The Portfolio Service Retirement Income Plan

1 July 2014

Supplementary Product Disclosure Statement

Issuer: Questor Financial Services Limited ABN 33 078 662 718 AFS Licence No. 240829 as the Trustee of The Portfolio Service (TPS) Retirement Fund ABN 92 861 884 632.

This Supplementary Product Disclosure Statement (SPDS) supplements and updates the information contained in the TPS Retirement Income Plan Product Disclosure Statement dated 1 January 2014 (PDS) and is to be read in conjunction with the PDS. All terms in this SPDS have the same meaning as in the PDS. The purpose of this SPDS is to update the PDS to:

- Add information about the availability of the Plan.
- Add information about the requirement for financial planners to provide clients with a product disclosure statement for the investment options they select.
- Add additional information about the payment of member advice fees.
- Add information about Family Law fees.
- Replace the Operational Risk Financial Reserve disclosure.
- Remove all references to credit unions and building societies (in relation to term investments) and investment reports.
- Add additional information regarding investment manager payments.

Plan availability

1. Insert the following sentence after the first sentence in paragraph 6 in the inside front cover of the PDS:

The Plan is generally only available to you through a licensed financial planner.

Investment options – product disclosure statements

2. Replace the heading and first paragraph of the **Investment options – product disclosure statements and investment reports** section on page 5 with the following:

Investment options – product disclosure statements

A separate product disclosure statement is available for each of the investment options in the current list of investment strategies. If you have a financial planner, they are required to provide you with a product disclosure statement for the investment options you choose to invest in. You can also access the product disclosure statements for the available investment option through our website (www.theportfolioservice.com.au). These documents will help you evaluate each investment option and include:

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

Member advice fees

3. Replace the third paragraph in the **Important note** text box on page 13 with the following:

The member advice fees will be payable to your financial planner's AFSL licensee until you instruct us to cease payment or when you change your nominated financial planner.

Family Law fees

4. Insert the following paragraph after the **Expense Recovery Fee** section on page 13:

Family Law fees

Legislation allows the Trustee to impose reasonable fees and pass on any expenses incurred, where your retirement savings are affected by superannuation requirements under the *Family Law Act 1975* or related legislation. The Trustee currently charges a $95.00 fee for a request of information from a non-member spouse.

Operational Risk Financial Reserve

5. Replace the **Operational Risk Financial Reserve** section on page 14 with the following:

Operational Risk Financial Reserve

Under legislative requirements applying from 1 July 2013, trustees are required to maintain adequate financial resources to address losses arising from operational risk. Trustees must determine the target amount to be set aside for these purposes, based on guidelines provided by APRA. The target amount of 0.25 per cent of the value of the assets of the Fund must be achieved by the end of a three year period. In order to reach the target amount for the Fund, an amount will be levied against each member's account and will be deducted for the 2013/14 year and the following two financial years.

Should an operational risk event occur post 1 July 2013, additional deductions against each member's balance may be required to restore the Operational Risk Financial Reserve back to the target amount.

Credit unions, building societies and investment reports

6. Remove all references to **credit unions and building societies (in relation to term investments)** and **investment reports** throughout the PDS.

Investment manager payments

7. Replace the **Investment manager payments** section on page 15 with the following:

Investment 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 0.40 per cent per annum plus GST and/or up to $10,000 per annum 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. The fee is retained by IOOF and is **not** an additional cost to you.
Any arrangements that have been entered into on or after 1 July 2013 are in line with government reforms and will be charged on a flat dollar basis.

If this information changes, we will notify you in a product information update on our website (www.theportfolioservice.com.au).

The Portfolio Service Retirement Income Plan

The Portfolio Service

Product Disclosure Statement

Dated: 1 January 2014

Issuer: Questor Financial Services Limited ABN 33 078 662 718 AFSL No. 240829 as Trustee of The Portfolio Service Retirement Fund ABN 92 861 884 632.

Part of the IOOF group

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This Product Disclosure Statement (PDS) relates to The Portfolio Service — Retirement Income Plan (Plan), offered through The Portfolio Service Retirement Fund ABN 92 861 884 632 (Fund). This PDS is issued by Questor Financial Services Limited (Questor) ABN 33 078 662 718 AFSL No. 240829 as Trustee of the Fund (Trustee). The directors of Questor have authorised its issue.

The Plan is offered through the Fund which is a complying superannuation fund. Questor is referred to in this PDS as 'we', 'us' or 'our'.

IOOF Investment Management Limited (IIML) ABN 53 006 695 021 AFS Licence No. 230524 is the Responsible Entity of the IOOF MultiMix Trusts, the IOOF Multi Series Balanced Trust and the Cash Management Fund (collectively referred to as the Trusts), and IIML receive fees under the Constitutions of the Trusts. These are the investment options offered in the Plan (as listed in the The Portfolio Service investment guide).

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 its related companies.

All fees and expenses shown in this PDS include Goods and Services Tax (GST), and where applicable, also take into account any reduced input tax credits (RITCs) reflecting the net fee payable by you. RITCs are subject to change and any change may affect the fees you pay.

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.

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 section available on our website (www.theportfolioservice.com.au).

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

The Portfolio Service - Retirement Income Plan is part of a group of products that also include:

- The Portfolio Service — Investment Essentials
- The Portfolio Service — Personal Investment Plan
- The Portfolio Service — Super Essentials
- The Portfolio Service — Superannuation Plan

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

Questor is part of the IOOF group of companies. IOOF is one of Australia's largest financial services companies and offers a full range of products and services, including financial advice, platform management and administration, investment management and trustee services.

When you invest in this Plan you become a member of the Fund.

As a member in the Plan, you have a beneficial interest in the Fund. However, subject to the Trust Deed, you do not have a right to claim an interest in a particular asset within the Fund. You may not participate in the management of the Fund, claim an interest in an asset or require the transfer of an asset to you other than as provided in the Trust Deed.

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About this PDS

This PDS is important because it will help you decide whether The Portfolio Service – Retirement Income Plan will meet your needs. You can use it to compare this superannuation product with any other superannuation product you may be considering.

This PDS describes the key features, risks and purpose of the Plan. It also contains some information we are required to include by law.

You will see that the PDS refers to a number of guides – these contain statements and information we are required by law to disclose to you. The contents of the guides are classified by a unique identifier and a description of what is covered. By law the statements and information in these guides are taken to be included in the PDS. This PDS and the guides can be downloaded from our website (www.theportfolioservice.com.au) or you can contact us and we will send you a paper copy free of charge.

These guides are:

- TPS general reference guide (TPS.01)
- TPS investment guide (TPS.02)

About The Portfolio Service – Retirement Income Plan

Investing your superannuation (super) in a retirement income plan is an important decision. If managed well, it could ensure financial security and peace of mind during your retirement. Choosing a quality investment partner is a key step towards achieving your financial goals in retirement.

The Plan can help you effectively control and manage your super savings. It offers:

- an account-based pension that allows you to turn your super savings into a tax-effective income stream in your retirement
- a transition to retirement (TTR) pension that allows you to access your super money while still working, provided you have reached your preservation age.

Your financial planner can advise you about your eligibility to invest in either an account-based pension or a TTR pension, and also the appropriateness of these strategies for you.

The Plan enables you to invest in a well-planned and flexible way. You and your financial planner can:

- tailor an investment portfolio to suit your personal needs
- select investment options from a wide range of managed investments, term investments, and listed investments such as shares, exchange-traded funds (ETFs) and property trusts
- manage and control your investment needs simply and conveniently within a single service
- change your investment portfolio as the economic environment and your circumstances change.

Consolidating all of your super balances into the Plan can put you in better control of your super investment. It can also reduce the amount of paperwork you receive.

Before investing in the Plan, you should read this PDS carefully and get professional advice from a licensed financial planner.

Benefits of the Plan

These include:

- one account for all your investment options – comprehensive reporting on your investment portfolio makes keeping track of your investments manageable
- a wide range of investment options, including shares and ETFs, which are selected by the IOOF Advice Division research team and regularly updated as new opportunities become available
- an environment for you and your planner to manage shares including corporate actions management
- the ability to transfer your own listed investments into the Plan where approved. To do this, you will need to contribute these to an accumulation account in the Fund
- the option to link accounts with your family may enable you to qualify for a reduced Administration Fee
- flexibility to change your investment options
- the ability to arrange for regular pension payments from your portfolio to your nominated account with an Australian financial institution
- optimised taxation in The Portfolio Service Retirement Fund to maximise any tax credits and/or deductions that may otherwise be lost in the Plan.

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

Cash Management Account

When you invest in the Plan, we will create an investment portfolio that includes a professionally managed Cash Management Account. Your money is initially invested in the Cash Management Account and then into the investment options you select.

All transactions are recorded in the Cash Management Account. These transactions include:

- receipt of your initial contribution including any rollovers or transfers
- purchase and sale of investment options
- receipt of dividends, income distributions and interest from your investment options
- payment of any fees, expenses, government levies and taxes
- pension payments
- withdrawals from the Plan.

The Cash Management Account currently provides you with exposure to a mix of Australian short to medium-term debt securities and cash. This may include bank accounts, cash management trusts, term investments, or other cash and income generating investments/securities. Interest generated by these investments (less bank fees and charges) is calculated daily and credited quarterly to your Cash Management Account.

The Cash Management Account aims to provide competitive rates of return.

You must hold a minimum of five per cent of the value of your total investment portfolio 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 your financial planner which investment options are to be sold to restore the minimum balance.

If we are not advised which investment options are to be sold, we may choose which investment options will be sold, at our discretion. It is our policy to dispose of fixed interest investment options in the first instance, followed by the remaining managed investments options and then listed investments.

If your Cash Management Account falls into a negative balance, you will incur a charge until the balance is restored. Please refer to the 'Cash Management Account balance charge' section on page 13 for further information.

Choice of investment menus

You have the choice of two investment menus that offer different administration pricing. You can choose to be fully invested in either menu or a combination of the two. The choice is yours.

The two menus are:

Core Menu: Our simple low-cost investment menu. You can select from a range of our IOOF MultiMix Trusts, which adds value on several fronts. This is achieved through the active management of our multi-manager approach, our active asset allocation process and our risk management approach. These trusts are managed by IOOF's experienced investment team who are committed to providing, strong risk adjusted returns over the long-term.

Full Menu: Provides access to a comprehensive investment menu including the ASX 200, ETFs, managed funds and term investments, over 300 investments in total. The IOOF Advice Division research team carefully research all the options before they become part of the investment menu and continue to monitor and review them on an ongoing basis.

The Administration Fee payable differs for each investment menu. Please refer to the 'Fees and other costs' section on page 8 for more information.

Managed investments

The managed investments available to you, including 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 securities 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 indirect cost ratios than comparable retail funds.

Listed investments

A wide range of investments traded on the Australian Securities Exchange are available to you through the Plan and provide you with additional investment opportunities. The types of investments include a selection of:

- shares in Australian companies
- shares in listed investment companies
- units in listed property and other trusts
- listed high yielding securities
- ETFs.

Term investments

The IOOF Advice Division research team works closely with Australian credit unions, building societies 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 from your financial planner which details:

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

The **TPS investment guide (TPS.02)** provides more information about the range of investment strategies and options.

A list of the investment options available is contained in our current list of investment strategies which can be obtained from your financial planner or from our website (www.theportfolioservice.com.au).

The Plan at a glance

Investment options	**Managed investments** › Diversified strategies › Share strategies › Property strategies › Fixed interest strategies › Cash strategies **Listed investments** › Australian shares › Australian convertible/preference shares › Listed investment companies – Australian shares › Listed investment companies – international shares › Exchange-traded funds – Australian shares – Australian property – Fixed income – International and regional shares – Other (for example, gold) › Australian listed property trusts › High yielding investments **Term investments**	Page 3
Contribution method	Cheque	Page 16
Minimum initial investment	$10,000 per pension account	Page 16
Minimum investment purchase	$1,000 per investment option	Page 16
Pension payments	› Your annual pension payments are subject to a minimum level set by the Commonwealth Government. › Annual pension payments made under a transition to retirement pension are subject to an additional maximum level set by the Commonwealth Government.	Page 19
Minimum Cash Management Account	The minimum allocation to your Cash Management Account is 5% of the value of your total investment portfolio.	Page 2
Minimum switch[1]	$500	Page 17
Minimum withdrawal[2]	$500 (in limited circumstances)	Page 21
Fees and other costs	For details of 'Fees and other costs', see pages 8 to 14.	
Member Advice Fees	For details of 'Member Advice Fees', see pages 11 to 13.	
Beneficiary nomination choices	› Binding Death Benefit Nomination › Non-binding Death Benefit Nomination › Reversionary Beneficiary Nomination	Page 18
Pension payment frequency	Monthly, quarterly, half-yearly or annually	Page 19
Statement frequency	Half-yearly and annually	Page 24

1 Per investment option (including sales from an investment option).

2 Commonwealth Government regulations impose restrictions on when you can make lump sum (cash) withdrawals where you have selected a TTR pension.

About the investment strategies and options

Which investment strategies and 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 willing to accept
- 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 indirect cost ratios.

General information on the available investment strategies is contained in **TPS investment guide (TPS.02)** available from your financial planner and on our website (www.theportfolioservice.com.au).

Before making any decisions regarding an investment option, please read the relevant product disclosure statement or investment report and **TPS.02**.

Investment options – product disclosure statements and investment reports

A separate product disclosure statement or investment report (for term investments) is available for each of the investment options in the current list of investment strategies. These documents will help you to evaluate each investment option and include:

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

Keep your product disclosure statement

For future reference, you should retain a copy of the current product disclosure statement and any other supplementary material or investment report relating to your investment. You should consider all current information when making your initial contribution to the Plan or selecting an investment option.

Ongoing management of investment strategies and options

Our investment committee regularly reviews the investment strategies, such as diversified, share or fixed interest strategies, and investment options made available for investment through the Plan.

The current investment strategies and investment options are detailed in our list of investment strategies available from your financial planner or our website.

Over time, investment strategies and investment options may be added to, and removed from, the list. 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 this happens, we may direct your investment proceeds for the affected investment option to your Cash Management Account or an alternative investment option if we believe that this is appropriate.

Your financial planner will be able to assist you in determining what you should do in these circumstances.

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.

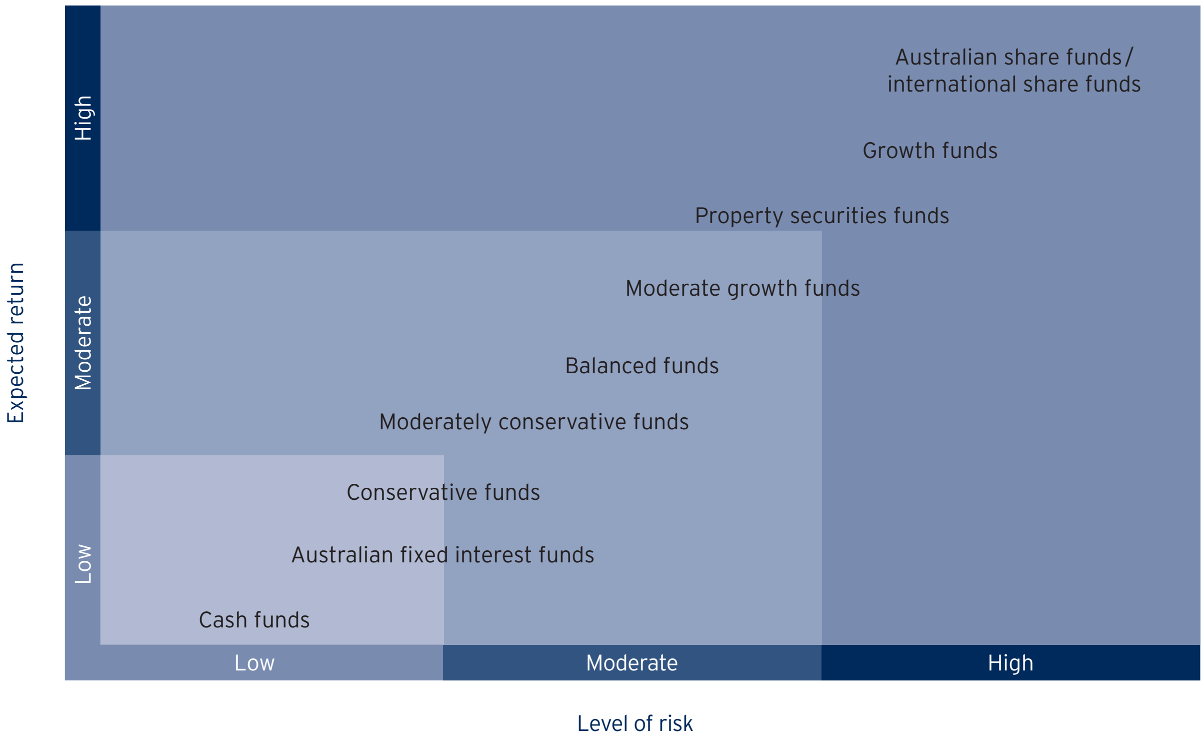
Returns may vary from year to year and the value of an investment option may rise and fall.

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 shows 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 in the **TPS investment guide (TPS.02)**.

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. For example, investing in shares may provide the highest potential return over the longer term, but may also have the highest risk of capital loss in the short-term. Fixed interest and cash investments are less risky and will generally produce lower average returns over the long-term.

The value of an investment option can rise or fall for a variety of reasons. Further information on these risks and others, is available in the 'More about risks' section of the **TPS general reference guide (TPS.01)**.

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.

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

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

Fees and other costs

Consumer advisory warning

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 two per cent of your account balance rather than one per cent could reduce your final return by up to 20 per cent over a 30 year period (for example, reduce it from $100,000 to $80,000).

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

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) MoneySmart website (www.moneysmart.gov.au) has a superannuation 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 other costs may be deducted from your money, from the returns on your investment or from the assets of the superannuation entity as a whole.

Other fees, such as activity fees and advice fees for personal advice, may also be charged, but these will depend on the nature of the activity or advice chosen by you.

The fees quoted in this section may be different from the amount deducted from your account as the amounts deducted will include the effects of any applicable reduced input tax credits (RITCs).

Taxes are set out in another part of this document. You should read all of the information about fees and other costs because it is important to understand their impact on your investment.

The fees and costs for each underlying investment option offered by the entity are set out in a product disclosure statement or investment report for those investments (which is available on our website (www.the portfolioservice.com.au) or from your financial planner).

Fee table

The Portfolio Service – Retirement Income Plan		
Type of fee or cost	**Amount**	**How and when paid**
Investment fee	Nil.	Not applicable.
Administration Fee[3]	**Administration Fees** **Core menu** Account balance / Fee rate (% pa): First $300,000 – 0.40 Next $200,000 – 0.40 Next $500,000 – 0.20 Next $1,000,000 – 0.10 Amounts above $2,000,000 – 0.00 Maximum Administration Fee of $4,000 pa. **Full menu** Account balance / Fee rate (% pa): First $300,000 – 0.80 Next $200,000 – 0.65 Next $500,000 – 0.20 Next $1,000,000 – 0.10 Amounts above $2,000,000 – 0.00 Maximum Administration Fee of $5,700 pa.	The total Administration Fee is the percentage-based component calculated based on your daily balance and will depend on the tiered percentages shown and the respective values you hold under a Core and Full menu in your account. The fee is deducted quarterly in arrears from your Cash Management Account[4].
	Account Keeping Fee $34.00 per quarter	The Account Keeping Fee is the dollar-based component deducted quarterly in arrears from your Cash Management Account.
Buy-sell spread	The buy-sell spreads vary depending on the investment option you choose. Please refer to the current list of investment strategies on our website or the relevant product disclosure statement for specific details.	The buy-sell spread is added to or deducted from (as applicable), the unit price of the relevant managed investment.
Switching fee	Nil.	Not applicable.
Exit fee	Nil.	Not applicable.
Advice fees Relating to all members investing in a particular investment option.	› Member Advice Fee – Upfront › Member Advice Fee – Transaction › Member Advice Fee – Transfer › Member Advice Fee – One-off › Member Advice Fee – Ongoing	A range of advice fees are available (see pages 11 to 13 for details). No advice fees will be charged unless you request us to do so.
Other fees and costs	Refer to the 'Additional explanation of fees and costs' section on pages 11 to 14.	
Indirect cost ratio	The underlying indirect cost ratio (excluding any performance-based fee) varies across the underlying managed investments available and can range from 0.00% to 2.40% pa[5] ($0.00 to $24.00 pa per $1,000 invested). No indirect cost ratio applies to annuity funds and term investments.	Generally calculated daily as a percentage of the amount you have invested in each managed investment. It is not deducted directly from your account but is generally reflected in the unit price of that investment option and generally charged monthly or quarterly in arrears.

3 You can link your account(s) and account(s) held by other family group members, which may reduce the Administration Fee payable. See 'Family group linking' on page 11.

4 Your Cash Management Account is currently invested in an operating bank account (for day-to-day transactions) and the Cash Management Fund (ARSN 089 508 636) (Cash Management Fund), of which IIML is the Responsible Entity. Interest generated by this investment is reduced by bank charges and the management costs charged by IIML before it is credited to your Cash Management Account. You are charged an indirect management cost on your cash account balance. The estimated indirect management cost on the Cash Management Fund is 0.65 per cent per annum. We may change the investment of the Cash Management Account at any time.

5 The indirect cost ratio (excluding any performance-based fee) applied by each investment manager – this fee range is an estimate only and is based on the information provided by each investment manager. Investment options and indirect cost ratios may change from time to time. The most recent indirect cost ratio (excluding any performance-based fee) applied by each investment manager for each managed investment appears on our website in the current list of investment strategies and the relevant product disclosure statement for each managed investment.

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 product disclosure statements or investment reports for those investment options, which are available from your financial planner.

Your fees may be different

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

Example of annual fees and costs for the balanced investment option

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

Example – IOOF Multi Series Balanced Trust		Balance of $50,000
Investment Fee	Nil.	For every $50,000 you have in the investment option you will be charged $0 each year.
PLUS Administration Fees	Administration Fee 0.40% and Account Keeping Fee $136 ($34 per quarter)	**And**, you will be charged $336^ in administration fees each year.
PLUS Indirect costs for the investment option#	0.55%	**And**, indirect costs of $275 each year will be deducted from your investment.
EQUALS Cost of product*		**If your balance was $50,000, then for that year you will be charged fees of $611† for the investment option.**

^ Assumes a full investment in the IOOF Multi Series Balanced Trust in the Core menu.

The indirect cost ratio applied by the IOOF Multi Series Balanced Trust is based on the fees and other costs attributed to this investment option in the IOOF Multi Series Balanced Trust product disclosure statement.

* The total annual cost of administering your pension account will vary depending on the value of your account, the investment options you choose and any eligibility for family group linking.

† Additional fees may apply (such as member advice fees, buy-sell spread and transaction fees). 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).

Additional explanation of fees and costs

Administration Fee

The Administration Fee represents the annual fees and costs charged by us for operating and managing your pension account.

This fee is the percentage-based component and it includes all administration and other expenses we incur, excluding any Member Advice Fees (outlined in the following pages) and the fees and costs charged by the investment managers for each managed investment (the indirect cost ratio, any buy-sell spread and any performance-based fee).

The total Administration Fee you will be charged depends on the percentages set out in the fee table on page 9 and the respective values of the investment options you hold in your account under the Core and Full menu.

Account Keeping Fee

This dollar-based component is the fee for the general administration of your account. This includes annual reporting and any changes made to your account details. The Account Keeping Fee is $34 per quarter and is deducted quarterly in arrears from your account.

Family group linking

Family group linking allows you to link the accounts of an unlimited number of immediate family members who invest in TPS for the purpose of calculating the Administration Fee payable. See the ‘Family group linking terms and conditions’ in the forms booklet for details of accounts eligible for family group linking and the definition of immediate family.

With family group linking, we will aggregate the balances of the ‘linked’ accounts into a family group. This can mean a reduction in the Administration Fee payable by all linked members/investors. This is another way that we can help you lower the cost of managing your investments.

Buy-sell spread

A buy-sell spread may be incurred when managed investments are bought or sold reflecting the brokerage and other transaction costs incurred by the relevant investment manager. The buy-sell spread currently ranges from 0.00 per cent to 1.00 per cent depending on the investment option you choose. This means 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 is reflected in the unit price of the relevant managed investment. Please refer to the product disclosure statement for each investment option for more information, including the amount of the buy-sell spread applicable.

Member Advice Fees

We will acquire and pay for the services of a financial planner selected by you to provide financial advice in relation to your investment in the Plan. We do not supervise the provision of services by your selected financial planner.

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

- Member Advice Fee – Upfront
- Member Advice Fee – Transaction
- Member Advice Fee – Transfer
- Member Advice Fee – One-off
- Member Advice Fee – Ongoing

Your financial planner must be authorised by an Australian Financial Services Licence (AFSL) holder to provide financial services to you. Any member advice fees are agreed by you and your financial planner.

More detailed information, including worked dollar examples, for each of the member advice fees is described below.

Member Advice Fee – Upfront

This fee is charged by us and we deduct the net cost from your account. We then pay the full amount of our fee to the financial planner and/or to any person who referred you to your financial planner for financial advice and services provided to you in relation to the establishment of your account.

You can agree with the financial planner on the amount of this fee up to a maximum of 4.00 per cent (inclusive of GST and RITCs) of each contribution made. For example, on an initial contribution of $50,000, you would pay the financial planner up to a maximum of $2,000.

The amount of this fee is deducted from your Cash Management Account at the time of the contribution.

While the Member Advice Fee – Upfront you pay is up to 4.00 per cent (inclusive of GST and RITCs), the actual amount an AFSL holder receives is up to 4.29 per cent (inclusive of GST) ($2,145 for this $50,000 example).

Member Advice Fee – Transaction

This fee is charged by us and we deduct the net cost from your account. We then pay the full amount of our fee to the financial planner and/or to any person who referred you to your financial planner for implementing purchases or switches of investment options in your investment portfolio.

You can agree with the financial planner on the amount of this fee up to a maximum of 4.00 per cent (inclusive of GST and RITCs) in relation to the amount purchased or switched. For example, if you purchase or switch $50,000 between an investment option, you would pay the financial planner up to a maximum of $2,000.

The amount of this fee is deducted from your Cash Management Account when you purchase or switch between investment options. For listed investments, this fee applies to the total investment including the stockbroking fee.

This fee does not apply to:

- purchases of term investments
- a switch from an investment option to your Cash Management Account.

While the Member Advice Fee – Transaction you pay is up to 4.00 per cent (inclusive of GST and RITCs), the actual amount an AFSL holder receives is up to 4.29 per cent (inclusive of GST) ($2,145 for this $50,000 example).

Member Advice Fee – Transfer

This fee is charged by us and we deduct the net cost from your account. We then pay the full amount of our fee to the financial planner and/or to any person who referred you to your financial planner for implementing your account on transfer (excluding your Cash Management Account and term investments) from another plan in The Portfolio Service.

You can agree with the financial planner on the amount of this fee up to a maximum of 4.00 per cent (inclusive of GST and RITCs) in relation to the transfer amount. For example, if you transfer $50,000 from another plan in The Portfolio Service, you would pay the financial planner up to a maximum of $2,000.

The amount of this fee is deducted from your Cash Management Account at the time of transfer.

While the Member Advice Fee – Transfer you pay is up to 4.00 per cent (inclusive of GST and RITCs), the actual amount an AFSL holder receives is up to 4.29 per cent (inclusive of GST) ($2,145 for this $50,000 example).

Member Advice Fee – One-off

This fee is charged by us and we deduct the net cost from your account. We then pay the full amount of our fee to the financial planner and/or to any person who referred you to your financial planner for one-off financial advice and services provided in relation to your account.

The amount of this fee can be up to a maximum of $10,250 (inclusive of GST and RITCs) per request. The maximum actual amount your financial planner and/or person who referred you to your financial planner receive is up to $11,000 (inclusive of GST).

A new request must be supplied each time you wish this fee to be applied. You must have the required level of funds available in your Cash Management Account (in addition to the minimum cash balance requirement) for any one-off payment request to be accepted.

To pay for any one-off advice provided to you, please complete the 'Advice Fee form' with your financial planner.

Member Advice Fee – Ongoing

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

A Member Advice Fee – Ongoing can be charged as either:

- 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
- a fixed dollar fee deducted from your account quarterly.

You can agree with the financial planner on the amount of this fee which can be up to a maximum of 2.225 per cent (inclusive of GST and RITCs). For example, on an average monthly account balance (over 12 months) of $50,000, you would pay the financial planner up to a maximum of $1,112.50.

Any fixed dollar amount agreed will also need to be within this percentage maximum or we will automatically adjust this for you.

While the maximum Member Advice Fee – Ongoing you may pay is up to 2.225 per cent per annum (inclusive of GST and RITCs), the actual amount an AFSL holder receives is up to 2.39 per cent per annum (inclusive of GST) ($1,195 for this $50,000 example).

Important note:

For your financial planner to receive a member advice fee paid from your pension account, you must consent to the agreed member advice fee(s) as specified on the application form. Your financial planner will also disclose to you all fees charged in relation to financial advice.

For more information, please refer to the statement of advice which your financial planner will provide to you.

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

Transaction fees

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

Transaction Fee – $10

This fee is applied to an investment option on:

- purchase
- sale
- transfer between plans within The Portfolio Service
- transfer of listed investments out of the Plan.

This fee is deducted from your Cash Management Account.

A Transaction Fee does not apply to your Cash Management Account or term investments.

Stockbroking Fee – $39

This 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 listed investment.

Cash Management Account balance charge

This charge is deducted from your Cash Management Account when there is a negative balance. The charge is based on the period that your Cash Management Account has a negative balance. The charge equates to interest charged at the daily rate applicable for the Cash Management Account. The charge is deducted at the end of the quarter.

Dishonour Fee

You may incur a $30 Dishonour Fee if a direct credit to your nominated Australian credit union, building society or bank account is unsuccessful.

Expense Recovery Fee

The Trust Deed for 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 Trustee.

Expenses include (among other things) promotion (including PDSs, 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 per cent per annum of the value of the Plan. Currently, no Expense Recovery Fee is payable.

Other expenses

SuperStream is a package of government reforms which will make the super system easier to use and will ultimately reduce costs – benefiting funds, members and employers.

Commonwealth costs associated with the implementation of the SuperStream measures will be paid for by an increase to the existing Australian Prudential Regulation Authority (APRA) levy imposed on APRA regulated super entities. The levy will collect a total of $467 million from funds between July 2012 and June 2018.

The APRA levy for each fund will be adjusted each year based on the applicable rate determined by the Government, the number of members in the Fund and the total assets of the Fund. The amount payable, therefore, will differ from year to year and for each super fund.

Your account is subject to an Expense Recovery Fee which is capped. The levy is not considered to be a recoverable expense since it is applied as a government charge.

When the Trustee of the Fund has determined the amount to be paid for each of the years in which the levy applies, it will seek to recoup these costs and deduct the amount from your account, as permitted under the Fund's trust deed. The actual levy amount payable each year will be disclosed in our product information update section on our website.

Operational Risk Financial Reserve

From 1 July 2013, trustees are required to maintain adequate financial resources to address losses arising from operational risk. Trustees must determine the target amount to be set aside for these purposes, based on guidelines provided by APRA. The target amount must be achieved by the end of a three year period. Questor has determined that in order to reach its target for the Fund, an amount up to 0.083 per cent of each member's balance will be deducted annually during the 2013/14 year and the following two financial years. Should an operational risk event occur post 1 July 2013, additional deductions against each member's balance may be required to restore the Operational Risk Financial Reserve back to the target amount.

Performance-based 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.

A performance-based fee (if applicable) is normally reflected in the unit price of an investment option. 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 available on our website. Please refer to the product disclosure statement for the relevant investment option, which details any applicable performance-based fee and the calculation methodology.

Indirect cost ratio

This represents the fees and costs charged by underlying fund managers and is generally calculated daily as a percentage of the amount you have invested in each managed investment option. It is not deducted directly from your account but is reflected in the unit price of that investment option.

The indirect cost ratio range displayed in the fee table on page 9 is current as at the date of this PDS. For further information, please refer to the product disclosure statement for the applicable investment option and the current list of investment strategies available on our website.

Indirect cost ratio rebate

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

Investment 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 0.40 per cent per annum plus GST and/or up to $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 per cent plus GST, IOOF would receive $7,500 per annum plus GST. The fee is retained by IOOF and is **not** an additional cost to you.

If this information changes, we will notify you in a product information update on our website.

Can the fees and expenses change?

The fees and expenses set out on the 'Fees and other costs' section of this PDS may change as a result of (among 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 our Trust Deed. Please note that the fees and expenses set out on the previous pages may be lower than the maximum fees permitted under our Trust Deed. To increase the maximum amount permitted, we would be required to change our Trust Deed. To do this we must have approval from members in the Plan.

GST and taxes

The fees quoted in this section are inclusive of GST and, where applicable, also take into account any RITCs. The benefits of any available input tax credits are passed on to you in the form of reduced fees or costs. See the 'Taxation' section on page 22 for more information on tax.

How you can invest

Commencing an account-based pension

To be eligible to commence an account-based pension, you will need to meet the relevant conditions of release, such as retiring after reaching your preservation age or turning age 65, before being able to transfer your super benefits to a pension account. For more information on the conditions of release, please refer to 'Accessing your super' section of the **TPS general reference guide (TPS.01)**.

If eligible, you can commence your pension by rolling over your super benefits from The Portfolio Service – Super Essentials, Superannuation Plan or Retirement Income Plan, or from any other complying super fund.

If you have more than one rollover or transfer amount, you will need to consolidate these amounts into one of our personal super products first. This is because our account-based pension can only commence with a single rollover or transferred amount. To do this, you will need to complete either The Portfolio Service – Super Essentials or Superannuation Plan application form.

If you wish to include any super contributions as part of your investment, you will need to contribute them to our personal super product (subject to your eligibility to contribute) before starting your account-based pension. Please see the 'Everything you need to know about contributions to super' section of **TPS.01** for the rules covering super contributions.

Once we receive all the rollovers you have advised that we will receive, we can then roll your benefits into this Plan.

Transition to retirement pension

A TTR pension allows you to access your super money while still working, provided you have reached your preservation age. Your preservation age is dependent upon your date of birth, as shown in the following table:

Date of birth	Preservation age
Before 1 July 1960	55
1 July 1960 – 30 June 1961	56
1 July 1961 – 30 June 1962	57
1 July 1962 – 30 June 1963	58
1 July 1963 – 30 June 1964	59
From 1 July 1964	60

You can commence a TTR pension by transferring over some or all of your super benefits from The Portfolio Service – Super Essentials or The Portfolio Service – Superannuation Plan to this Plan, or any other complying super fund.

Minimum investment

The minimum investment required to establish The Portfolio Service – Retirement Income Plan is $10,000. You cannot add additional amounts to your pension account once it has commenced. To do this you must commence another pension, subject to the minimum of $10,000.

Other information

Your transfer and/or rollover are initially invested in the Cash Management Account and then into the investment options you select. Your benefit is the current value of your investment options plus investment earnings not yet credited, less payments made to you, any pending fees, expenses and taxes.

The Plan provides:

- that in the event of your death, your spouse and/or other dependants may receive the remaining balance of your investment portfolio as a lump sum or continue to receive regular payments
- that regular payments will cease when the value of your investment portfolio is nil
- that minimum payments are made per year based on your age at the beginning of each financial year or when you join the Plan
- that maximum payments per year apply for TTRs.

Making an investment

The minimum investment to establish your investment in the Plan is $10,000. To make an investment in the Plan, you must provide us with:

- a completed application form
- details of the super fund(s) you are transferring from. Most super funds will transfer the benefits directly to The Portfolio Service.

If you are transferring from a self-managed superannuation fund (SMSF), the SMSF may provide us with a cheque made payable to:

Questor Financial Services Limited
ATF TPS Retirement Fund

The minimum balance per investment option is $1,000.

If you wish to start your pension with a personal contribution, you must first make the contribution to personal super and then transfer to your new pension account from your personal super account.

For assistance, please contact your financial planner.

Applications

On acceptance of your application, we will establish an investment portfolio for you. Your money is initially invested in the Cash Management Account and any interest earned on application monies is credited to your Cash Management Account. Information on the Cash Management Account is outlined on pages 2 and 3.

We invest your money in the investment options you have selected as soon as practicable. The time the transaction takes to settle may depend on the investment option you choose. Factors which may affect the time taken to complete investment transactions include:

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

Orders to buy listed investments are placed as soon as practicable after we receive them. The time taken to execute a transaction will depend on factors such as price, availability of stock and other market conditions. Settlement of a purchase currently occurs three days (T+3) after the execution date.

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

We may reject an application request to invest in an investment option where there are insufficient funds to complete the investment or where funds remain uncleared within the Cash Management Account.

Cooling-off period

To ensure that you are satisfied with your investment in the Plan, you have a 14 day cooling-off period to ensure that it meets your needs. The 14 day period starts from the earlier of the date you receive your welcome letter, or five business days after your Cash Management Account has been established.

If you want to close your account in the Plan during the 14 day cooling-off period, you must notify us in writing.

The amount returned (if applicable) will be adjusted for market movements (up or down), our reasonable administrative and transaction costs (but not planner fees) and non-refundable taxes and duties.

As a result, the amount returned may be more or less than the amount of your initial contribution.

Please note that the cooling-off period does not apply if you exercise your rights or powers in the Plan, such as when you switch investment options or in other situations where the law does not require it to apply.

If you have selected a TTR pension, we cannot repay your initial contribution directly to you. You must nominate another provider that offers a TTR pension so that your initial contribution can be transferred. If you do not make a nomination within one month after notifying us of your intention to seek the return of your initial contribution or your nominated provider does not accept the transfer, we will retain your initial contribution in the Cash Management Account.

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

Valuing your investment options

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

- Cash and term deposits – at cost.
- Listed investments – generally at the last sale price.
- Managed investments – generally the withdrawal (redemption) price quoted by the investment manager.

The actual price you receive will depend on the date we receive and accept your application or withdrawal request and the next available price for the investment option. Not all investment options are priced on a daily basis. If you submit a request for an investment option that is priced weekly, depending on the date of receipt you may receive the price applicable for the following week.

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 transferred in specie between products within The Portfolio Service. This means you can conveniently move your current investment options to another product should your circumstances change. You may also transfer listed investments in specie into the Plan where approved. To do this, you will need to contribute these to an accumulation account in the Fund. Transaction fees will apply.

An in specie transfer may trigger a capital gains tax event and stamp duty costs may apply. You should discuss any in specie transfers with your financial planner.

Switching

You can switch between investment options at any time by either:

- completing a 'Switch request form'
- contacting your financial planner.

Before switching to a new investment option, you must receive a copy of the relevant product disclosure statement or investment report, which is available from your financial planner free of charge. The minimum switch amount is $500 per investment option.

Transaction fees will apply.

A buy-sell spread may be incurred when switching between investment options. See the product disclosure statement for the particular investment option for details.

Nominating a death benefit beneficiary

In the event of your death, super law requires that we pay your Death Benefit (the remaining balance of your pension account) to one or more of your dependants and/or your legal personal representative. To provide greater certainty as to who will receive your benefit in the event of your death, you can choose from the following death benefit nomination options (only one option can be selected):

- Reversionary Beneficiary.
- Binding Death Benefit Nomination (Binding Nomination).
- Non-Binding Death Benefit Nomination (Non-Binding Nomination).

The most appropriate nomination will depend on your personal circumstances. Any person you nominate must be a dependant as defined by super law or your legal personal representative. Dependants include your spouse, de facto spouse, same-sex partner, children and any person with whom you have an interdependency relationship. If you choose to make a Binding Nomination or Non-Binding Nomination you can nominate one or more people and allocate your benefit between them in any proportion.

The super benefit may be paid as a lump sum or a pension, or a combination of both. However, not all dependants can receive a death benefit in the form of a pension (please refer to the 'Death benefit nominations' section of the **TPS general reference guide (TPS.01)**). Only dependants at the time of your death may receive all or part of your super benefit directly.

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

Reversionary Beneficiary

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

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

Not all dependants can be nominated as a Reversionary Beneficiary. See the 'Death benefit nominations' section of the **TPS.01** for further details.

Binding Nomination

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

Non-Binding Nomination

If you make a Non-Binding Nomination, in assessing who is entitled to your Death Benefit, the Trustee will take into account your nomination but is not bound by your nomination. To make a Non-Binding Nomination, please complete a 'Non-Binding Nomination form' which is available from your financial planner or by contacting Client Advisory Services.

> You can amend your nomination at any time by making a new Binding Nomination or Non-Binding Nomination and providing it to us.

No nomination

If you do not make a nomination, in the event of your death, the Trustee will pay your Death Benefit at its discretion.

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

See the 'Death benefit nominations' section of **TPS.01** for further information about dependant nominations and the available payment options.

Distributions and regular payments

How is your income distributed?

Income, such as dividends, distributions and interest that you earn from your investment options is automatically invested into your Cash Management Account.

Pension minimum and maximum limits

Account-based pension

The Commonwealth Government has set a minimum annual payment that you must receive from your pension account each financial year based on your age. The minimum is a percentage of your account balance and is measured at commencement and each following 1 July.

You may choose to receive the minimum, or any other amount above this minimum, up to the amount of your account balance. Where a pension commences before 1 June, the minimum payment will be a proportion of the prescribed minimum full-year entitlement. You must receive at least one payment each financial year, unless you commence your pension between 1 June and the end of the financial year, in which case no pension payment needs to be made in that financial year.

Age	Minimum annual payment %
55 to 64*	4.00
65 to 74	5.00
75 to 79	6.00
80 to 84	7.00
85 to 89	9.00
90 to 94	11.00
95 and over	14.00

* These minimums also apply to payments made under TTR pensions.

For example

Diana (age 60) invests $200,000 in an account-based pension to commence on 1 July 2013. She nominates her pension level to be her age-based minimum annual payment as a percentage of her account balance. For the 2013/14 financial year this is four per cent (see table above). This means her annual pension payment will be $8,000 (0.04 x $200,000).

On 1 July 2014, Diana's account balance is $204,000, after allowing for her pension payments, account fees and growth in the value of her investments[6]. As she has not elected to change her level of pension payments, based on her age-based minimum payment percentage of four per cent, her new annual pension payment will be $8,160 (0.04 x $204,000).

Transition to retirement pensions

In addition to the prescribed minimum payments, TTR pensions are also subject to a maximum payment per annum of 10 per cent of your account balance on 1 July, or at commencement, if commenced part way through a year. Once you meet a condition of release, such as permanently retiring from the workforce or reaching age 65, the 10 per cent maximum payment will no longer apply.

Selecting your annual pension payments

You can nominate your annual pension payment to be:

- your age-based minimum annual payment based on the applicable percentage factor, rounded to the nearest $10
- a fixed dollar amount at or above the minimum.

Where you nominate a fixed dollar amount which does not meet your age-based minimum annual payment, your pension will be adjusted upwards to meet this minimum. Similarly, for TTR pensions, if the nominated amount exceeds the 10 per cent maximum level, your pension will be reduced to meet this maximum.

If your income needs change, you can increase or decrease your selected pension payments at any time provided your pension payments meet the minimum annual pension payment (and are at or below the maximum annual payment for a TTR pension). Depending on your selection, your annual pension payments will change over time. It is important to note that the changes to the level of your pension will impact the length of time your pension will run and may affect your Centrelink benefits. We recommend you discuss with your financial planner.

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

Regular payments

The Plan provides you with the flexibility to choose the frequency of your payments – monthly, quarterly, half-yearly or annually.

Payments are made on or before the 15th of the month from the Cash Management Account and can be credited to your Australian credit union, building society or bank account.

We will, where necessary, withhold any pay as you go (PAYG) tax liability on the gross pension amount as required by law.

To change your pension payments details, please contact your financial planner or complete a 'Pension amendment form'. Please allow ten business days from the date we receive a request for it to be implemented.

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

Accessing your investment

Super is a long-term investment. The Commonwealth Government places restrictions on when you can get access to your benefits. Generally, you cannot access your super benefits until you meet a condition of release. Once this happens, your super benefits become unrestricted non-preserved[7] and you can access them at any time.

Conditions of release

The main conditions of release are:

- permanently retiring after reaching your preservation age
- leaving employment after reaching age 60
- reaching age 65
- permanent incapacity.

Once you have reached your preservation age but have not retired, you can access your preserved benefits by commencing a TTR pension. TTR pensions have maximum payment limits and limited access to lump sums.

Your TTR pension will convert to an account-based pension when you meet a condition of release (as listed above) and the lump sum withdrawal and maximum payment restrictions applicable to a TTR pension will then no longer apply. Conversion to an account-based pension will either take place:

- upon receipt of written notification that you have met the eligibility requirements to commence an account-based pension
- automatically, before issuing your 'annual pension review' documents for the financial year following your 65th birthday.

Lump sum withdrawals

If you make a withdrawal, either as a lump sum in cash or as a transfer, part of your withdrawal may be paid to you as a pension payment. This will apply if you have not already received the minimum pension payments specified by the Commonwealth Government for the current year and the amount remaining in your pension account after the withdrawal would be insufficient to allow the minimum level of annual payments to be made, taking into account any payments made before the withdrawal. Withdrawal requests will be treated as lump sum withdrawals unless you specify that the payment is a pension payment.

Account-based pension

You can withdraw all or part of your benefits in the Plan as a cash lump sum at any time.

Transition to retirement pension

Cash lump sum withdrawals can only be made in very limited circumstances. No lump sum cash withdrawals are permitted except:

- to cash unrestricted non-preserved benefits
- to give effect to a payment split under the *Family Law Act 1975*
- to give effect to a Release Authority under the *Income Tax Assessment Act 1997*.

Once you meet a condition of release, such as permanently retiring from the workforce or reaching age 65, you can make cash withdrawals at any time. Please see 'Preservation and benefits' section of the **TPS general reference guide (TPS.01)** for more information.

At any time after the commencement of your pension in the Plan you may either rollover your benefits:

- to another similar pension
- to an accumulation account in the Fund or in another super fund.

How the preservation components of your TTR pension are treated

Your preservation components will retain their existing status where you have selected the TTR pension. Your pension payments and lump sum withdrawals (where permitted) will reduce each component in a prescribed order – first, from your unrestricted non-preserved benefits, then from your restricted non-preserved benefits and last, from your preserved benefits.

Investment earnings are allocated to the preserved component.

7 Refer to the 'Key Words Explained' section of TPS.01 for an explanation of the terms preserved, unrestricted non-preserved and restricted non-preserved.

How to withdraw

A cash withdrawal from the Plan is treated as a super lump sum and is generally subject to lump sum tax if you are under 60 years. For members 60 and over, all withdrawals are tax-free (see 'Taxation' section on page 22 of this PDS).

To withdraw you can either:

- instruct your financial planner to contact us
- complete a withdrawal form.

The minimum withdrawal amount is $500. This is taken from your Cash Management Account. Where sufficient cash is available in your Cash Management Account, the proceeds of a withdrawal are generally available within five business days. If your request also involves the sale of an investment option it may take longer to provide withdrawal proceeds.

Proceeds will be paid to your Australian credit union, building society or bank account as previously advised to us in writing.

In some circumstances proof of identity may be required.

If your withdrawal is greater than your balance in the Cash Management Account, you should consult your financial planner and confirm which investment options are to be sold.

Selling investment options

We will process your request to sell an investment option as soon as it is practicable (including switch requests), however, the length of time it takes to receive the redemption proceeds will depend on the investment option you have chosen.

Some investment options have longer withdrawal periods – for example, some managed investment options process withdrawals quarterly. Some managed investment options have withdrawal restrictions imposed by the investment manager. For details of managed investment options that have withdrawal restrictions, please refer to the withdrawal schedule available on our website.

Orders to sell listed investments are placed as soon as practicable after we receive them. The time taken to execute a transaction depends on factors such as price, availability of stock and other market conditions. Settlement of a sale currently occurs three business days (T+3) after the execution date.

Closing your investment portfolio

Your membership of the Fund will cease when the balance of your benefit has been paid to you or transferred to another complying super fund.

Before a full withdrawal, the prescribed annual minimum is required to be paid, pro-rated on the basis of days passed in the financial year when the withdrawal occurs.

When you close your investment portfolio, we will leave your Cash Management Account open and retain a reasonable balance until after the Fund's tax return has been completed for the financial year in which your last transaction occurs. This enables us to:

- credit the account with any dividends, distributions, interest payments and tax credits that may be due to you
- deduct any fees, expenses or taxes you may owe.

Once these transactions have been completed, we will contact you for instructions regarding payment to you of any residual balance, or if your Cash Management Account is overdrawn, we may require that you pay the outstanding amount.

As the closure of your account involves finalising any income, fees and charges – your account closure will not be completed until the Fund's tax return has been lodged for the year in which you requested a full withdrawal.

Taxation

This section provides a summary of how super is taxed.

Transferring from another product in the Fund to the Plan

If you transfer investment options from another product in the Fund to the Plan, no realisation of capital gains occurs on the transfer of your investments and your investments will be held in a tax-exempt environment. Therefore, if you redeem any of these investments from your account, no capital gains tax (CGT) liability will arise, even on capital gains that accrued while in the previous product.

If you transfer your own listed investments into the Plan via an accumulation account in the Fund (as an in specie transfer contribution), you may incur a CGT liability. You should seek professional advice before doing so.

Transfers to other super funds/products

Tax is not payable when you transfer your benefit to another super fund or to another product within the Fund.

Tax treatment of your super investment earnings and capital gains

Investment earnings and realised capital gains attributed to the Plan are exempt from tax.

Tax on pension payments and lump sum withdrawals

Pension payments and lump sum withdrawals from the Plan will be paid from your tax-free and taxable components proportionally. The proportion of each component is determined at the commencement of the Plan and will remain the same for the life of the Plan.

Benefits paid at age 60 or more

Pension payments and lump sum withdrawals are tax-free.

Benefits paid before turning age 60

We are required to deduct tax, depending on your age and the tax components of your benefit. The tax components are calculated on a proportional basis as follows:

Component	Pension payment	Lump sum withdrawal
Tax-free	Tax-free and not included in assessable income.	
Taxable	Included in assessable income and taxed at your marginal tax rate. 15% tax offset applies if received after reaching preservation age (currently age 55) or if totally and permanently disabled.	Under preservation age (currently 55): › 20% (plus Medicare Levy) Preservation age to age 59: › Up to $180,000* threshold: 0% › Excess over threshold: 15% (plus Medicare Levy).

* Threshold increases annually with movements in Average Weekly Ordinary Time Earnings round down to the nearest $5,000.

Death Benefits

The tax payable depends on whether the benefit is paid as a pension or a lump sum.

Death benefits will be assessed for tax purposes as follows:

Lump sum Death Benefits

- All lump sum payments paid directly to your Death Benefits Dependant(s) (as defined under tax law) are tax-free.
- Lump sum benefits paid directly to a beneficiary who is not a Death Benefits Dependant are taxed on a similar basis to lump sum benefits paid to those under age 60. However, the $180,000 tax-free threshold does not apply and the tax rate on the taxable component will generally be 15 per cent (plus the Medicare Levy).

Death Benefit pension – The taxation of a Death Benefit paid as a pension will depend on your age at the time of your death and the age of the beneficiary:

- If you are under the age of 60 at the time of death and the beneficiary is also under age 60, the taxable portion of the pension will be taxed at the beneficiary's marginal tax rate (less the 15 per cent pension offset) unless or until the beneficiary is aged 60 or over, at which time it will be tax-free.
- If either you or your beneficiary are aged 60 and over at the time of your death, then the payments will be tax-free.

A Death Benefit may not be paid as a pension to a child of yours aged 18 or over, unless they are under age 25 and financially dependent on you, or permanently disabled.

See the 'How super is taxed' section in the **TPS general reference guide (TPS.01)** for more detailed information regarding the tax issues relating to pensions.

Notification of Tax File Number (TFN)

We require you to provide your TFN in order for your application to be accepted. Under super law, the Trustee is required to ask you for your TFN. Although it is not an offence if you do not provide your TFN to us, the consequences relating to non-disclosure can be significant (for example, if you're under 60, we would be required to deduct tax from the taxable component of the pension at the top marginal tax rate). That is why the Trustee has determined not to accept applications without a TFN. If you provide your TFN, it will only be used for purposes permitted by law, which include disclosure to another super provider if your account balance is transferred and you do not ask us not to disclose your TFN in these circumstances.

If you are aged 60 or over

You can notify us of your TFN by completing Step 4 on the application form in the forms booklet. If we already hold your TFN (for example, you are transferring from another super account within the Fund), you do not have to submit it again.

If you are under age 60

You need to complete the tax file number declaration. You can obtain a tax file number declaration by contacting your financial planner or Client Advisory Services. Please complete the tax file number declaration even if we already have your TFN, as it includes additional information which allows us to appropriately deduct tax from your pension.

Social Security (Centrelink/Department of Veterans' Affairs)

Your investment in the Plan may affect your eligibility for Social Security benefits. The Commonwealth Government determines whether you are eligible for a Centrelink or Department of Veteran's Affairs (DVA) pension or allowance payment. See 'How is super treated for Centrelink/Department of Veterans' Affairs purposes?' section of **TPS.01** for more information.

You should consult your financial planner about your circumstances.

Additional information

Keeping you informed

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

At any time, your financial planner can request general information for you about the Plan and your account.

Welcome letter and transaction confirmations

On acceptance of your initial application, we will send you a welcome letter that summarises the information we have recorded for your account.

We will also send you written confirmation each time you make a transaction (other than your regular pension payments).

Annual Pension Review

You will receive from us:

- a summary of payments made during the current financial year
- details of your pension account value, nominated bank account
- details of your new pension payment for the next financial year
- a PAYG payment summary (where applicable)
- an updated Centrelink/Department of Veterans' Affairs schedule.

We will generally provide your Annual Pension Review by 30 June following your June pension payment.

Half-yearly Statement

Provides:

- a portfolio valuation as at 31 December
- Cash Management Account summary for the period 1 July to 31 December.

We will generally provide your Half-yearly Statement late January/early February.

Annual Reporting Package

You will also receive an Annual Reporting Package detailing:

- a summary of all transactions during the financial year
- estate planning nominations
- portfolio valuation as at 30 June
- statement of transactions on your Cash Management Account and your investment options.

We will generally provide your Annual Reporting Package in October (but no later than 31 December) each year.

Annual reports

The annual report for the Plan will be available on our website before 31 December after the end of each financial year. A copy of the latest annual report is available free of charge on request. This PDS should be read in conjunction with the latest annual report of the Plan.

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. Upon request, a copy of the product information update can also 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 supplementary PDS.

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

Keeping us informed

A signed request may be required for changes (or corrections) to your account details. Please contact your financial planner or Client Advisory Services for instructions to:

- update your account details – such as a change of name or change of postal address, email address or telephone number
- change your nominated death benefit beneficiary
- make transaction requests.

Otherwise you may action these requests by completing the relevant form available on our website (www.theportfolioservice.com.au) and sending it to 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
- 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 and 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 90 days, you have the option of contacting the Superannuation Complaints Tribunal, an independent complaints handling body. The Superannuation Complaints Tribunal will then be able to confirm whether or not they can help you.

Their contact number is 1300 884 114, or you can write to them at Locked Bag 3060, Melbourne, VIC 3001.

Privacy

We recognise the importance of protecting your privacy. Your personal information will be handled in accordance with our privacy policy, which outlines how the information we collect from you is used, stored and disclosed.

We will collect your personal information from the application form you complete when applying for this product.

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

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

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

- your financial planner
- your employer
- banks or other financial institutions
- medical professionals
- insurers and reinsurers and their claims agents and assessors
- legal and accounting firms, auditors, mail houses, contractors, or others involved with the product
- the Australian Taxation Office
- other companies within the IOOF group.

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

By signing the application form, you agree to us collecting, storing, using and disclosing your personal information. If you do not provide all the information requested in your application form, we will not be able to accept and process your application.

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

Postal address:	Privacy Officer Questor Financial Services Limited Locked Bag 4004 Queen Victoria Building NSW 1230
Email:	privacy.officer@ioof.com.au
Telephone:	1800 221 151

Depending upon the nature of the request, we may have the right to impose a reasonable charge.

To obtain a copy of the IOOF group privacy policy please contact Client Advisory Services on 1800 221 151 or through our website (www.theportfolioservice.com.au/privacy_policy).

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

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

Where you have not already provided us with appropriate identification, we will be required to collect customer identification information and to verify it by reference to a reliable independent source. You will be notified of these procedures when you request a cash withdrawal (if eligible). We may also be required to collect customer identification at other times. If you do not provide the information or we are unable to verify the information, payment of benefits may be delayed or refused.

How to apply

Application procedure

Joining is simple. All you have to do is complete the application form and any other relevant forms in the forms booklet accompanying this PDS.

You can also obtain a copy of the PDS and forms booklet:

- from your financial planner
- by downloading one from our website (www.theportfolioservice.com.au)
- by calling Client Advisory Services on 1800 221 151.

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