Perennial International Shares Wholesale Trust – \$75,000.

Fees applied		Dollar cost of fees over the first year	
		Standard Entry Fee Option ¹³	Deferred Entry Fee Option ¹⁴
Entry Fee	4.1%	X \$300,000 = \$12,300.00	Nil
Annual Administration Fee ¹⁵	1.35% pa	X \$100,000 = \$1,350.00	X \$100,000 = \$1,350.00
	1.10% pa	X \$150,000 = \$1,650.00	X \$150,000 = \$1,650.00
	0.95% pa	X \$37,700 = \$358.15	X \$50,000 = \$475.00
	(plus 0.98% pa for Deferred Entry Fee Option only)	(net of Entry Fee)	plus 0.98% x 300,000 = \$2,940.00
Monthly Member Fee	\$7.00	Not applicable for balances of \$150,000 and over.	Not applicable for balances of \$150,000 and over.
Investment Management Costs applied by the investment manager (assume 0.95% ¹⁶)	0.95% pa	X \$287,700 = \$2,733.15 (net of Entry Fee)	X \$300,000 = \$2,850.00
Approximate total cost over the first year		= \$18,391.30 (as a % of your investment: \$18,391.30/\$300,000 = 6.13%) ¹³	= \$9,265 (as a % of your investment: \$9,265/\$300,000 = 3.09%) ¹⁴

Examples assume the maximum Entry Fee and Annual Administration Fee; that no switches or withdrawals are made and no dishonour fees are incurred. Examples do not take into consideration any movement in the value of the managed funds in the portfolio.

These examples provide an indication of the fees incurred over a single year only. Dollar costs shown are rounded to nearest dollar. By choosing to pay an Entry Fee later (via the Deferred Entry Fee Option), you may pay more in fees over the longer term.

The nuts and bolts (continued)



Additional explanation of fees and costs

This section explains the fees and costs set out in the fee table on pages 30 to 31 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 investment account. This fee includes all administration and other expenses we incur including the ongoing commission that we pay to a financial adviser, but excluding any adviser service fee (outlined in the following pages) and the fees and costs charged by the investment managers for each managed fund.

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.

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 option 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 account.

The investment managers that can charge a performance-based fee are outlined in the **IOOF Portfolio Service investment options menu**.

Fee aggregation

Fee aggregation allows you to link your IOOF Portfolio Service account(s) for the purpose of calculating the Administration Fee payable. 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 IOOF Portfolio Service Investments, IOOF Portfolio Service Personal Superannuation, IOOF Portfolio Service Allocated Pension and IOOF Portfolio Service Term Allocated Pension
- your account(s) with those of your immediate family members (as defined below) who also have accounts in those IOOF Portfolio Service products
- any account(s) in IOOF Portfolio Service Investments 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.

IOOF Portfolio Service Wholesale accounts and accounts which form part of IOOF Portfolio Service Employer or Corporate superannuation are not eligible for fee aggregation.

A fee aggregation arrangement has no impact upon the Member Fee (where applicable), any adviser service fee or the Additional Administration Fee of up to 0.98% pa payable on the Deferred Entry Fee Option.

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).
- An account in IOOF Portfolio Service Personal Superannuation linked to any Employer Superannuation arrangement with IOOF will not be eligible to participate in fee aggregation.
- 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.
- Each person must have the same financial adviser.
- Fee aggregation will only apply if, at the end of the month, the nominated accounts are in an aggregated group.

Exit Fee and Additional Administration Fee

Standard Entry Fee Option – Contribution Fee paid upfront

There is no Exit Fee payable on the Standard Entry Fee Option.

Deferred Entry Fee Option – Contribution Fee paid later

An Exit Fee may be payable under the Deferred Entry Fee Option, depending on when each investment is made.

Under the Deferred Entry Fee Option, for the first five years in respect of each investment made, an Exit Fee of up to four per cent of the investment amount applies. If you withdraw that deposit within the first year the maximum applies. However, for each completed year that the investment is retained in the Service, 20 per cent of the investment's initial value can be withdrawn free of any Exit Fee. So, after year five, no Exit Fees are payable in respect of that investment amount. See the example below of how the Exit Fee is applied.

Exit Fees do not apply when moving money from your Cash Account to investment options within the Service.

Withdrawals will be taken first from investments that attract the least amount of Exit Fees.

Exit Fees do not apply to income distributions credited to your Cash Account. To minimise the impact of Exit Fees, distribution amounts are used in the first instance to pay any withdrawals from the Service, before using amounts that attract Exit Fees.

For example

John invests \$50,000 in the Service under a Deferred Entry Fee Option. Over the next five years, we will deduct the Additional Administration Fee of up to 0.98 per cent pa (\$490 pa) of his original investment in addition to the Administration Fee.

During the first year, the maximum Exit Fee payable is four per cent of the initial investment (\$50,000 by four per cent equates to \$2,000). However, for each completed year, 20 per cent of the original investment amount can be withdrawn free of any Exit Fee. This is detailed in the table below.

	Leave the Service	Stay in the Service	
Year	Exit Fee applicable if John were to make a withdrawal of the original investment amount from year 1 to year 6.	Additional Administration Fee of 0.98% pa (payable for the first five years of the deposit)	If John stays in the Service or transfers to another IOOF Portfolio Service with a Deferred Entry Fee Option, no Exit Fee is incurred and the outstanding Additional Administration Fee of up to 0.98% pa of the original investment of \$50,000 is transferred to the new product for the remaining term.
1	\$2,000 (\$50,000 by 4%)	\$490	
2	\$1,600 (\$50,000 less 20%) by 4%	\$490	
3	\$1,200 (\$50,000 less 40%) by 4%	\$490	
4	\$800 (\$50,000 less 60%) by 4%	\$490	
5	\$400 (\$50,000 less 80%) by 4%	\$490	
6	\$0 (100% of deposit can be withdrawn free of an Exit Fee)	\$0	

Important note

An Exit Fee may also apply to a partial withdrawal.

The nuts and bolts (continued)



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 PDS for that investment option which are available on our website (www.ioof.com.au).

Financial adviser remuneration

The remuneration paid to a financial adviser can be structured as a combination of:

- adviser initial commission
- adviser ongoing commission
- adviser service fee.

Adviser initial commission

Standard Entry Fee Option

The Contribution Fee is paid to the financial adviser as initial commission.

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 each investment through the Service. The net cost we charge to your account can be up to a maximum of 4.1 per cent, which reflects the effect of RITCs). For example, on an initial investment 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 each investment.

This fee is not applied to:

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

Deferred Entry Fee Option

Where the Deferred Entry Fee Option has been selected with your agreement, a payment up to a maximum of 3.3 per cent (inclusive of GST) of each investment through the Service may be paid to the financial adviser. This payment is made by us and recouped from your account over time through the Additional Administration Fee and Exit Fee as applicable.

Adviser ongoing commission

The Administration Fee detailed on page 31 contains a component which is paid to the financial adviser as ongoing commission. This payment is made on the following scale.

Commission payable as a percentage of your account balance

Up to 0.50% pa on first \$100,000

Up to 0.45% pa on the next \$150,000

Up to 0.45% pa on the next \$250,000

Up to 0.25% pa on the next \$500,000

Up to 0.20% pa on the balance above \$1 million

This payment is made from the Administration Fee applicable to your account and does not represent an additional charge to your account. The ongoing commission paid to the financial adviser is inclusive of GST. The cost to you includes the benefit of RITCs for any GST included in the Administration Fee (see page 34 for more information).

The financial adviser may agree to waive part or all of the initial and ongoing commission but is under no obligation to do so.

A reduction of initial and ongoing commission will result in a reduced Contribution Fee, Exit Fee, Administration Fee and Additional Administration Fee respectively.

Adviser service fee

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 until you instruct us to cease payment. You can agree with the financial adviser on the amount of this fee which can be either:

- up to a maximum of 2.0% pa (inclusive of GST) of your account balance (calculated daily). The net cost to you can be up to a maximum of 1.864% pa (which reflects the effect of RITCs) of your account balance (calculated daily); or
- 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 daily account balance (over 12 months) of \$50,000, we would pay the financial adviser up to a maximum of \$1,000 pa (based on an adviser service fee of 2.0 per cent pa) (inclusive of GST). The fee charged to your account would be up to \$931.82 pa (which reflects the effect of RITCs).

Where you change the nominated financial adviser, the adviser service fee you agreed with the former financial adviser will continue with the new financial adviser.

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 the Service. 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 the Service.

GST and taxes

The fees quoted in this section are inclusive of GST and net of any applicable RITCs. See the 'What taxes apply and how do they work?' section on page 39 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.

Dishonour Fees

If any direct debit or B_{PAY} transaction from your nominated account with a financial institution is returned unpaid or your cheque is dishonoured, we are entitled to pass on to you any fees associated with the dishonour. This fee will be deducted from your Cash Account at the time of the dishonour.

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 Offer Document) 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 9am and 5pm on a business day.

Alteration to fees

We have the right to introduce and/or increase any fee. If we decide to introduce a new fee or increase the fees from those disclosed on pages 30 to 37, we will give you at least 30 days written notice before the introduction or increase takes effect.

The nuts and bolts (continued)



What are the risks?

All investments carry some risk. There are risks involved in investing through the Service as well as specific risks that may arise with your chosen investment option(s). This could involve delays in repayment and loss of income or principal invested.

Risks when investing through the Service

These types of risks could include the following:

- Your investment may not be sufficiently diversified if you do not spread your selection of investment option(s) across different asset classes, sectors, managers and styles.
- In the case of an investment in investment options with extended redemption periods, your ability to make a lump sum withdrawal from those managed funds may be delayed, reduced or unavailable until sufficient assets from those managed funds can be redeemed to fund the withdrawal.
- System failures may cause a delay in the processing of transactions to your account (or with investment managers).

- There may be a delay in purchasing or redeeming your investments if we do not receive a properly completed and authorised instruction from you.
- Delays may occur where minimum investment or withdrawal limits are imposed by investment managers.
- Economic conditions, interest rates and inflation may cause adverse investment returns.
- Changes can occur in the law governing the operation of the Service which may adversely affect your investment (such as, they may affect your ability to access your investment). These changes may also affect the operation of your product or of any investment option(s) into which you invest.
- We could be replaced as operator of the Service or the Service could be transferred to another provider. There is also a risk we may not carry out our duties properly. To minimise this risk we have implemented a number of risk management strategies and corporate governance policies and procedures to assist us to meet our obligations. We are required to perform our obligations honestly and with reasonable care and diligence.

Risks that may affect your investment options

These types of risks are summarised in the following table.

Market risk	Investment returns are influenced by the performance of the market overall. Unexpected conditions (such as economic, technological or political developments) can have a negative impact on the returns of all investments within a particular market.
Company or security-specific risk	Within each asset class, company or security-specific risk refers to the many risks that can affect the value of a specific security (or share).
Currency risk	Investments in international markets can be exposed to changes in exchange rates. If foreign currencies fall in value relative to the Australian dollar, they have an adverse impact on investment returns from investments denominated in those countries.
Liquidity risk	Liquidity risk is the risk that a particular investment will not be able to be converted into cash or disposed of at market value.
Derivatives and gearing risk	Underlying managed funds may use derivatives and gearing (borrowing). The value of derivatives is linked to the value of the underlying assets and can be highly volatile. Gains and losses from derivative and geared transactions can be substantial.
Credit risk	Credit risk is the risk that a party to a contract will fail to perform its contractual obligations resulting in a financial loss.
Investment manager risk	Each managed fund investment option has one or more investment managers to manage the investments. There is a risk that the investment manager may not perform to our expectations, meet its stated objectives or under-perform as compared to other investment managers.

What taxes apply and how do they work?

As with all financial transactions, tax implications need to be considered. The tax information provided in this Offer Document is of a general nature only and is based on our understanding of the legislation and its application to investors as at the date of this Offer Document.

Australian tax laws can be complex and are subject to change from time to time. We recommend that you obtain professional advice on the consequences before investing through the Service.

This section provides you with some general information about the tax implications of investing through the Service. It will help you answer the following questions.

- How are your investments taxed?
- What information will you receive?

Personal tax issues

The taxation implications of investing through the Service depend on the investment options you select. Although we hold all investment options on your behalf, you still retain beneficial ownership. The tax consequences of investing are passed on to you as though you held the investment options directly.

This means that buying and selling managed funds or term deposits through the Service and all income distributions and interest payments you receive are likely to have tax consequences for you.

Tax Statement

You will receive an annual Taxation Statement after the end of the financial year detailing the tax position of your account in the Service. You can use this to help you (or your professional tax adviser) complete your personal annual income tax return.

The following summary of tax matters is a general guide in relation to amounts that may be set out on the Taxation Statement and applies to resident individual taxpayers. If you are a non-resident for Australian income tax purposes, it is important that you obtain independent tax advice before investing through the Service, taking into account your particular circumstances. The operators of certain investment options may be required to withhold tax on part or all of the distributions and interest payments made to non-resident investors.

The nuts and bolts (continued)



Income distributions from managed funds and trusts	Any entitlement you have to the net income of a managed fund or trust for a year of income, including amounts received in a subsequent year of income or which are re-invested, will form part of your assessable income for that year.
Interest earned on term deposits and cash balance	Interest earned on term deposits and cash balances in your Cash Account are assessable in the year they are received.
Types of income distributions	<p>Part of the income distributions from your managed funds may include franking credits, non-assessable amounts (which may reduce the cost base or reduced cost base of those investments in the managed funds), or foreign tax offsets (representing foreign taxes paid by the managed funds).</p> <p>Franking credits may be used to offset any personal tax liability (and in certain circumstances you may be entitled to a refund of excess credits). Foreign tax offsets may be used only to offset the Australian tax liability on any foreign income earned.</p>
Capital gains	<p>Taxable capital gains form part of your annual assessable income for a year of income. This includes any net taxable capital gains arising from the sale, disposal or redemption of an investment in a managed fund as well as any capital gains distributed by the managed funds or trust in which you have invested for the income year.</p> <p>You may be entitled to apply the discount capital gain concession to all or part of a capital gain.</p> <p>You may be able to offset any capital gains for the year of income with any capital losses you make in that year of income or that you have been carrying forward from prior income years.</p>
Entry Fees, Exit Fees and Additional 0.98% pa Administration Fee payable on the Deferred Entry Fee Option	These fees are considered to be capital and, as such, are not deductible for income tax purposes. These fees will, however, form part of the cost base or reduced cost base of your investments or be reflected in the proceeds from the sale of your investments, which are used to determine your capital gains or losses in relation to any sale, disposal or redemption of your investments.
Adviser service fee	This fee may be fully tax deductible in the year of income in which you incur the fee and reduce your assessable income for that income year.
Administration Fee, other Management Costs (including the Member Fee)	<p>These fees may be fully tax deductible in the year of income in which you incur the fees and reduce your assessable income for that income year.</p> <p>Investment Management Costs applied by each investment manager generally have already reduced the amount of any assessable distributions that you receive in cash.</p>

Tax Office notifications

You are not required to quote your TFN or (if you have one) an ABN or claim an exemption from providing a TFN. However, if you are an Australian resident for taxation purposes and a TFN or ABN is not provided or an exemption is not claimed, we are required by law to withhold tax at the top marginal tax rate plus Medicare Levy from any income distributions and interest payments through the Service.

If you are a non-resident of Australia for taxation purposes, we will deduct the applicable withholding tax from all distributions and income payments.

General information

Cooling-off period

A cooling-off period applies, but only on your initial investment into the Service. If you change your mind about your initial investment, you have five business days from our receipt of your initial investment amount to exercise your cooling-off rights by giving us written notice. In this case we will not charge any of the Service fees that we are permitted to charge in accordance with this Offer Document.

The amount returned will be adjusted for any market movements in your managed funds (up or down) up to the day we receive your notification that you wish to exercise your right to leave the Service. Therefore, the amount you receive in return may be more or less than the initial amount invested.

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 or make a deposit.

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.

Please contact us directly for more instructions if you want to make any other changes to your account (such as changing your deposit arrangements or investment selections).

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 Service 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, a margin lender's instruction (if your account is being held as security for a margin loan), the law or any market practice
- the instructions are incomplete or are, in our opinion, unclear
- you have not, or we suspect you have not, complied with the terms of the Service
- 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 participation through the Service is suspended or terminated.

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

General information (continued)



Keeping track of your investments

We provide you with comprehensive and consolidated reporting on all of your investments in your investment account and regular communications that are sent to you for your records. Additionally, you may request reports from our client services team or, alternatively, view your account information via Portfolio Online.

What you will receive from us

Welcome Letter and Investor Schedule

Sent on the establishment of an account through the Service, normally within seven business days of joining.

Your Investor Schedule confirms your investment account details and Investment Instructions as well as your IOOF Customer Reference Number for any future BPAY investments.

Quarterly statement

Details all transactions and portfolio valuation over the quarter.

Statements sent to you within one month of the end of each March, June, September and December.

Annual portfolio statement

Provides a summary of all portfolio transactions during the financial year including investment performance.

Your statement is provided within three months of the end of each financial year.

Annual taxation statement

Details the amount and components of your taxable and non-taxable income for each 12 month period to 30 June including information on realised capital gains/losses and expenditure. Normally, these statements will be sent to you, within three months of the end of the financial year.

Audit report

The audit report will provide you with the auditor's opinion relating to our accounting procedures and internal controls affecting the accuracy of your annual statements.

Internet access and functionality

Portfolio Online is a user friendly internet facility. It provides you with convenient and secure access to your key 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 the following communications from the Service Operator electronically via Portfolio Online:

- your quarterly statement, annual portfolio statement and annual taxation statement
- confirmation of transactions which are required by law to be confirmed
- all communications other than those listed immediately above.

You will be able to access and download these communications electronically at any time while you are an investor 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 (Form A) 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 Service Operator electronically via Portfolio Online, you agree:

- to receive the communications (selected in your application) from the Service Operator 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 Service Operator 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 Service Operator of any change to your preferred email address
- you will be able to access such communications at any time while you are an investor and registered user of Portfolio Online
- you can download a copy of any such communication
- the Service Operator 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 Service Operator may give you any communication in any other method permitted by law.

In the event of death

In the event of your death while you are an investor through the Service, we must pay your remaining investment account balance to your nominated legal personal representative or estate. We may seek appropriate evidence to ensure that we carry out all of our legal obligations. This can increase the amount of time that it takes to pay an investment and generally includes obtaining:

- a copy of the grant of probate
- a certified copy of the Death Certificate and the Will
- instructions from the executor of the estate.

Where you are a joint owner, ownership will normally be transferred to the surviving owner upon receipt of a certified copy of the Death Certificate.

Where you are a trustee of a self managed superannuation fund, what happens upon your death will generally be governed by the terms of the trust deed of your superannuation fund.

Transferring ownership of your account

If you propose to transfer the beneficial ownership of your account to another person or entity, the person or entity must first agree to be bound by the terms and conditions of the Service. Before you do this, you should speak to your tax adviser about any personal tax consequences. Stamp duty and other taxes may also apply on account transfers.

As the managed funds acquired through the Service are wholesale funds, they are generally not able to be transferred directly into your name.

Transferring assets into your IOOF Portfolio Service account

Any external assets that you currently hold may be able to be transferred into your IOOF Portfolio Service Investments account. Where the Service Operator permits the transfer of assets, any external expenses (including stamp duty) incurred by the Service Operator in facilitating the transfer shall be debited to your account. In addition, the Service Operator may apply an administration fee per asset transferred into the Service.

General information (continued)



Corporate notices and actions

As your investment options are held (by us on trust) on your behalf in our name, we receive all corporate notices, annual reports and other information issued by the investment managers. You may at any time request us to provide you with copies of any such communications.

If you elect to receive any such communications, we may charge you a reasonable fee for providing the communications.

You agree that we are not required to give effect to any directions as to how the corporate actions are to be exercised in respect of managed funds held for you.

Exiting or changing the Service

You can terminate your account in the Service by giving us advance written notice.

We will complete any requested transactions before terminating your investment account. However, we are not obliged to do so if we suspect that you have not complied with the terms of the Service.

We may suspend or stop your participation through the Service by writing to you.

We have the right to alter the Service in any way (including the minimum holding requirements). We will however, give you reasonable notice of any materially adverse changes before we make them, unless provided otherwise in this Offer Document.

Important note

The Administration Fee is payable until we cease to hold any assets on your behalf. Where you leave the Service prior to the date on which any fee would normally be payable, we will deduct that fee pro-rata from your final proceeds.

Financial adviser authority

To help manage your account, you can provide a limited authorisation to a financial adviser to provide us with a switch instruction and to establish/change Investment Instructions on your behalf. It is important that you provide the financial adviser with specific written instructions in each case.

You still retain full control of your account and you will receive confirmation of any switching instructions when they are finalised. You can view these transactions via Portfolio Online.

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.

To authorise a financial adviser simply complete Step 14 in the Application form (Form A) or the Financial Adviser Authority form which is available on our website (www.ioof.com.au)

How to appoint a representative to act on your behalf

You may also appoint a person, other than your financial adviser to operate your account. You could for instance appoint a spouse, relative, accountant or solicitor. Only you can authorise a representative to act on your behalf. To cancel the authority of your nominated representative, you must give us prior written notice. The cancellation or appointment of a new representative will be effective once it has been received and recorded by us.

This facility can be convenient if you are investing as a company, a self managed superannuation fund or other entity, as you can nominate a single person such as a director, employee or individual trustee to transact on behalf of the entity.

The following conditions apply to your representative:

- Your representative can do everything that you can do in respect of the Service (except appoint other representatives). Withdrawals can only be made in favour of the investor.
- You are responsible for anything that your representative does on your behalf.
- If someone whom we reasonably believe to be your representative acts on your behalf, we will treat the request as if you had personally acted.
- If your representative is a company, its directors or authorised officers can act as the representative.
- If your representative is a partnership, each partner can act as the representative.

To authorise another person with authority to act on your behalf, simply complete Step 14 of the Application form (Form A) contained in the IOOF Portfolio Service Investments Forms Booklet.

What if you have a complaint?

If you have a complaint about the Service (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 45 days.

If you are not satisfied with our handling of the complaint or a decision we have made in relation to your complaint, you may contact the Financial Ombudsman Service (FOS), by calling 1300 780 808 (cost of a local call), or by writing to FOS at GPO Box 3, Melbourne VIC 3001.

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

Your privacy

We recognise the importance of protecting your privacy. As custodian and operator of your investment account 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 investment 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
- banks or other financial institutions, including margin lending providers
- legal and accounting firms, auditors, mail houses, contractors, or other consultants involved with the Service
- other companies in the IOOF group.

Section heading (continued)



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 investments), 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).

Key words explained

If you find some of the terms used in the Offer Document difficult to understand, don't worry. This section helps to explain some of the key terms that arise along the way. If you require further information or explanation of a term not covered, please contact our **client services team** on **1800 062 963**.

Additional Administration Fee	The additional fee charged by the Service Operator where your account is established under the Deferred Entry Fee Option.
Administration Fee	The fee charged by us to cover the general administration of the Service.
AML/CTF Law	<i>Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth)</i> , and all sub-ordinate legislation in respect of that Act, as amended from time to time.
Australian Financial Services Licence (AFS Licence)	A licence issued by ASIC under the <i>Corporations Act 2001</i> which among other things, permits the issuing of a financial product or the giving of financial advice.
Business day	A day other than a Saturday, Sunday or a public holiday in Melbourne.

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

We are required to carry out 'proof of identity' procedures for investors opening an investment account in the Service or persons completing forms in relation to the Service on the investor's behalf, such as a Power of Attorney or appointed Guardian for an investor. 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 on applying to join the Service or when you request a withdrawal. If you do not provide the information or we are unable to verify the information, your application or request for payment may be delayed or refused.

Buy/sell spread	The difference between the entry price and exit price of a managed fund. This difference is an allowance for the transaction costs incurred when buying or selling units in a managed fund. These amounts are not charged separately to your account but are generally included in the unit prices of each managed fund.
Capital gains tax (CGT)	A tax applied on the increase in the value of an investment that may be payable upon the disposal of the investment.
Certified copy	A document that has been certified to be a true and complete copy of the original, by a person authorised to witness the signing of a statutory declaration under applicable Commonwealth or State legislation.
Cooling-off period	The period of time during which investors are able to cancel their application for an investment account and receive a refund (if applicable), less permissible deductions.
Derivatives	Contracts that call for money to change hands at some future date, where the amount depends on, or is derived from, another security, liability or index. For example, a contract might specify that one person can buy an item from the other at today's price in six months' time, regardless of the market price at that time.
Financial institution	A bank, building society or credit union.
Goods and Services Tax (GST)	A tax on the supply of goods and services.
High yielding securities	High yielding securities are investments in non-traditional debt assets that generally earn higher interest than traditional fixed interest securities. These securities may provide higher returns as they are generally regarded as being less secure than traditional fixed interest securities. As a result, there is potential for higher volatility and lower liquidity.
Investment options with extended redemption periods	Assets which either cannot be readily realised within 30 days, or where realising those assets within 30 days would have an adverse impact on their value.
Legal personal representative	The executor of your will or the administrator of your estate.
Margin lending	Borrowing money for investment purposes.
Portfolio	The mix and composition of an investor's holdings among different asset classes (or if in a single asset class, between different sectors and securities).
Reduced input tax credits (RITC)	Refers to a portion of the GST that can be claimed back from the ATO in certain circumstances.
Service	IOOF Portfolio Service Investments.
Switching	The movement of monies between investment options (such as managed funds) and/or between the Cash Account and investment options. Switches between managed funds are processed as a redemption of units from one managed fund and the purchase of units in another managed fund from the available investment list.
Withdrawal	This is a lump sum or regular payment made from your account, after allowing for fees and charges. These payments can be credited to your nominated account with your financial institution or can be paid to you by cheque. Withdrawal payments are paid from your Cash Account.

How to apply

Application procedure

Joining is simple. All you have to do is complete the Application form (Form A) and any other relevant forms within the IOOF Portfolio Service Investments 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

Telephone

1800 062 963

Fax

1800 558 539

Email

clientservices@ioof.com.au

Website

www.ioof.com.au

Trustee

IOOF Investment Management Limited
ABN 53 006 695 021
AFS Licence No. 230524

Registered address

Level 6, 161 Collins Street
Melbourne Victoria 3000