

Investment Essentials

The Portfolio Service

Product Disclosure Statement

This Product Disclosure Statement is dated 1 October 2010

The Responsible Entity of The Portfolio Service Investment Essentials is Questor Financial Services Limited ABN 33 078 662 718 AFSL No 240829. Locked Bag 4004 Queen Victoria Building NSW 1230 Telephone 1800 221 151 Facsimile 1800 000 948

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This Product Disclosure Statement (PDS) relates to Investment Essentials (the Plan). This PDS is dated 1 October 2010 and is issued by Questor Financial Services Limited (Questor) ABN 33 078 662 718 AFSL no 240829 as the Responsible Entity of the Plan. The directors of Questor have authorised its issue.

The Plan is offered through The Portfolio Service. Questor is the Responsible Entity of the Plan and in this PDS is referred to as 'we', 'us', 'our' or 'Questor'.

The Plan is an Investor Directed Portfolio Service-like (IDPS-like) scheme and is required to comply with Australian Securities and Investments Commission Class Order 02/296 (as amended from time to time).

When investing in the Plan, a cash management account will be established in your name. The cash management account invests in the Cash Management Fund (ARSN 089 508 636). The PDS for the Cash Management Fund is included in this PDS. You should read the Cash Management Fund PDS and understand the Cash Management Fund before investing in the Plan.

You should be aware that investment in the Plan is subject to investment risk which may result in loss of capital invested and income. The performance of the Plan, the repayment of your original investment and the payment of income by the Plan is not guaranteed by any person, including Questor and related companies.

All fees and expenses shown in this PDS include GST where applicable and take into account any reduced input tax credits.

The information contained in this PDS is general information only and does not take into account your individual objectives, financial situation or needs. You should assess whether the information is suitable for you and talk to your financial planner before deciding to invest in the Plan. This offer is only made to persons within Australia, including those receiving this PDS electronically.

If you are printing an electronic copy of this PDS you must print all pages including the application form. If you make this PDS available to another person, you must give them the entire file or printout, including the application form.

Information in this PDS may change from time to time. Where the change is not materially adverse to you, we may update this PDS in the product information update available on our website at www.theportfolioservice.com.au

A paper copy of the product information update is available on request, free of charge.

The Portfolio Service has multiple plans (products) available. These include:

- The Portfolio Service - Investment Essentials
- The Portfolio Service - Personal Investment Plan
- The Portfolio Service - Super Essentials
- The Portfolio Service - Superannuation Plan
- The Portfolio Service - Retirement Income Plan

Your financial planner will help select the right product for you.

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About Investment Essentials

The Plan is a comprehensive, yet easy to use, investment, research and management service provided by The Portfolio Service.

Enabling you to invest in a well-planned and flexible way, you and your financial planner can:

- tailor a straight-forward investment portfolio that suits your personal needs
- select investment options from a range of managed investment options, many of which are wholesale-priced
- access exchange traded funds which provide an easy and low-cost alternative to building a diversified direct share investment
- manage and control your investment needs simply and conveniently within a single service
- modify your investment portfolio or upgrade to another product if your circumstances change.

Benefits of the Plan

Designed for investors of all ages, the Plan facilitates wealth creation over time - effortlessly.

A low cost investment solution, the Plan is suited to those who do not wish to actively trade in investment markets.

With access to all the features you require, the Plan facilitates flexible and simple investing for your financial future.

You will enjoy:

- low-cost and transparent fees - a low administration fee keeps your base cost down
- one account for all your investment options - comprehensive reporting on your investment portfolio makes keeping track of your investments manageable. You can also conveniently monitor your investment portfolio online
- an extensive range of investment options, including exchange traded funds, selected by The Portfolio Service Research Team and regularly updated as new opportunities become available

- packaging features of your choice:
 - you can choose to reinvest income distributions into your investment options or have the money paid into your cash management account
 - you can establish a regular savings plan and make automatic deposits from your credit union, building society or bank account
 - you have access to a margin lending facility, which may allow you to borrow to invest.

The Portfolio Service has a range of products built with flexibility in mind, so when your circumstances change and you want to change or upgrade, the transition between products is seamless. Your financial planner will help you choose the right product for you.

Cash management account

Your account in the Plan consists of your cash management account and your investment options. When you invest in the Plan, we will create an investment portfolio for you which includes a professionally managed cash management account with a competitive rate of interest. Your money is initially invested in the cash management account (which in turn invests in the Cash Management Fund) and then in the investment options you select. All transactions are recorded in the cash management account. These transactions include:

- purchase and sale of investment options
- receipt of income distributions and interest from your investment options
- investments made through the regular savings plan
- payment of any fees, expenses and taxes
- withdrawals from the Plan.

A minimum of 2% of the value of your total investment portfolio must be held in the cash management account. If your balance falls below this minimum (including as a result of the deduction of fees or charges), we will ask you which investment options are to be sold to restore the minimum balance.

If you do not advise us which investment options are to be sold or we cannot contact you, we will choose which investment options will be sold, at our discretion. It is our policy to dispose of fixed interest investment options, followed by the remaining managed investment options and then listed investments.

For more information on your cash management account, please refer to the Cash Management Fund PDS which accompanies this PDS.

Managed investments

The managed investments available to you, such as Australian and international shares, property securities, fixed interest and cash, allow you to build an investment portfolio specifically designed to meet your current and future needs.

Managed investments (also called managed funds) are portfolios of investments which are managed by professional investment managers. While a managed investment may not be listed on a stock exchange, its underlying investments often are. Managed investments are either diversified (their assets are invested across a range of asset classes) or asset class specific (the majority of their assets are invested into one asset class, such as Australian shares).

Many of the managed investments available through the Plan are wholesale funds which may have lower investment management costs than comparable retail funds.

Listed investments

The Plan provides access to exchange traded funds which are managed funds traded on a stock exchange. Replicating a market index such as the Australian shares S&P/ASX 200 index, exchange traded funds provide a low-cost alternative to building a portfolio of direct shares. In addition, they are generally more liquid than managed funds with a trade occurring the day it is placed. If suited to your needs, investing in exchange traded funds will allow you to gain exposure to a select range of markets in your investment portfolio.

Term investments

The Portfolio Service Research Team works closely with credit unions and banks in order to make competitive term investments available at each monthly offer period. Please speak to your financial planner to find out more about term investments. When investing in a term investment, you will receive an investment report which details:

- the interest rate applicable to your investment
- how the funds are invested
- the investment guidelines and
- investment maturity.

A list of the investment options available is contained in our current List of Investment Strategies which can be obtained from your financial planner free of charge.

The Plan at a glance

Investment options	<p>Managed investments</p> <ul style="list-style-type: none"> • Diversified options • Share options • Property options • Fixed interest options • Cash options <p>Listed investments</p> <ul style="list-style-type: none"> • Exchange traded funds (ETFs) <p>Term investments page 5</p>
Investment method	<ul style="list-style-type: none"> • Cheque • Regular savings plan (automatic via direct debit) page 19
Minimum initial investment	<ul style="list-style-type: none"> • No minimum - cash management account • \$1,000 per investment option page 19
Minimum additional investment	<ul style="list-style-type: none"> • No minimum - cash management account • \$1,000 per investment option • \$100 per month via the regular savings plan page 19
Minimum switch	\$1,000* page 20
Minimum withdrawal	\$1,000 - cash management account page 23
Margin Lending Facility	You may be entitled to borrow money to invest along with your own funds page 21
Fees and other costs	For details of 'Fees and other costs' see pages 13 to 18. For worked dollar examples of the fees and costs, please see 'Other service fees' on pages 15 to 17 and 'Example of annual fees and costs' on page 18.
Adviser remuneration	For worked dollar examples of adviser remuneration, please see 'Other service fees' pages 15 and 16
Reporting	<ul style="list-style-type: none"> • Quarterly statement • Annual report • Annual tax statement and tax guide • Quarterly instalment income reports for pay as you go (PAYG) purposes (if requested) <p style="text-align: right;">page 26</p>

* per investment option (including sales from an investment option)

Investment options

Which investment options are suitable for you?

Everyone has different financial needs and objectives. When selecting your investment strategy and choosing investment options, the factors that you should consider include:

- the level of risk you are comfortable with
- the level of returns you are seeking
- the period of time over which you expect to hold your investment options
- your personal circumstances, including your financial position.

When considering your investment options, you should take into account that different investment options have different investment management costs.

Before making any decisions regarding an investment option, please read the relevant product disclosure statement or investment report, which is available free of charge from your financial planner.

Keep your PDS

You should retain a copy of the current PDS and any other supplementary material or investment report relating to your investment for future reference. You should consider all current information when making an initial, additional or ongoing investment in the Plan and each selected investment option.

Investment manager product disclosure statements and investment reports

A separate product disclosure statement (or investment report) is available for each investment option in the current List of Investment Strategies. These help you evaluate each investment option and include:

- the objectives and risk profile
- information about the management or investment manager
- historical performance (where applicable)
- investment risks
- details of the investment management costs, fees and expenses charged.

Ongoing management of investment options

Our investment committee regularly reviews the investment strategies and investment options in our current List of Investment Strategies.

Over time, investment strategies and investment options may be added to and removed from the List of Investment Strategies. We will not always notify you when investment strategies or investment options are added or removed, but we will notify you of matters that may materially affect your investment holding. We may terminate an investment strategy or investment option and dispose of all investments if we believe this is appropriate.

In selecting, retaining or removing an investment option from the List of Investment Strategies, we do not take into account labour standards or environmental, social or ethical considerations.

If you have a regular investment sweep or reinvest income distributions in an investment option that becomes unavailable for investment, we will automatically invest your money for the affected investment option into your cash management account. Your financial planner will be notified of this change and will contact you to assist with the selection of an alternative investment option.

Risks of investing

Risk and return

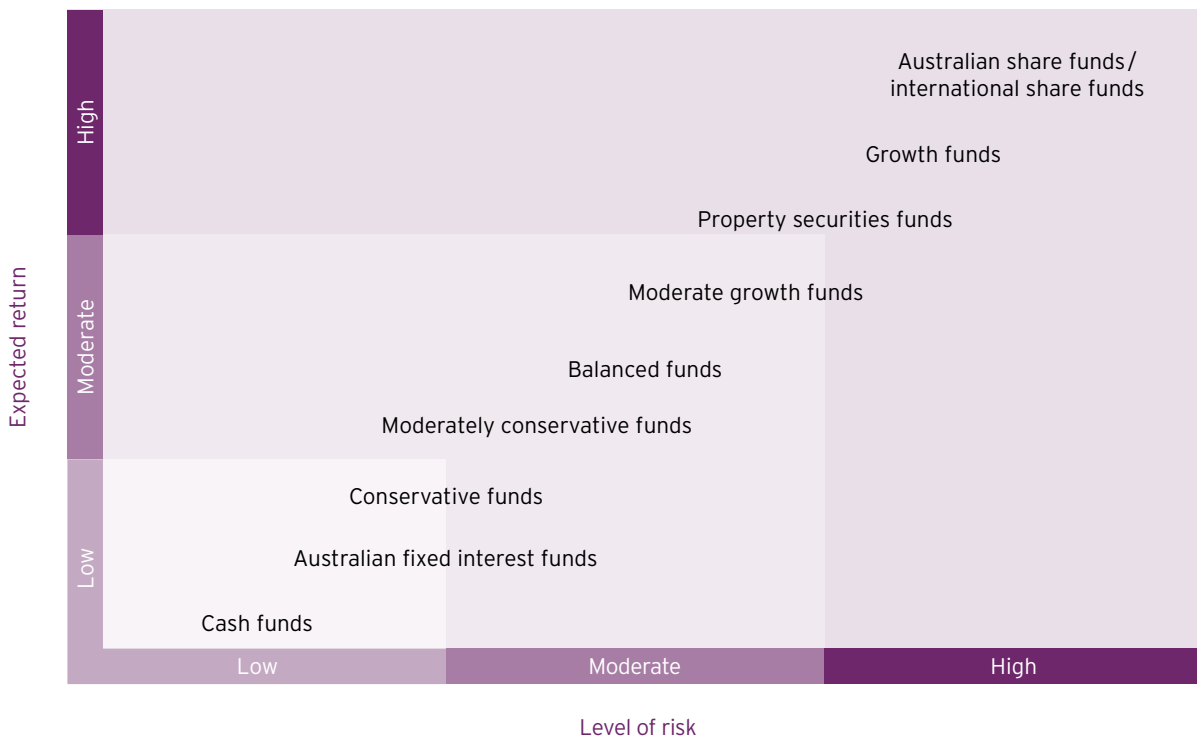
There is a relationship between the amount of risk associated with an investment option and its potential return. By 'risk', we mean the extent to which the actual return of an investment option may vary from its expected return. By 'return', we mean the total income and the increase or decrease in the value of an investment option.

Returns may vary from year to year and the value of an investment option may rise and fall. Returns can be affected by many factors, including when the investment is made, the period for which it is held and the performance of investment markets during this period.

The diagram below illustrates the usual relationship between the expected return and the level of risk of several investment strategies.

The risk profiles of the investment strategies are described on pages 10 to 12.

Usual relationship between expected return and level of risk



General risks

All investing involves risk. The higher the return you seek, the more risk you should expect to take. Generally speaking, derivatives are riskier than shares and property. Fixed interest and cash investments are less risky and may therefore produce lower average returns.

The value of your investment option can rise or fall for a variety of reasons. The risks that may affect the value of your investment include, but are not limited to:

Company or share risk: the risk that the value of a company's shares fall because of unexpected and adverse changes in the company's operations or its environment.

Country risk: the risk that a country becomes politically or economically unstable, which may prevent assets being sold or the proceeds being repatriated to Australia. This risk is generally higher in countries classified as emerging markets.

Credit risk: the risk that an issuer of debt securities or a counterparty to a transaction does not meet their obligations, including making payments of interest and repayments of capital.

Currency risk: the risk that a change in the value of a foreign currency against the Australian dollar may cause the value of an investment to decline.

Derivatives risk: the risk that futures, options and other derivative contracts can accentuate, as well as moderate, the effects of market movements. The Plan itself does not use derivatives, but the investment options may.

Plan risk: the risk that the Plan terminates.

Inflation risk: the risk that inflation increases, effectively reducing the value of your investment.

Interest rate risk: the risk that interest rates rise or fall and affect the value of an investment.

Investment risk: the risk that the investment you choose may not perform as well as others.

Legal options risk: the risk that laws, including tax and superannuation laws, change or are difficult to enforce. Legal risk is generally higher in emerging markets.

Leverage risk: the risk that monies borrowed by an investment option may enhance losses rather than create profits for the Plan. The Plan itself is not leveraged. For risks associated with the margin lending facility please see 'Risks' on page 21.

Liquidity risk: the risk that investment options are not readily convertible to cash without loss of capital.

Manager risk: the risk that an investment manager may perform poorly.

Market risk: the risk that there is a downturn in a broad asset class based on economic, technological, political or legal conditions, market sentiment or other factors.

Share borrowing risk: the risk that shares borrowed to establish short positions may be recalled by the lender at short notice and the investment option has to buy the shares on the market at an unfavourable price, resulting in losses. The Plan itself does not borrow shares, but some of the investment options may.

Short position risk: the risk that holding a short (sell) position will magnify losses through the appreciation of the value of the investments. This occurs when a manager takes a short position in shares that it believes will fall in price and instead the share price increases in value. The size of the loss will increase as the share price increases. As there is no upper limit on the share price, there is no limit on the potential loss from a short position. The Plan itself does not hold short positions but some of the investment options may.

Systems and technology risk: the risk that the integrity of administration systems, computer systems and programs is breached or they fail.

Managing these risks

How you can manage your risk

Risk management is an important part of meeting your financial goals. We recommend that you discuss your investment strategy with your financial planner to make sure that your investment in the Plan is appropriate, given your investment objectives, financial situation and risk tolerance.

Diversification reduces risk

'Diversification' means spreading your money across a range of asset classes and/or different investment managers in order to reduce overall risk and increase the potential for more consistent returns. Investment history shows that no asset class produces consistently above average returns over all time periods.

If your investment is diversified across a range of asset classes and/or different investment managers, the poor performance of one particular asset class or investment manager is less likely to have a major impact on the value of your overall investment.

The table on page 9 shows the annual performance for different asset classes during the last 10 years and illustrates why diversification is important.

Performance of major asset classes

Rolling one-year returns	Australian shares	International shares	Listed property trusts	Australian fixed interest	International fixed interest	Cash	Diversified portfolio
Jun-01	8.9	-5.9	13.9	7.4	12.4	6.1	6.8
Jun-02	-4.5	-23.3	15.1	6.2	1.4	4.7	-0.6
Jun-03	-1.1	-18.3	12.2	9.8	-3.8	5.0	1.3
Jun-04	22.4	19.4	17.2	2.3	0.7	5.3	11.5
Jun-05	24.8	0.6	18.4	7.8	8.3	5.6	11.8
Jun-06	24.2	20.0	18.1	3.4	-1.4	5.8	12.3
Jun-07	30.3	8.2	26.3	4.0	-8.3	6.4	12.4
Jun-08	-12.1	-21.0	-37.7	4.4	-0.2	7.4	-7.9
Jun-09	-22.2	-16.3	-42.1	10.8	22.0	5.5	-6.2
Jun-10	13.8	5.5	20.3	7.9	0.5	3.9	9.1
Average %	8.4	-3.1	6.2	6.4	3.2	5.6	5.1

 The year's best performing asset class

 The year's worst performing asset class

Source: Morningstar. Australian shares: All Ordinaries Accumulation index; International shares: MSCI World Accumulation index with gross div (A\$); Listed property trusts: S&P/ASX Property Trusts Accumulation index except June 2003 which is the S&P/ASX 300 Property Trusts Accumulation index; Australian fixed interest: UBS Warburg Composite 0 + Years; international fixed interest: Barclays Capital Global Aggregate Index (hedged); cash: UBS Warburg Bank 0 + Years; diversified: Australian shares: 25%, international shares: 15%, listed property trusts: 10%, Australian fixed interest: 30%, international fixed interest: 10%, cash: 10%.

The returns are historical and are not an indication of future performance of the Plan or the investment options. Care should be taken in using past performance in assessing future performance, as past performance is not a reliable guide to future performance. Investments may be volatile and the value of investments may rise and fall.

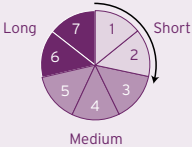
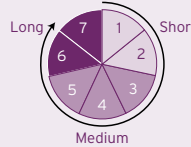
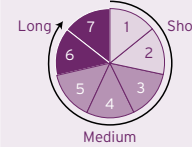
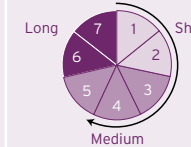
Investment options you can choose

Managed investments

Diversified strategies				
	Growth funds	Moderate growth funds	Balanced funds	Moderately conservative funds
Investment objectives	To achieve higher returns than balanced strategies over the long-term by investing in a diversified portfolio with an emphasis on growth assets.	To achieve higher returns than conservative balanced, capital stable and conservative strategies over the medium to long-term by investing in a broadly diversified portfolio across both growth and defensive assets.	To achieve higher returns than capital stable and conservative strategies over the medium to long-term by investing in a broadly diversified portfolio across both growth and income assets.	To achieve a return higher than that of cash and other short-term fixed interest securities through a diversified portfolio which favours less volatile assets. There is potential for some capital growth from the small component of shares and property securities.
Underlying investments	A mix of cash, fixed interest securities, shares and property securities. Shares and property securities will generally represent more than three quarters of the portfolio.	A mix of cash, fixed interest securities, shares and property securities. Shares and property securities will usually represent more than half of the portfolio.	An equal spread between growth assets such as shares and property securities and fixed income assets such as cash and bonds.	A wide range of assets, including cash, fixed interest securities, shares and property securities. Fixed interest securities and cash will usually make up more than half of the portfolio.
Risk profile	High An emphasis on growth assets introduces the potential for a high level of volatility particularly over the short-term.	Moderate to high An exposure to growth assets introduces the potential for moderate to high volatility over the short-term.	Moderate An exposure equally spread between growth and income assets can give rise to moderate volatility over shorter time periods.	Low to moderate Investment in longer term fixed interest securities, shares and property securities introduces the potential for low to moderate volatility in the short-term.
Usually held for a minimum of:	5 years 	5 years 	4 years 	3 years

The table above outlines the general characteristics of the investment strategies available through the Plan. You may choose investment options from within these strategies.

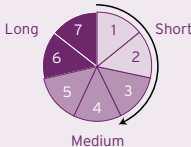
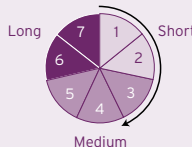
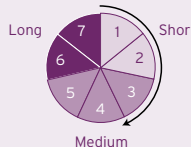
The investment objectives are not intended to be a forecast. They merely provide an indication of what the managed investments aim to achieve over the medium to long-term on the assumption that share and bond markets remain relatively stable throughout that time. The investments may not be successful in meeting these objectives.

	Diversified strategies (cont)	Share strategies		Property strategies
	Conservative funds	Australian share funds	International share funds	Property securities funds
Investment objectives	To achieve returns above the cash rate by investing in a range of growth and income assets, while providing a measure of protection for the capital value of investments.	To achieve high returns over the long-term by investing in a variety of Australian companies.	To achieve high returns over the longer term from a portfolio of international shares.	To provide a moderately high return over time through investment in a range of property securities.
Underlying investments	A range of cash, fixed interest securities, shares and property securities. Fixed interest securities and cash will represent at least three quarters of the portfolio.	A range of shares in listed Australian companies which operate in different industries.	A range of shares in companies listed on world stockmarkets.	A range of property securities listed on the Australian securities exchange and international stock exchanges.
Risk profile	Low to moderate The funds are largely fixed interest and cash investments with modest exposure to growth investments, as such volatility is low to moderate but the fund's capital value may fluctuate as interest rates vary.	High An exposure to shares introduces the potential for considerable short-term volatility as the price of the underlying shares may rise or fall.	High An exposure to shares introduces the potential for considerable short-term volatility as the price of the underlying shares may rise and fall. Total returns may be affected by currency gains and losses resulting from investments being in currencies other than Australian dollars.	Moderate to high An exposure to property securities introduces the potential for moderate to high volatility over the short-term.
Usually held for a minimum of:	2 years 	6 years 	6 years 	4 years 

The table above outlines the general characteristics of the investment strategies available through the Plan. You may choose investment options from within these strategies.

The investment objectives are not intended to be a forecast. They merely provide an indication of what the managed investments aim to achieve over the medium to long-term on the assumption that share and bond markets remain relatively stable throughout that time. The investments may not be successful in meeting these objectives.

Managed investments (continued)

	Fixed interest strategies			Cash strategies	
	Australian fixed interest funds	International fixed interest funds	High yielding funds	Cash funds	Term investments
Investment objectives	To achieve a return higher than cash over the medium term.	To achieve a return higher than cash by investing in international fixed interest investments over the medium term.	To achieve a higher return than securities issued by governments and banks.	To provide interest income at a rate higher than that of an 'at call' bank account with a high level of capital security.	To provide a known rate of interest income for a term ranging from 6 months up to 5 years with a high level of capital security.
Underlying investments	A range of fixed interest securities issued by Australian governments, banks, other financial institutions and corporate borrowers.	A range of international fixed interest securities issued by both governments and corporate borrowers.	A range of listed and unlisted debt securities issued by corporate borrowers.	A range of short-term money market securities issued by Australian governments, banks, high quality corporate borrowers and credit union deposits.	A range of fixed term investments with selected credit unions, Australian banks or government authorities.
Risk profile	Low to moderate The capital value of underlying investments can vary as interest rates fluctuate. International fixed interest investments may be more volatile than Australian fixed interest investments given a longer duration.	Low to moderate The capital value of underlying investments can vary as interest rates fluctuate. International fixed interest investments may be more volatile than Australian fixed interest investments given a longer duration.	Moderate The capital value may vary with share market movements as the funds invest in listed debt securities. These funds are moderately sensitive to changes in interest rates however they are more sensitive to changes in credit ratings.	Low	Low
Usually held for a minimum of:	3 years 	3 years 	3 years 	No minimum	As selected

The details of a particular investment option may vary from the information above. You should read the product disclosure statement or investment report for an investment option before investing. The product disclosure statements or investment reports are available from your financial planner free of charge.

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

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

You may be able to negotiate to pay lower contribution fees and management costs where applicable. Ask your financial planner or contact Client Advisory Services on 1800 221 151.

TO FIND OUT MORE

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

This document shows fees and other costs that you may be charged if you invest in the Plan. These fees and costs may be deducted from your money, from the returns on your investment or from the Plan assets as a whole.

The taxes that may apply to your investment are set out in the 'Taxation' section on pages 24 to 25 of this PDS.

You should read all of the information about fees and costs because it is important to understand their impact on your investment in the Plan. The fees and costs for the particular investment options you choose are set out in a product disclosure statement or investment report for those investments which your financial planner will give you.

Type of fees or cost	Amount	How and when paid
Fees when your money moves in or out of the Plan		
Establishment fee The fee to open your investment	Nil	Not applicable
Contribution fee The fee on each amount contributed to your investment	Nil	Not applicable
Withdrawal fee The fee on each amount you take out of your investment	Nil	Not applicable
Termination fee The fee to close your investment	Nil	Not applicable

Type of fees or cost	Amount	How and when paid
Plan management costs		
<p>The fees and costs for managing your investment</p> <p>The amount you pay for specific investment options is shown in the product disclosure statement for the investment option, available from your financial planner</p>	<p>Administration fee (pa) 0.40%</p> <p>Investment management cost (pa) 0.10% to 2.40%</p> <p>For a worked dollar example of the total management costs for a balanced investment option, see 'Example of annual fees and costs' on page 18</p>	<p>The administration fee is the amount you pay for investing in the Plan. It is deducted quarterly in arrears from your account and is calculated on your average daily balance. We may negotiate fees with wholesale clients. For more information, please see the 'Differential fees' on page 17.</p> <p>The investment management cost is an estimate of the amount you pay for investing in your selected investment options. The investment management cost range displayed is current at the date of this PDS. This range together with the investment management cost of each investment option will vary over time.</p> <p>The investment managers receive the investment management cost directly from the assets of the relevant investment option and reflect this in the unit price of that investment option.</p> <p>The fee is not deducted directly from your account.</p> <p>Performance fees can form part of the investment management cost and may apply to some investment options.</p> <p>Refer to the product disclosure statements for the investment options for more detail.</p>
Service fees ^{1,2}		
<p>Investment switching fee</p> <p>The fee for changing investment options</p>	Nil	Not applicable

1 Your financial planner may charge fees for advice. See 'Other service fees' on pages 15 and 16.

2 There are transaction fees associated with some services. Please see 'Transaction fees' on page 16 for more detail.

The total fees and charges you will pay include the cost of the Plan as well as the cost of any investment you choose. It is important that you understand the total fees that you pay will be determined by the costs of the investment options you choose, the fees we charge for the Plan and transaction and account costs incurred on your behalf. The cost of the investments you choose will be set out in the disclosure documents or product disclosure statements for the investment options you choose which are available from your financial planner.

Additional explanation of fees and costs

Other service fees

Your financial planner is authorised by an Australian Financial Services Licence (AFSL) holder to provide financial services to you.

The fees charged for providing this service are agreed separately by you with your financial planner.

We will acquire and pay for the services and advice provided by your financial planner in relation to your investment in the Plan.

To be able to recommend investment options in the Plan and receive a fee from us, your financial planner must:

- specify the amount of the fee on the application form
- disclose to you all fees which are charged.

Please refer to the Statement of Advice your planner gives you.

These fees will be payable to your financial planner's AFSL holder until you instruct us otherwise. Alternatively, we may cancel fee payments at any time without notice to you.

Implementation fee

You and your financial planner may agree to an implementation fee. An implementation fee is the amount payable to the AFSL holder for implementing your investment portfolio.

Any implementation fee agreed will be deducted from your account each time you contribute to your investment and/or purchase an investment option.

Some of this fee will be paid by the AFSL holder to your planner and/or to any person who referred you to your planner.

	Maximum % pa implementation fee	Dollar example for a \$50,000 investment
You pay (including GST and RITCs)	Up to 4.00%*	\$2,000

* The implementation fee you may pay is up to 4.00%, but the actual amount an AFSL holder receives is up to 4.29%. The difference between what you pay and the amount the AFSL holder receives is paid by Questor.

Adviser service fee

You should monitor your investment portfolio as agreed with your financial planner so that it continues to be appropriate for your circumstances. You and your financial planner will agree to the maximum adviser service fee for this service.

The adviser service fee is charged as:

- a nominated percentage of your investment per annum and is deducted from your account at the end of each quarter based on your average daily balance, or
- a flat dollar fee deducted from your account quarterly.

The maximum amount payable will depend on what is agreed with your financial planner and your account balance. It will range between 0.00% pa and 1.25% pa. Any dollar amount selected will also be within this range.

Where an adviser service fee applies, the AFSL holder can be paid up to 1.34% (including GST and RITCs) or \$670 if your account balance is \$50,000.

Please refer to the table below for the maximum percentage or dollar amount that will be deducted from your account based on your account balance.

Average account balance	Maximum % pa deducted from your account*	Maximum \$ pa deducted from your account
\$50,000 or less	Up to 1.25%	Up to \$625
Between \$50,001 and \$99,999	Up to 0.75%	Up to \$750
\$100,000 or more	Up to 0.60%	Your average account balance x 0.60%

* Where you agree to a maximum adviser service fee of less than 1.25% pa your nominated maximum will apply at the applicable account balance range. For example, if your maximum adviser service fee is 0.95% pa and your account balance falls below \$50,000 you will pay an adviser service fee of 0.95% pa. If your account balance is over \$50,000, the adviser service fee deducted from your account will be the maximum amount payable for that balance range. Where your maximum adviser service fee is a flat dollar amount, it will also vary depending on your account balance.

Margin lending remuneration

If you enter into a margin lending facility, we will receive a commission from the provider of a margin lending facility of up to 0.55% pa of the loan amount. We may pay up to 70% of this commission to your financial planner's dealer group.

So if you invest \$50,000 yourself and you borrow a further \$50,000 through the margin lending facility, we will receive a commission of up to \$275 (0.55% pa of the loan amount). We may pay up to \$193 to the AFSL holder.

For more information about the costs associated with a margin lending facility, please refer to page 21.

Alternate Forms of Remuneration Register

As a related entity of a member of the Financial Services Council (FSC), we maintain an Alternate Forms of Remuneration Register. The Register, which is publicly available and which you can view by contacting us, outlines some alternative forms of remuneration (including the incentive payments referred to above) that we may pay to or receive from licensees, fund managers or representatives. Registers are also maintained by fund managers, platform providers, representatives and licensees.

Transaction fees

You may incur transaction fees when buying and selling your investments. These include:

- **Transaction fee – \$50**
This fee is for a purchase or sale of an investment option or on transfer of an investment option (including listed investments) from another plan within The Portfolio Service. This does not apply to your cash management account, term investments or when using the regular investment sweep. This fee will be deducted from your cash management account.
- **Stockbroking fee – \$39**
This fee is charged in addition to the transaction fee for each purchase and sale of a listed investment. This fee is included in the purchase and sale price applicable to your investment.
- **Cash management account balance charge**
This charge is deducted from your cash management account when there are insufficient

funds in the cash management account to cover the cost of a transaction, including taxes and fees. The charge is based on the return of the cash management account and the timing difference in purchases, sales and withdrawals. The charge is deducted at the end of the quarter.

Dishonour fee

You may incur a \$30 dishonour fee if a direct debit or a direct credit to your nominated credit union, building society or bank account is unsuccessful.

Buy/sell spread

A buy/sell spread may be incurred when managed investments are bought or sold. The spread reflects the brokerage and other transaction costs incurred by the relevant investment manager. The buy/sell spread currently ranges from 0% to 1.00% depending on the investment option you choose. Therefore, you will incur a buy/sell spread from \$0 to \$10 per \$1,000 on the purchase and or sale of an investment option based on a unit price of \$1.00. This fee is not charged to you separately, but it is reflected in the unit price of the relevant managed investment. Please refer to the relevant product disclosure statement for each investment option for information and amount of the buy/sell spread applicable.

Expense recovery fee

The Constitution for the Plan allows us to be reimbursed from the assets of the Plan for any expenses incurred by us in relation to the proper performance of our duties as Responsible Entity. Expenses include (among other things) promotion (including offer documents, advertising material and printing), custody, audit, taxation advice, accountants, external consultants, termination costs, unit holder meetings, legal costs, compliance and compliance committee costs. The expense recovery fee is a maximum of 0.30% pa of the value of the Plan. Currently, no expense recovery fee is payable.

Performance fee

We do not charge any performance-based fees, however, an investment manager may charge a performance-based fee for a particular investment option when the investment return generated by

the investment option exceeds a specific criteria or benchmark.

For example:

Amount invested = \$10,000

Investment return 10% = \$1,000

Performance benchmark 8% = \$800

Investment performance above benchmark
(10% - 8% = 2%) = \$200

Performance fee (15% of the performance in excess
of the benchmark) = \$200 x 15% = \$30

The performance fee is normally reflected in the unit price of the investment options. It is generally calculated daily as a percentage amount and may be paid monthly, quarterly, semi-annually or annually depending on the terms of the investment option.

The investment managers that can charge a performance-based fee are outlined in our current List of Investment Strategies which can be obtained from your financial planner free of charge. Please refer to the product disclosure statement for the relevant investment option for details of any applicable performance fee and the calculation methodology.

Investment management cost rebate

We may receive a discount on the investment management cost in the form of a rebate. The amount of the rebate depends on the arrangement with the individual fund managers.

When we receive the rebate, we may pay it (or some of it) directly to your account. The amount you receive is calculated on the number of units you hold and the period for which you hold them.

Fund manager payments

Either the IOOF group or Questor (collectively IOOF) may receive a fee from the investment manager of certain investment options for administration and/or investment related services. This fee (up to 0.30% pa plus GST with a minimum annual dollar amount of \$5,000 plus GST, as at the date of this PDS) is generally based on the total amount of funds IOOF has invested in each investment option and is paid to IOOF from the investment manager's own resources.

One example would be where IOOF has an investment balance of \$3 million and the agreed fee is 0.25% plus GST, IOOF would receive \$7,500 pa plus GST. The fee is retained by IOOF and is **not** an additional cost to you.

Can the fees and expenses change?

The fees and expenses set out in the 'Fees and other costs' section of this PDS may change because of (amongst other things) changing economic conditions and changes in regulation. We will give you 30 days' notice of any proposed fee increase or otherwise notify you as the law requires. This notice period should provide you with enough time to withdraw your investment options from the Plan if you do not agree with the proposed fee changes. The new fees and expenses must be within the maximum permitted in the Constitution. Please note that the fees and expenses set out on the previous pages may be lower than the maximum fees permitted under our Constitution. If we increase the maximum amount permitted, we would be required to change our Constitution and to do this we must have members' approval.

Differential fees

We may individually negotiate our fees with wholesale investors (as defined in section 761G of the Corporations Act) and otherwise in accordance with the Corporations Act and ASIC policy. The size of the investment and other relevant factors may be taken into account. The terms of these arrangements are at our discretion.

If you qualify as a wholesale investor, contact Client Advisory Services to see if you are eligible to negotiate your fees with us. If you do not qualify as a wholesale investor, we do not negotiate fees with you. However, you may negotiate the implementation fee with your financial planner.

Tax

The fees in the table on pages 13 and 14 take into consideration the net effect of goods and services tax (GST), which incorporates the benefits of reduced input tax credits (RITCs). For more information on tax, please refer to pages 24 and 25 of this PDS.

Example of annual fees and costs

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

Example – IOOF MultiMix Balanced Growth Trust		BALANCE OF \$50,000, INCLUDING A CONTRIBUTION OF \$5,000 AT THE BEGINNING OF THE YEAR
Contribution fee	Nil	Nil
Plus management costs		
Administration fee (deducted directly from your account)	0.40% pa	And, for every \$50,000 you have in the Plan, you will be charged \$650 each year ¹
Investment management costs² (paid from the assets of the relevant investment option and reflected in the unit price) IOOF MultiMix Balanced Growth Trust	0.90% pa	
EQUALS Cost of the Plan		If your balance was \$50,000, including \$5,000 invested at the beginning of the year, for that year you would be charged fees of: \$650³ What it actually costs you will depend on the investment option you choose and the fees you negotiate with us or your financial planner.

1 This example includes all direct and indirect management costs for managing the Plan.

2 The investment management cost of the IOOF MultiMix Balanced Growth Trust (excluding performance fees) as at the date of this PDS. Performance fees may be charged by underlying investment managers of the IOOF MultiMix Balanced Growth Trust from time to time. If incurred, performance fees charged will be in addition to the investment management cost listed above. Refer to the product disclosure statement for the investment option for more detail.

3 Additional fees may apply (such as an implementation fee, a buy/sell spread, transaction fees and any adviser service fee). The example assumes a constant balance of \$50,000 over the entire period and disregards the impact of any returns. The actual fees you pay will depend on when you contribute and how often, the precise expenses deducted from your account and the fees you negotiate with us (if any).

Making an investment

The minimum initial and additional investment is \$1,000 per investment option. There is no minimum initial or additional investment to your cash management account. You can make additional investments at any time.

If you wish to establish a regular savings plan, you must contribute a minimum of \$100 per month. For more information, please refer to page 22.

Applications

On acceptance of your application, we will open an investment portfolio for you. Your money is initially invested in the cash management account. Monies held in the cash management account are invested in the Cash Management Fund. Any interest earned on application monies is credited to your cash management account. Information on the Cash Management Fund is outlined in the Cash Management Fund PDS (which accompanies this PDS and is available from your financial planner).

We invest your money in your chosen investment options as soon as practicable. Several factors may affect the time taken to complete transactions, including:

- the investment manager's procedures for the particular managed investment
- current market conditions.

We take no responsibility for delays that are beyond our control.

We may reject an application to invest in an investment option where there are insufficient monies to complete the investment or where monies remain uncleared within the cash management account for more than seven days. However, some other transactions we undertake for you may take longer. For example, some investment options only accept money monthly or quarterly.

We will endeavour to process your application within 10 business days. However, it may take longer, depending on the investment options you choose.

Regular investment sweep

You may choose to activate the regular investment sweep, which means any cash in excess of your cash account minimum (including any deposits made to your cash account) is automatically invested each month according to your nominated investment profile. The minimum sweep amount is \$100. You can choose to have the excess cash invested into a maximum of five investment options.

For more information about the regular investment sweep, see page 22.

Cooling-off period

After you first join the Plan, you have time to reconsider your decision. This is known as the 'cooling-off' period. Within this time, you may withdraw from the Plan and have your money repaid to you. Adjustments are made for market movements (up or down), our reasonable administrative and transaction costs (but not adviser fees) and non-refundable taxes and duties. You may return a financial product within the period of 14 days starting on the earlier of:

- the time you receive confirmation from us that the investment has been made for you
- the fifth day after the investment options were issued by us.

You must notify us in writing if you wish to withdraw from the Plan. If you have entered into a margin lending facility, we will be bound by the instructions of the provider of a margin lending facility as to whom the money is to be repaid. The cooling-off right does not apply to investments made under the regular investment sweep, regular savings plan, when you switch investment options, when you make an additional investment, exercise a right associated with your investment (eg voting rights), or in other situations where the law does not require it to apply.

If you have any questions, please contact your financial planner or Client Advisory Services.

Valuing your investment options

Each investment option is generally valued at least weekly in the following way:

- cash and term deposits, at cost
- listed investments, generally the last sale price
- managed investments, generally the withdrawal (redemption) price quoted by the investment manager.

We may vary the method of valuation and procedures we use to determine the value of an investment option if we consider that the change will provide a more accurate measure.

In specie transfers

Your investments may be in specie transferred between products within The Portfolio Service. This means you can conveniently move your current investment options to another product should your circumstances change. Transaction fees may apply. Generally, we do not accept in specie transfers of managed investment funds between The Portfolio Service and external product providers.

Switching

You can switch between investment options at any time by:

- completing a switch request form
- instructing your financial planner to contact us or
- notifying us in writing.

If you are switching to a new investment option, you must receive a copy of the relevant offer document or investment report, which is available from your financial planner free of charge. The minimum switch amount is \$1,000 per investment option.

Any disposal of investment options, which includes switching between investment options, may have tax implications. You should consult your financial planner or tax adviser before switching investment options.

Borrowing to invest – margin lending

We have arranged with a provider of a margin lending facility (provider) for a margin lending facility to be made available to investors in the Plan. The provider (and not us) will determine whether you can access the margin lending facility. If so, the provider will lend you funds to make additional investments in the Plan.

Borrowing to invest is also known as gearing. Your financial planner can provide you with more information about the margin lending facility.

What documents do we require?

If you use the margin lending facility, you must provide to us a certified copy of the Power of Attorney, signed by you, which appoints the provider as your attorney. When we receive this document, we must act in accordance with any directions given by the provider about your portfolio and those directions will bind you.

How will your rights be affected?

If the provider gives you access to the margin lending facility, we will recognise that the provider has a security interest in your investment portfolio.

A security interest is like a charge over your portfolio. This means:

- we will record the details of the provider against your investment portfolio
- you can only invest in the investment options approved (by the provider) for margin lending (these investment options are identified on the current List of Investment Strategies)
- we will not act on any instructions from you about your investment portfolio without the prior consent of the provider (apart from instructions to switch between investment options approved by us and the provider)
- the provider may give us instructions to sell all or any of your investment options and we will be bound by those instructions. The proceeds of sale will be paid to the provider
- you will continue to be entitled to receive distributions from your investment options

- we will remove the provider security interest from your investment portfolio when the provider notifies us to do so. After that, these provisions will no longer apply to you.

Risks

There are risks involved in borrowing money to invest, and therefore this strategy is not suitable for every investor. In addition to the risks of investing set out on pages 6, 7 and 8 there is the risk that the value of your investment options may fall, but you will still owe money to the provider which provided the loan. Compared to an ungeared investment, borrowing magnifies both positive and negative returns. The more you borrow, the greater the risk of negative returns.

Fees

Fees and other costs which may apply if you enter into a margin lending facility will be set out in the product disclosure statement provided by the provider (not us). Any fees for the margin lending facility will be in addition to fees payable for the Plan and investment options. You should read the product disclosure statement carefully before choosing to use the facility.

If you enter into a margin lending facility, we will receive a commission from the provider of up to 0.55% pa of the loan amount. We may pay up to 70% of this commission to the AFSL holder. Please refer to 'Margin lending remuneration' on page 16 for more information, including a worked dollar example.

Important note

We are not recommending that you borrow money to invest. Whether borrowing money to invest is appropriate will depend on your personal circumstances and needs. You should discuss this with your financial planner and obtain any further legal, financial, taxation and accounting advice you may need about borrowing and the product disclosure statement.

Distributions and regular savings

How is your income distributed?

Income such as distributions and interest that you earn from your investment options is automatically invested into your cash management account. Alternatively, you can also choose for your income to be automatically reinvested into the same investment option (where it is available). Investment options available for reinvestment are identified on the List of Investment Strategies. Remember that distribution reinvestment can occur before you receive a revised offer document for any relevant managed investment. We recommend you discuss the reinvestment options with your financial planner.

To change your reinvestment election, please notify us in writing and allow 10 business days for your request to be implemented.

Regular savings plan

You can commence a regular savings plan with a minimum investment of \$100 per month. Please allow 15 business days for your regular savings plan to be established.

We will deduct money from your nominated credit union, building society or bank account on or after the 15th of each month. Your money is invested into your cash management account (which in turn invests in the Cash Management Fund).

The regular savings plan may be subject to the fees referred to on pages 13 to 16.

We reserve the right to terminate your regular savings plan if your direct debit is unsuccessful three times in any 12 month period.

If you have established a regular savings plan, we will continue to deduct money from your nominated account until you tell us otherwise or the regular savings plan is terminated. You can change your account details, alter the amount of your monthly investment or stop contributing by notifying us in writing. Please allow 15 business days for your request to be implemented.

If we change the terms of the regular savings plan materially or terminate it, we will let you know. Please keep this PDS and any updated information for future reference as these are the terms of the regular savings plan.

If you have a regular savings plan and wish to invest your regular investment into managed investment options, you may choose to activate the regular investment sweep facility described below.

Regular investment sweep

The regular investment sweep makes it easy to add to your investment portfolio without the inconvenience of completing additional application forms. If you choose to activate the regular investment sweep, we will check your cash account balance monthly.

Any cash in excess of your cash account minimum (\$100 and over) will automatically be invested into your investment profile as nominated on the application form. The minimum sweep amount is \$100. The regular investment sweep will continue until you tell us otherwise.

You may choose up to five investment options and you must nominate what percentage of the monthly sweep amount is to be invested into each option. A minimum of 20% per managed investment option applies.

If you establish a regular savings plan and/or regular investment sweep, we will make any updated product disclosure statements for your investment options available to you as soon as practicable once they are issued (and within five business days). However, it is possible that money may be invested into your investment options before you access the updated product disclosure statements. Additional investments into the investment options will be made on the basis of the product disclosure statements current at the time of the additional investments.

Accessing your investment

Making withdrawals

Unless you have entered into a margin lending facility (see page 21), in order to withdraw money from an investment option you should:

- instruct your financial planner to contact us or
- notify us in writing, giving details of the account to which payment should be made.

Proceeds may be paid to your credit union, building society or bank account, as previously provided to us in writing.

There is a minimum withdrawal amount of \$1,000 from your cash management account. The proceeds of a withdrawal are generally available within 10 business days from the time that we receive the withdrawal request. However, it may take longer for investment options that have longer withdrawal periods – for example, some investment options process withdrawals quarterly.

If you have entered into a margin lending facility and the provider, that is the lender, still has a security interest in your investment options (see page 21), we will need to obtain the provider's consent to make any payment or withdrawal. We must also comply with the provider's instructions as to whom the proceeds are to be paid.

Closing your investment portfolio

You may close your investment portfolio at any time and your request will be treated as a withdrawal of your entire investment in the Plan unless you have entered into a margin lending facility.

If you have entered into a margin lending facility and the lender still has a security interest in your investment options (see page 21), we will obtain the lender's consent to close your investment portfolio and comply with the lender's instructions about payment of the proceeds.

When you close your investment portfolio, we will leave your cash management account open and retain a reasonable balance until after the end of the financial year. This enables us to:

- credit the account with any distributions and interest payments which are due to you
- deduct any fees, expenses or taxes which you owe from the account.

When these transactions have been completed, we will send any residual balance to you or, if your cash management account is overdrawn, we may require that you pay the outstanding amount.

Taxation

The following is a general summary only of the taxation implications for investors resident in Australia for tax purposes, who hold their investments as long-term investments and is based on information that is current at the date of this PDS. This summary does not address the taxation implications for investors who hold their investments on revenue account. It is recommended that you consult your taxation adviser before making an investment decision.

Income tax

You are the beneficial owner of your investment options. This means that although we, or a custodian, hold the legal title to your investments, we hold them on your behalf. Generally speaking, your income tax (including capital gains tax) position will be the same as if the investment options were held in your name.

Generally, income from your investment options will be included in your assessable income. Franking credits and foreign income tax offsets will be passed on to you. The amounts of income, tax credits and offsets will be identified in your tax statement. We are required to disclose the income tax credits and offsets to the Australian Taxation Office (ATO).

Capital gains tax (CGT)

Taxable capital gains may arise:

- as part of distributions from managed investments or trusts. These capital gains may arise from the sale of assets by the managed investment or trust
- from the sale of an investment option held in your investment portfolio. This may occur when you switch between investment options or when you make a withdrawal from your investment portfolio.

Where an investment option has been held for at least 12 months and a CGT event with respect to the particular investment option occurs after 11.45am on 21 September 1999, certain investors may be entitled to the discount capital gain concession. Individuals and trusts may be assessed on half of the nominal capital gains and superannuation funds may be assessed on two-thirds of the nominal capital gains.

Capital gains derived on investment options held for less than 12 months are assessed on the full nominal gain. Companies are not entitled to the discount capital gain concession.

Where investment options are disposed of at a capital loss, investors can choose to first offset the capital loss against the full nominal gains on other assets (before any relevant CGT discount is applied) and against indexed capital gains, in order to achieve the optimal tax result.

Allowable deductions

Generally, fees and expenses incurred by investing through the Plan will be treated as follows:

- the ongoing fees are tax deductible and can be offset against the income from your investment portfolio
- any transaction charges payable on acquisition, transfer or disposal of an investment, including implementation fees, are not generally tax deductible but may form part of the cost base of the investment for capital gains or income tax purposes, and accordingly may reduce any gain or increase any loss arising from the sale of the investment.

Franked dividends

Franking credits attached to trust distributions may be used to offset your tax liability where your total franking credits in an income year from all sources do not exceed \$5,000. Where your franking credits in an income year from all sources do exceed \$5,000, the availability of an offset will depend on passing a holding period rule in respect of a distribution. Any franking credits will be advised in your tax statement.

Surplus franking credits remaining after your income tax liability has been reduced to nil may be refundable.

Tax file number (TFN) and Australian business number (ABN)

You may quote your TFN or claim an exemption from doing so by completing the relevant section of the application form. Alternatively, if you are investing through the Plan as part of an enterprise, you may provide your ABN. If you do not quote your TFN or ABN, tax at the rate of 46.5% is required to be withheld from certain income distributed to you.

By quoting your TFN or ABN, you authorise us to apply it to your entire investment portfolio. If you wish to quote your TFN or ABN for only some of your investment options, please let us know.

For more information about the use of TFNs and ABNs, please contact the ATO.

Additional information

Keeping you informed

We will send you information as required by law. We may also communicate with you by email.

On acceptance of your initial application, we will send you a confirmation which summarises the information we have recorded about your investment.

You will receive written confirmation each time you make a transaction (other than when investing through the regular investment sweep or the regular savings plan).

At any time, your financial planner can request information for you generally about the Plan, and specifically about your investment options.

Regular reports

A significant benefit of the Plan is that you receive comprehensive consolidated reports covering all of your investment options. Each report shows for the quarter:

- the current value of your investment options
- any additional investments you have made, including those made through the regular investment sweep and the regular savings plan
- the investment options you bought or sold
- the fees and expenses that have been deducted from your cash management account
- payments that have been made to you from your investment options.

Tax information

After the end of each financial year you will receive:

- a consolidated tax statement which summarises the income from your investment portfolio, including the components of the income and allowable deductions
- a statement advising you of the capital gains or losses on the sale of investment options
- a guide on how to use the information in the statement to complete your income tax return.

Each quarter you may request an instalment income report for pay as you go (PAYG) purposes. You or your financial planner can also request additional reports.

Annual reports

The annual report for the Plan will be available on our website www.theportfolioservice.com.au after the end of the financial year. A copy of the latest annual report is also available free of charge on request. This PDS should be read in conjunction with the latest annual report of the Plan.

The Plan is subject to regular reporting and disclosure obligations. Copies of documents lodged with ASIC in relation to the Plan may be obtained from, or inspected at, an ASIC office. On request we will provide, free of charge, copies of the most recent annual report for the Plan, the half-yearly financial report and any continuous disclosure notices lodged with ASIC.

Updated information

From time to time, information in this PDS may change. If the information is not materially adverse to you, we will notify you of the changes in a product information update available on our website, www.theportfolioservice.com.au. Upon request a copy of the product information update can be obtained free of charge from your financial planner or Client Advisory Services.

If the change to the information in this PDS is materially adverse to you, we will issue a replacement PDS or a supplementary PDS.

If there are changes to the information in this PDS after you join the Plan, we will notify you as required by law – in writing, in our annual report or, where possible, by electronic means.

Keeping us informed

You may need to change your details, such as your name, address, telephone number or contact details of where your payments from your cash management account are to be made. Please write to us or ask your financial planner to contact us.

Enquiries and complaints

If you have any questions or a complaint, please:

- contact your financial planner
- telephone Client Advisory Services on 1800 221 151 or
- notify us in writing.

Having done so, if you feel that the matter has not been dealt with adequately, please write to us at the following address:

Complaints Officer
The Portfolio Service
Locked Bag 4004
Queen Victoria Building NSW 1230

We will acknowledge receipt of your complaint within two business days of receiving your letter.

We will endeavour to resolve the situation within 28 days of receiving your letter. However, some matters are more complex and can take longer to resolve. In that case, we will keep you informed of our progress.

If you have complained to us and your complaint has not been resolved to your satisfaction within 45 days, you can contact the Financial Ombudsman Service Limited (FOS), an independent complaints handling body of which we are a member. FOS will be then able to confirm whether or not they can help you. Their contact telephone number is 1300 780 808, or you can write to them at GPO Box 3, Melbourne VIC 3001.

In order for a complaint to be considered by FOS, the claim must be less than \$150,000 (unless we agree otherwise in writing).

The Responsible Entity

We are the Responsible Entity of the Plan and we are responsible for the management, research and administration of over \$5 billion in Australia. We are also part of the IOOF group, which has around \$99 billion in funds under management, administration, advice and supervision as at 30 June 2010.

The Constitution

The Constitution of the Plan, the Corporations Act and other relevant laws govern our relationship with you. Upon request we can provide a copy of the Constitution to you free of charge.

The Constitution contains provisions relating to (among other things):

- the commencement, duration and termination of the Plan
- income and capital distributions
- our power to invest or borrow
- application and withdrawal provisions
- valuation of assets
- complaints handling procedures
- meetings of members – our rights and liabilities
- liability of members
- remuneration and expenses.

The Constitution limits our need to compensate you if things go wrong. Generally, and subject always to liability which the Corporations Act imposes on us, if we act in good faith and without default and negligence, we are not liable to investors for any loss they suffer.

Investors' approval is required in order to make changes to the Constitution which may adversely affect investors' rights (for example, if we wanted to increase the maximum fees we can charge under the Constitution, a meeting of investors would be required first).

Rights of an investor

We (or our custodian) hold all investment options purchased on your behalf. You have a beneficial interest in the investment options of your investment portfolio.

You cannot interfere with, or participate in, the management or operation of the Plan. You can attend and vote at meetings of investors of the Plan and, subject to the Corporations Act, you can requisition a meeting. Because you do not hold any of the investment options yourself (we or our custodian hold these), you cannot attend and vote at meetings of investors of the investment options.

You may elect to receive copies, from us or our custodian as the legal titleholder of your investment portfolio, of particular or specified types of communications that we receive about the investment options.

Under the Plan's Constitution, your liability is limited to the value of your investment options in the Plan. However, we cannot give you an absolute assurance of this because the determination of the liability of investors rests with the courts. If you have entered into a margin lending facility, you will also be liable to repay all outstanding principal and interest payments to the lender plus generally any recovery costs incurred by them.

Applications

We have absolute discretion as to whether or not to accept applications for the Plan.

Borrowings

We do not propose to borrow monies for the Plan, although we are permitted to do so under the Constitution for the Plan.

Related party transactions and our role as service providers

Our related party, Bridges Financial Services Pty Limited, may receive stockbroking business from investment managers that have managed investments offered by the Plan.

We also act as the Responsible Entity of the Cash Management Fund and receive an investment management fee (as disclosed in the relevant product disclosure statement) for doing so.

We will not deal with service providers to the Plan who are our associates more favourably than we deal with any other service providers. All transactions in which the Plan is engaged occur on 'arm's-length' terms.

Privacy

When you apply to invest in the Plan, we will collect personal information from your application form.

We will use this information to process your application, establish your investment portfolio and correspond with you about your investment options. As your financial circumstances change, we may also use your personal information to tell you about our other products and services that could be useful to you (unless you inform us that you would prefer not to be told about those products and services).

By signing the application form, you agree to us collecting, storing and using your personal information.

You also agree to us disclosing your personal information to:

- your financial planner, to inform them of their entitlement to fees in respect of your investment and to enable them to advise and inform you about your investment options
- our related companies, in relation to services that they provide to us and to enable them to inform you about other products that you may be interested in
- third parties that we engage to provide services such as custody, administration, reporting, technology, mailing or printing services
- a referral source, such as a credit union

- government bodies and other third parties, when required by law
- any professional financial advisers to the Plan, including legal and accounting firms, valuers and auditors.

If you do not agree to us disclosing your personal information in this way, please tell us (see section 8 of the application form).

You may choose not to give us your personal information. However, depending on the type of information that you withhold, we may not be able to process your application, deal with your investment options or pay you income.

You can request access to your personal information that we hold by writing to us. If you think our records are wrong or out-of-date, including your address or email address, it is important that you contact us and we will correct them free of charge. In certain circumstances, we can withhold your personal information (for example, if required by law). We may charge a reasonable fee for provision of information to you.

If you have any questions about your personal information, please telephone Client Advisory Services on 1800 221 151.

Anti-money laundering and counter-terrorism requirements

In order to meet our obligations under anti-money laundering, counter-terrorism legislation or taxation legislation, we may require further information from you to identify the source of your funds. If you do not provide us with this information, we may not be able to process your transactions.

How to invest

- 1 Read this PDS and the most recent annual report for the Plan (available from us free of charge). If you have any queries, please consult your financial planner or contact Client Advisory Services on 1800 221 151.
- 2 Establish your investment objectives with your financial planner.
- 3 Review the List of Investment Strategies and relevant product disclosure statements with your financial planner and create an investment strategy that meets your financial goals and provides adequate diversification.
- 4 Complete and sign the application form and attach the cheque(s) made payable to:
Questor Financial Services Limited atf TPS
Investment Essentials – [Your name]
- 5 If you wish to establish a regular savings plan please complete:
 - Section 5 of the application form and direct debit request form on page 37.
- 6 To lodge your application, please give the application form and cheque to your financial planner who will forward them to:
Questor Financial Services Limited
Locked Bag 4004
Queen Victoria Building NSW 1230
- 7 If you wish to enter into a margin lending facility, complete the application form in this PDS and the provider's application form (available from your financial planner).
Send both application forms to the address supplied by the provider.
- 8 If we accept your application, we will send you written confirmation. Please note, however, that we may reject your application.

Where to get help

If you have any questions when completing the application form, please contact your financial planner or call Client Advisory Services:

1800 221 151 (freecall)

Monday to Friday 9.00am to 5.00pm
(Sydney time).

Investment Essentials application form

Dated 1 October 2010

Before you sign the application form, the Responsible Entity or financial planner is obliged to give you a 'Product Disclosure Statement' (which is a summary of important information relating to the Plan). The Product Disclosure Statement for the Plan dated 1 October 2010 accompanies this application form. You should read the Product Disclosure Statement before investing in the Plan.

Are you an existing investor? Yes No

Are you entering into a margin lending facility? Yes No

1. Personal details

Investor 1

Title	Surname	Given names		
<input type="text"/>	<input type="text"/>	<input type="text"/>		
Address				
<input type="text"/>				
Suburb/town	State	Postcode	Email address	
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	
Telephone (home)	Telephone (business)		Mobile	
<input type="text"/>	<input type="text"/>		<input type="text"/>	
Male	Female	ABN or TFN (see page 25)		Date of birth (dd/mm/yy)
<input type="checkbox"/>	<input type="checkbox"/>	<input type="text"/>	- <input type="text"/>	<input type="text"/>

Investor 2

Title	Surname	Given names		
<input type="text"/>	<input type="text"/>	<input type="text"/>		
Address				
<input type="text"/>				
Suburb/town	State	Postcode	Email address	
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	
Telephone (home)	Telephone (business)		Mobile	
<input type="text"/>	<input type="text"/>		<input type="text"/>	
Male	Female	ABN or TFN (see page 25)		Date of birth (dd/mm/yy)
<input type="checkbox"/>	<input type="checkbox"/>	<input type="text"/>	- <input type="text"/>	<input type="text"/>

2. Nominated account

Please pay any withdrawals to the account nominated below. (Please refer to your credit union, building society or bank statement for these details. Do not use the numbers quoted on any plastic card or credit union cheque form.)

Account number	Account name
<input type="text"/>	<input type="text"/>

BSB number	Name of institution	Branch
<input type="text"/>	<input type="text"/>	<input type="text"/>

3. Investment amount (to cash management account)

Deposit information (cheque drawn by)	Amount
<input type="text"/>	\$
<input type="text"/>	\$
<input type="text"/>	\$
TOTAL	\$
Implementation fee (up to 4%)	%

4. Investment options

Please nominate either investment process A, B or C by ✓ ticking the appropriate box. Select one process only.

- (a) Please invest proceeds in accordance with the investment options selected on the purchase instructions submitted by my financial planner.^
- (b) Please invest proceeds in accordance with the regular investment sweep instructions. (Please also complete section 6.)
- (c) Please invest proceeds in the investment options nominated below.^

Investment options	Reinvest income and dividends ✓	Amount (approx)	All ✓	Residual ✓
Cash management account	<input type="checkbox"/>	\$	<input type="checkbox"/>	<input type="checkbox"/>
<input type="text"/>	<input type="checkbox"/>	\$		
<input type="text"/>	<input type="checkbox"/>	\$		
<input type="text"/>	<input type="checkbox"/>	\$		
<input type="text"/>	<input type="checkbox"/>	\$		
<input type="text"/>	<input type="checkbox"/>	\$		
<input type="text"/>	<input type="checkbox"/>	\$		
<input type="text"/>	<input type="checkbox"/>	\$		
<input type="text"/>	<input type="checkbox"/>	\$		
TOTAL*		\$		
Implementation fee (up to 4%)		%		

^ A minimum of \$1,000 per investment option applies. There is no minimum investment for the cash management account. A minimum balance of 2% of the total investment portfolio must be held in the cash management account.

* Please ensure the total equals the investment amount entered in section 3.

5. Regular savings plan

Yes, please set up a regular savings plan

Amount \$ A minimum investment of \$100 per month is required.

I/we wish my/our direct debit request to commence from 15 / / (must be within 3 months of your initial investment).

Implementation fee (up to 4%) %

If you wish to establish a regular savings plan, please complete the direct debit request form on page 37 of this PDS.

Any regular deposits will be invested in your cash account. Please complete section 6 if you wish to have your regular deposits invested into your investment options.

6. Regular investment sweep – investment profile

Yes, please sweep any cash that is above my cash account minimum and invest it according to my investment profile nominated below.

Please list the managed investment options to be purchased. A minimum of 20% per managed investment option applies.

Investment options	Reinvest income ✓	% Amount
	<input type="checkbox"/>	%
	<input type="checkbox"/>	%
	<input type="checkbox"/>	%
	<input type="checkbox"/>	%
	<input type="checkbox"/>	%
	<input type="checkbox"/>	%
	TOTAL	100%
	Implementation fee (up to 4%)	%

7. Adviser service fee

Only complete this section if you have agreed to pay an adviser service fee.

Percentage fee % ^{*} per annum (Up to 1.25% pa), or

Flat dollar fee \$ [^] per quarter.

* This is the maximum adviser service fee. Please see page 15 of this PDS for details of the adviser service fee range.

^ The maximum flat dollar fee nominated must be within the percentage range applicable for the account balance. Please see page 15 of this PDS for details of the adviser service fee range.

8. Privacy

If you do not wish to receive information on other products and services that may be of benefit to you, please tick this box.

Please see pages 28 and 29 of the PDS for details on privacy and personal information.

9. Signature(s) and confirmations

- I/We have received and read the Product Disclosure Statement dated 1 October 2010, and the current offer document and/or investment report for each investment option I/we have selected.
- I/We agree to be bound by the provisions of the Constitution of the Plan as amended from time to time.
- I/We authorise the Responsible Entity to deduct from my/our Plan all fees, expenses and taxes payable incurred on my/our behalf to my/our Plan.
- I/We authorise the Responsible Entity to provide details regarding my/our Plan to my/our financial planner until such time as I/we revoke this authority in writing.
- I/We have nominated an account for receipt of my/our payments. I/we indemnify the Responsible Entity from all liabilities arising from my/our instructions for payments.
- I/We instruct the Responsible Entity to purchase the investment options advised in this application form. I/we acknowledge having received the offer document and/or investment reports for these and that the Responsible Entity does not guarantee the success or performance of the investment options selected.
- I/We understand that, in applying for a regular savings plan, I/we agree to be bound by the terms and conditions of the regular savings plan that include the direct debit request service agreement terms and conditions.
- I/We understand that a person who gives another person access to this application form, must also give that person access to the relevant offer document and any supplementary offer document.
- I/We acknowledge that under the regular savings plan and the regular investment sweep, a regular savings acquisition of an accessible financial product may occur without me having been given a current Product Disclosure Statement or Supplementary Product Disclosure Statement in relation to the accessible financial product.
- I/We acknowledge that regular savings acquisitions will continue to be made under the regular savings plan and the regular investment sweep until I/we instruct the Responsible Entity otherwise or the arrangement constituting the regular savings plan and/or regular investment sweep is terminated.
- I/We acknowledge that I/we may be requested to provide additional information to assist the Responsible Entity to meet its obligations under Anti-money laundering and counter-terrorism legislation.
- I/We understand that while this Product Disclosure Statement is current, the Responsible Entity or the person who has provided a copy of the Product Disclosure Statement will provide paper copies of the Product Disclosure Statement and any Supplementary Product Disclosure Statement, free of charge on request.
- The implementation fee and adviser service fee nominated above will be paid to an AFSL holder approved by the Responsible Entity. Some of these fees may be paid by the AFSL holder to your financial planner and/or any person who referred you to your financial planner. The Responsible Entity can cancel this arrangement at any time without notice to you.

Signature Investor 1

Date

Signature Investor 2

Date

Financial planner use only

Name	Telephone
<input type="text"/>	<input type="text"/>

AFSL holder	PortfolioNet account number
<input type="text"/>	<input type="text"/>

Referral source	BSB number
<input type="text"/>	<input type="text"/> - <input type="text"/>

- The implementation fee applicable to this application has been recorded in sections 3, 4, 5 and 6 of this application form as applicable.
- I acknowledge that any liability to pay an adviser service fee (to an AFSL holder approved by the Responsible Entity and stated on this application form) will not exceed the amount detailed on this application form (except for a GST provision) and that the investor or Responsible Entity may cancel or reduce this amount at any time without notice.
- I indemnify the Responsible Entity against any claim arising pursuant to the advice given by me to the investor(s) named on this application form.

Signature	Date
<input type="text"/>	<input type="text"/> / <input type="text"/> / <input type="text"/>

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Direct debit request form

Dated 1 October 2010

Request and authority to debit the account named below to pay Questor Financial Services Limited

1. Request and authority to debit

Surname or company/business name

Given names or ACN/ABN (you)

request and authorise Questor Financial Services Limited (User Identification Number 180 512) to arrange for any amount Questor Financial Services Limited may debit or charge you to be debited through the Bulk Electronic Clearing System from an account held at the financial institution identified below subject to the terms and conditions of the direct debit request service agreement.

2. Account to be debited

Account number

Account name

BSB number

Name of institution

Branch

(Please refer to your credit union, building society or bank statement for these details. Do not use a number quoted on any plastic card or credit union cheque form.)

Address

Suburb/town

State

Postcode

3. Acknowledgment

By signing this direct debit request form, you acknowledge having read and understood the terms and conditions governing the debit arrangements between you and Questor Financial Services Limited as set out in this request and in your direct debit request service agreement.

4. Signature and address

Account holder's signature (as specified in section 2)

Date

Account holder's signature (as specified in section 2)

Date

Address

Suburb/town

State

Postcode

Investment Essentials investor signature(s)

Signature Investor 1

Date

Signature Investor 2

Date

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Direct debit request service agreement

Definitions

account: means the account held at your financial institution from which we are authorised to arrange for funds to be debited.

agreement: means this direct debit request service agreement between you and us.

business day: means a day other than a Saturday or a Sunday or a public holiday listed throughout Australia.

debit day: means the day that payment by you to us is due.

debit payment: means a particular transaction where a debit is made.

Direct debit request: means the direct debit request between us and you.

us or we: means Questor Financial Services Limited, (the Debit User) you have authorised by signing a direct debit request form.

you: means the customer who signed the direct debit request form.

your financial institution: is the financial institution where you hold the account that you have authorised us to arrange to debit.

Debiting your account

By signing a direct debit request, you have authorised us to arrange for funds to be debited from your account. You should refer to the direct debit request form and this agreement for the terms of the arrangement between us and you.

We will only arrange for funds to be debited from your account as authorised in the direct debit request form.

If the debit day falls on a day that is not a banking day, we may direct your financial institution to debit your account on the following banking day.

If you are unsure about which day your account has or will be debited, you should ask your financial institution.

Changes by us

We may vary any details of this agreement or a direct debit request at any time by giving you at least 14 days' written notice.

Changes by you

You may change the arrangements under a direct debit request by writing to us.

If you wish to stop or defer a debit payment, you must notify us in writing with at least 14 days' notice before the next debit day. This notice should be given to us in the first instance.

You may also cancel your authority for us to debit your account at any time by giving us 14 days' notice in writing before the next debit day. This notice should be given to us in the first instance.

Your obligations

It is your responsibility to ensure that there are sufficient clear funds available in your account to allow a debit payment to be made in accordance with the direct debit request.

If there are insufficient clear funds in your account to meet a debit payment:

- you may be charged a fee and/or interest by your financial institution
- you may also incur fees or charges imposed or incurred by us
- you must arrange for the debit payment to be made by another method or arrange for sufficient clear funds to be in your account by an agreed time so we can process the debit payment.

You should check your account statement to verify that the amounts debited from your account are correct.

If we are liable to pay goods and services tax (GST) on a supply made in connection with this agreement, then you agree to pay us on demand an amount equal to the consideration payable for the supply multiplied by the prevailing GST rate.

Dispute

If you believe that there has been an error in debiting your account, you should notify us directly on 1800 221 151 and confirm that notice in writing with us as soon as possible, so that we can resolve your query more quickly.

If we conclude as a result of our investigations that your account has been incorrectly debited, we will respond to your query by arranging for your financial institution to adjust your account (including interest and charges) accordingly. We will also notify you in writing of the amount by which your account has been adjusted.

If we conclude as a result of our investigations that your account has not been incorrectly debited, we will respond to your query by providing you with reasons and any evidence for this finding.

Any queries you may have about an error made in debiting your account should be directed to us in the first instance, so that we can attempt to resolve the matter, between us and you. If we cannot resolve the matter you can still refer it to your financial institution which will obtain details from you of the disputed transaction and may lodge a claim on your behalf.

Accounts

You should check:

- with your financial institution whether direct debiting is available from your account, as direct debiting is not available on all accounts offered by financial institutions
- your account details which you have provided to us are correct by checking them against a recent account statement
- with your financial institution before completing the direct debit request if you have any queries about how to complete the direct debit request.

Confidentiality

We will keep any information (including your account details) in your direct debit request confidential.

We will make reasonable efforts to keep any such information that we have about you secure and to ensure that any of our employees or agents who have access to information about you do not make any unauthorised use, modification, reproduction or disclosure of that information.

We will only disclose information that we have about you:

- to the extent specifically required by law
- for the purposes of this agreement (including disclosing information in connection with any query or claim).

Notice

If you wish to notify us in writing about anything relating to this agreement, you should write to us at:

Manager Operations
Locked Bag 4004
Queen Victoria Building, NSW 1230

We will notify you by sending a notice in the ordinary post to the address you have given us in the direct debit request.

Any notice will be deemed to have been received two business days after it is posted.

Cash Management Fund

ARSN 089 508 636 APIR code ACU0011AU

Important information

Terminology

In this PDS we refer to	As
Cash Management Fund	the Fund
Questor Financial Services Limited	Questor, the fund manager, we, us or our
Product Disclosure Statement	PDS
Australian Securities and Investments Commission	ASIC
Investor Directed Portfolio Service	IDPS
Operators of IDPS, master trusts and other approved investors	operator
Financial Industry Complaints Service Limited	FICS

Before you start

You should read this PDS carefully before investing, as it will help you to decide if the Fund will meet your needs and assist you to compare the Fund to others you may be considering. You should ensure that you received all 8 pages of the PDS.

You can invest in the Fund if you are investing through a master trust, IDPS or other approved investor. You cannot invest in the Fund directly yourself. For more information on our legal relationship with you, refer to page 8 of this PDS.

The directors of Questor have authorised the issue of this PDS.

You should be aware that investment in the Fund is subject to investment risk which may result in loss of capital invested and income. The performance of the Fund, the repayment of your original investment

and the payment of income from the Fund are not guaranteed by any person, including Questor and its related companies, or the investment managers.

All fees and expenses shown in this PDS include GST where applicable.

The information contained in this PDS is general information and does not take into account your individual objectives, financial situation or needs. You should assess whether the information is suitable for you and talk to your financial planner before you decide to invest the Fund. The offer is only made to investors within Australia, including those receiving this PDS electronically.

If you are printing an electronic copy of this PDS you must print all pages. If you make this PDS available to another investor, you must give them the entire file or printout.

We will provide you with a paper copy of this PDS free of charge on request.

About the Fund

The Fund invests in short to medium term debt securities or deposits issued by government and semi- government authorities, banks, non-bank financial institutions and high quality corporates.

The Fund is focused on receiving a moderate level of income at around the cash rate by investing in Australian short to medium term debt securities. It can be used as a short term parking place for your cash.

We engage specialist investment managers to manage the Fund's investments. Currently, Macquarie Investment Management Limited and Credit Union Services Corporation (Australia) Limited are the investment managers of the Fund's investments.

The mix of investment managers is periodically reviewed and rebalanced if required. This means the blend of investment managers can be adapted

Product Disclosure Statement

This Product Disclosure Statement is dated 21 December 2005

The responsible entity of the Fund is Questor Financial Services Limited, ABN 33 078 662 718 AFSL Number 240829
Locked Bag 4004 QVB Post Office NSW 1230 Telephone 1800 221 151 Facsimile 1800 000 948 AWMPR2244

to changing market conditions. Investment managers can be changed at any time, although this is only likely to occur occasionally.

Please refer to 'Updated Information' on page 8 for information on how we will inform you of changes to the investment managers.

We may invest either directly or indirectly by investing in other managed investment schemes.

The Fund may have exposure to options, futures and other derivatives to reduce risk or gain exposure to

physical investment and may borrow (following the principles set out in the Fund's constitution) for the short-term needs of the Fund.

Labour standards and environmental, social and ethical considerations are not taken into account when selecting, retaining or realizing investments (or when selecting, retaining or removing investment managers) of the Fund.

The Fund at a glance

Fund manager	Questor			
Investment objective and benchmark ¹	To achieve the average return of the cash management funds managed by leading Australian Financial institutions, as measured by the Morningstar Australian Cash Trust Common Funds Wholesale NTP index, over a 12 month period, after fees and before taxes.			
General classification	Cash			
Fund commenced	July 1996			
Fund size (as at 30 June 2005)	\$747 million			
Asset allocation (as at 30 June 2005)		Minimum ²	Maximum ²	Current ³
	Cash	100%	100%	100%
	The asset allocation reflects both direct and indirect investments and the effect of derivatives to a range of +/- 0.25%.			
Who should invest?	The Fund suits investors who are: <ul style="list-style-type: none"> • seeking additional diversification for their investment portfolio and • seeking access to investments managed by skilled investment managers. 			
Suggested minimum investment timeframe	No minimum			
Applications	Each business day			
Withdrawals	Each business day			
Distribution frequency	Quarterly, usually paid within one month from each calendar month end.			
Fund performance ⁴ (to 30 June 2005)		1 year (%)	3 years (% pa)	5 years (% pa)
	Distribution return	5.7	5.3	5.2
	Growth return	N/A	N/A	N/A
	Total return	5.7	5.3	5.2
	The Fund's benchmark	5.6	5.2	5.3
	Past performance is not necessarily a reliable guide to future performance.			

The Fund at a glance

About Questor

We are the fund manager, also known as the responsible entity of the Fund. We use our expertise to appoint investment managers who have skills in specialised areas of investment management.

We are a mid-sized fund manager in Australia and, together with our related companies, manage and administer money for more than 37,000 investors, representing over \$4.4 billion in assets. We are a member of Australian Wealth Management Limited which has around \$13.5 billion under management and advice (as at 30 June 2005).

- 1 This is not intended to be a forecast. It is merely an indication of what the Fund aims to achieve over the medium to long term on the assumption that equity and bond markets remain relatively stable throughout that time. The Fund may not be successful in meeting this objective. Returns are not guaranteed.
- 2 The minimum and maximum guidelines above reflect the investment strategy for the Fund which is effective at the date of issue of this PDS.
- 3 The current asset allocation of the Fund may change at any time without notice to investors.
- 4 The Fund's total return after fees is calculated in accordance with Investment and Financial Services Association (IFSA) standards. This uses withdrawal prices and takes into account all ongoing fees of the Fund and assumes the reinvestment of any distributions. The Fund's growth returns reflect changes in the withdrawal price of units. The Fund's distribution returns reflect the total return after fees less the growth return. The returns do not take account of any ongoing fees charged by the operator that may be applicable if you are investing through an operator. Returns for periods of more than one year are annualised compound returns. No allowance has been made for inflation or taxation. Returns are designed to enable long-term comparisons with benchmarks and other investments and may not equate to the performance achieved by an individual investor. **Past performance is not necessarily a reliable guide to future performance.**

Risk and benefits

What are the risks?

All investing involves risk. The higher the return you seek, the more risk you should expect to take. Generally speaking, derivatives are more risky than shares, followed by property, fixed interest and cash.

The value of your investment will rise and fall in accordance with the value of the Fund's assets.

The significant risks that may affect the value your investment in the Fund include:

Credit risk: the risk that an issuer of debt securities or a counterparty to a transaction does not meet their obligations including making payments of interest and repayments of capital.

Derivatives risk: the risk that futures, options and other derivative contracts can accentuate as well as moderate the effects of market movements.

Fund risk: the risk that the value of the units in the Fund falls because of unexpected changes in the Fund's management, operations or its environment or that the Fund terminates.

Inflation risk: the risk that inflation increases, effectively reducing the value of your investment.

Interest rate risk: the risk that interest rates rise or fall and affect the value of an investment.

Investment risk: the risk that the investments that are chosen for the Fund may not perform as well as anticipated.

Legal risk: the risk that laws, including tax laws, change or are difficult to enforce. This risk is generally higher in emerging markets.

Market risk: the risk that there is a downturn in a broad asset class based on economic, technological, political or legal conditions, market sentiment or other factors.

Manager risk: the risk that an investment manager, who has a different management style and tactical approach to managing assets, performs poorly.

Managing these risks

We and the investment managers aim to manage these risks through carefully considered investment guidelines and monitoring of the investments on an ongoing basis. Neither we nor the investment managers guarantee the effectiveness of our respective risk management procedures.

How you can manage your risk

Risk management is an important part of meeting your financial goals. We recommend that you discuss your investment strategy with your financial adviser to make sure that your investment in the Fund is appropriate given your investment objectives, financial situation and risk tolerance.

Your financial adviser will be able to advise you as to whether your investment portfolio is appropriately diversified. Diversification involves spreading your investment portfolio across different investments to reduce risk and smooth out returns.

What are the benefits?

The Fund has features that make it an attractive part of an investment portfolio including:

- adding further diversification to an investment portfolio
- providing access to, in Questor's opinion, some of the best and most experienced investment talent and

- receipt of income - you will generally receive regular income from your investment in the form of distributions. Further information regarding the frequency of distributions is contained on page 7.

Fees and Costs

Did you know?

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

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

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

You may be able to negotiate to pay lower contribution fees and management costs where applicable. Ask your financial planner or contact Client Advisory Services on 1800 221 151

To find out more

If you would like to find out more, or see the impact of the fees based on your own circumstances, the **Australian Securities and Investments Commission (ASIC)** website (www.fido.asic.gov.au) has a managed investment fee calculator to help you check out different fee options.

This document shows fees and other costs that you may be charged. These fees and costs may be deducted from the returns on your investment or from the Fund assets as a whole.

Taxes are set out in another part of this document.

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

Type of fee or cost	Amount	How and when paid
Fees when your money moves in or out of the Fund.		
Establishment fee The fee to open your investment	Nil	Not applicable
Contribution fee The fee on each amount contributed to your investment – either by you or your employer	Nil	Not applicable

Type of fee or cost	Amount	How and when paid
Withdrawal fee The fee on each amount you take out of your investment	Nil	Not applicable
Termination fee The fee to close your investment	Nil	Not applicable
Management costs		
The fees and costs for managing your investment	Management fee 0.32% pa of the Fund value + Abnormal expenses 0.00% = 0.32% pa For a worked dollar example of the fees, see 'Example of annual fees and costs' on page 6.	The management fee is calculated monthly and is based on the asset value of the Fund. The management fee includes all ordinary expenses of the Fund. It is deducted monthly, in arrears, from the Fund's assets. The amount of the management fee can be negotiated. Please refer to 'Differential fees' on page 5 for more information. Abnormal expenses will be charged if and when they occur. If incurred, abnormal expenses will be deducted from the Fund's assets. Please refer to 'Abnormal expenses' on page 5 for more information.
Service fees		
Investment switching fee The fee for changing the investment options	Nil	Not applicable

Additional explanation of fees and costs

Management fee

The Fund's management fee is set out in the table on page 5. We sometimes gain exposure to investments through other managed funds. When we do this the investment managers of those underlying funds may charge:

- an investment management fee which is generally included in our management fee set out in the table on page 5 and is not an additional cost to you and
- other fees (such as performance fees and expenses if any) that will not be paid directly by you but will reduce the value of your investments.

Abnormal expenses

The constitution of the Fund allows us to be reimbursed from the assets of the Fund for any expenses incurred by us in relation to the proper performance of our duties as responsible entity of the Fund. All normal expenses associated with managing the Fund will be paid out of our management fee. Any

abnormal expenses, such as the cost of unit holder meetings or defending any legal proceedings will be charged to the Fund. We do not expect any abnormal expenses to be incurred during the life of this PDS.

Differential fees

We may individually negotiate our fees with wholesale investors (as defined in section 761G of the Corporations Act 2001) and otherwise in accordance with ASIC policy. The size of the investment and other relevant factors may be taken into account. The terms of these arrangements are at our discretion.

If you qualify as a wholesale investor contact us to see if you're eligible to negotiate fees with us.

Buy/Sell spread

The buy spread is a cost charged to enter the Fund and the sell spread is a cost charged when you withdraw from the Fund. They are designed to cover the transaction costs of either buying or selling the Fund's investments, so that other investors in the Fund are not worse off when you invest or withdraw from the Fund.

Currently, there is no buy/sell spread charged by the Fund. If a buy/sell spread became payable we would give your operator 30 days' notice prior to charging the spread.

Transaction costs

Transaction costs (such as brokerage costs, government or bank charges and the buy and sell spread for underlying funds) are the costs associated with the buying and selling of the Fund's investments. Transaction costs will be paid by the Fund.

Currently, there are no transaction costs for the Fund, but there could be in the future (for example, if government or bank charges significantly increase or market liquidity declines).

Can the fees and expenses change?

The fees and expenses may change for various reasons including changing economic conditions and changes in regulation. We will give your operator 30 days' notice of any proposed fee increase or otherwise notify them as the law requires. The new fees and expenses must be within the maximum permitted in the constitution (the document which governs the Fund).

Financial planner commissions

No commissions are paid to your financial planner. As a member of IFSA we maintain an Alternate Forms of Remuneration Register. The register, which you can review by contacting us, outlines some alternative forms of remuneration that we may pay to or receive from licensees, fund managers or representatives (if any is paid or received at all in relation to the Fund).

Tax

The fees in the table on page 5 take into consideration the net effect of Goods and Services Tax which incorporates the benefits of reduced input tax credits. For more information on tax, refer to page 7 of this PDS.

Example of annual fees and costs

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

Example

Balance of \$50,000 with a contribution of \$5,000 at the beginning of the year.

Contribution fees	Nil	For every additional \$5,000 you put in, you will be charged \$0.
PLUS Management costs*	0.32% pa	And, for every \$50,000 you have in the Fund you will be charged \$160 each year.
EQUALS Cost of fund		If you invest \$5,000 at the beginning of the year and your balance was \$50,000 over the course of the year, you will be charged: \$160** What it costs you will depend on the fees you negotiate with us.

* See 'Management costs' in the table on page 5 for a more detailed description of how management fees are calculated.

** The example assumes that your balance remains constant at \$50,000 throughout the year (i.e. no further contributions are made and the Fund's unit price does not change) and fees are not individually negotiated with us. This example does not include any performance fees charged or expenses deducted by any underlying funds, which may reduce the value of your investment further. The example does not include the effect of any transaction costs or abnormal expenses which may be incurred by the Fund.

How does the Fund operate?

How to invest

To make an investment, please complete and sign the application form supplied to you by your operator, with whom we have an agreement.

Cooling-off rights

As you can only invest in the Fund through an operator, we do not offer you cooling-off rights. You should contact your financial planner or operator for more information on cooling-off rights they might offer you, if any.

Applications and withdrawals

Your operator will send your application and withdrawal requests to us. Application and withdrawal requests must be received before 3.00 pm to be processed that business day. If we receive an application request after 3.00 pm, or on a non-business day for us, we treat it as having been received the next business day and it will be processed using the unit price applicable to the next

business day. Any interest earned on application monies is credited to you.

We reserve the right to accept or reject applications at our discretion.

We also reserve the right to delay processing of withdrawal requests for up to 28 days in certain circumstances, for example, if trading on a stock exchange is restricted or suspended or if assets cannot be realised sensibly in unstable markets.

Normally we take five business days to process an application or withdrawal request, however the constitution allows us to take a longer period.

Unit prices and Fund income

Interests in the Fund are divided into units. On each business day we calculate the withdrawal price of the units in accordance with the procedures set out in the constitution. We determine the methods for valuing the various assets and income and comply with accounting standards applicable to managed funds in Australia. Units are generally issued and redeemed at \$1.00 each, subject to the Fund's constitution.

The Fund distributes income monthly and any income from the Fund is usually paid within one month after the end of each quarter. Income is distributed amongst investors who hold units at the end of the distribution period. We may also choose to make distributions of income or capital at any other time.

If you invest just before the end of a distribution period, you may find you have some of your capital returned as income.

Nominating reinvestment of distributions must be done through your operator.

Tax information

This tax information is of a general nature only and based on tax laws that were current at the time of issue of this PDS. Investing, switching, exiting and other dealings with investments have tax and often social security implications which can be complex and which are invariably particular to an investor's circumstances. It is important to seek professional advice before you invest in or deal with your investment.

Generally, the Fund will not pay tax on the income or gains as we intend to distribute all of the Fund's net income to unitholders each financial year.

Income

Any of the Fund's net income that an investor becomes entitled to during a financial year (including reinvested income) may form part of their assessable income for that year.

Capital gains

The Fund will generally distribute capital gains that have been realised throughout the financial year to investors.

Where an investor becomes entitled to net capital gains of the Fund, this should be included in the calculation of their overall net capital gain or loss for the financial year.

Capital gains may be offset by capital losses incurred from other sources.

Where an investor becomes entitled to a distributable capital gain that is not assessable due to the discount capital gain concession, no adjustment to the cost base of their units will be required.

Tax-free and tax-deferred distributions

Distributions of non-assessable amounts are not subject to tax. These include, for example, certain distributions from property trusts and non-assessable capital gains.

Certain non-assessable distributions will reduce the cost-base of an investor's investments in the Fund when calculating the capital gain or loss (for capital gains tax purposes) on a subsequent disposal or withdrawal of the investment.

Disposal of units

Under the capital gains tax provisions, any net capital gain arising from the disposal of investment units may form part of the investor's assessable income.

Some investors may be eligible for the discount capital gain concession upon disposal of their units if the units are held for 12 months or more.

It is particularly important that investors obtain individual taxation advice about the availability and the impact of the concession.

Additional information

Reporting

We will provide information on the Fund to your operator. Your operator will use this information to provide you with regular reporting. You should consult your operator if you have any queries.

Updated information

From time to time, the information in this PDS may change. If the change is materially adverse to you, we will notify you and replace this PDS or issue a supplementary PDS. Updated information, such as asset profile, approved investment managers, commentary or Fund performance, is included in the Fund Profile. A copy of the latest Fund Profile can be obtained free of charge from your financial planner or Client Advisory Services on 1800 221 151.

Your privacy

Privacy laws apply to the handling of personal information. We do not collect or hold your personal information in relation to your investments in the Fund. You should contact your operator for more information about their privacy policy.

Our role as responsible entity

Questor Financial Services Limited is the responsible entity of the Fund. The Fund is a managed investment scheme registered with ASIC. The constitution, the Corporations Act 2001 and certain other laws govern our relationship with you. We can provide a copy of the relevant constitution to you free of charge upon request.

The constitution contains provisions relating to:

- the commencement, duration and termination of the Fund
- unit valuation methods
- income and capital distributions
- the application, issue and withdrawal of units
- our powers to invest or borrow
- complaints handling
- meetings of members
- our rights and liabilities
- liability of members and
- remuneration and expenses.

The constitution limits our need to compensate you if things go wrong. Generally, subject always to liability which the Corporations Act 2001 imposes on us, if we act in good faith and without default and negligence, we are not liable to investors for any loss suffered.

We must have investor approval to make changes to the constitution, which may adversely affect investors' rights (for example, if we ever wanted to increase maximum fees we can charge under the constitution, we would need to hold a meeting of investors before doing so).

Our legal relationship with you

If you invest through an operator, you do not yourself become the direct investor in the Fund. Instead, it is the operator which invests for you and holds the interests in the Fund (called units) for you. Consequently, the operator has the rights of the investor. Your operator will have separate arrangements with you which will govern how they exercise those rights.

Complaints

Complaints should be directed to your operator. If your operator wishes to make a complaint, they can contact us or write to us at the following address: Disputes Resolutions Officer, Questor Financial Services Limited, Locked Bag 4004, QVB Post Office NSW 1230. We will try to resolve the situation within 30 days of receiving the complaint.

If your operator has complained to us and the complaint has not been resolved satisfactorily, they can contact FICS, an independent complaints handling body that we are a member of. FICS will advise your operator whether they can be of assistance in the matter. FICS can be contacted by calling 1300 780 808, or by post at PO Box 579 Collins Street West, Melbourne VIC 8007. In order for a complaint to be considered by FICS, the claim must be less than \$100,000 (unless we and your operator agree otherwise in writing).

Related party transactions

We may use our related companies in the management and administration of the Fund and pay them fees. This includes Bridges Financial Services Pty Limited (Bridges) for stockbroking and related services. Bridges may also receive stockbroking business from unrelated underlying investment managers. All transactions occur on arm's length terms.