

Cash Management Fund

ARSN 089 508 636 APIR code ACU0011AU

Product Disclosure Statement

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

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Please refer to 'Updated Information' on page 7 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 benchmark¹	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)	Minimum²	Maximum²	Current³
	Cash	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 performance⁴ (to 30 June 2005)	1 year (%)	3 years (% pa)	5 years (% pa)
	Distribution return	5.7	5.3
	Growth return	N/A	N/A
	Total return	5.7	5.3
	The Fund's benchmark	5.6	5.2
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 \$13.6 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 6.

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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
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 4. 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 4 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 4 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.

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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 1 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	0.32%	And , for every \$50,000 you have in the Fund you will be charged \$160 each year.
Management costs* pa		
EQUALS		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**
Cost of fund		What it costs you will depend on the fees you negotiate with us.

* See 'Management costs' in the table on page 4 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.

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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 800, Milsons Point NSW 1565. 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.