

The Portfolio Service Investment Essentials

The Portfolio Service

Product Disclosure Statement

Dated: 1 July 2014

Issuer: Questor Financial Services Limited ABN 33 078 662 718 AFSL No. 240829 as the Responsible Entity of The Portfolio Service Investment Essentials.

Part of the IOOF group

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This Product Disclosure Statement (PDS) relates to The Portfolio Service – Investment Essentials (Plan) ARSN 126 223 470. This PDS is issued by Questor Financial Services Limited (Questor) ABN 33 078 662 718 AFSL No. 240829 as the Responsible Entity of the Plan.

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

The Plan is an Investor Directed Portfolio Service-like (IDPS-like) scheme.

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 Portfolio Service list of investment strategies).

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 will 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. The Plan is generally only available to you through a licensed financial planner. 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 - Investment Essentials is part of a group of products that also include:

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

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

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.

Contents

About The Portfolio Service – Investment Essentials	2
The Plan at a glance	4
About the investment strategies and options	5
Risks of investing	6
Fees and other costs	7
Making an investment	15
Borrowing to invest – margin lending	16
Distributions, regular savings and regular payments	17
Accessing your investment	18
Taxation	19
Additional information	20
How to apply	24

About this PDS

This PDS is important because it will help you decide whether The Portfolio Service - Investment Essentials will meet your needs. You can use it to compare The Portfolio Service – Investment Essentials with any other investment 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 the **TPS IDPS investment guide (TPS.04)** – this guide contains statements and information we are required by law to disclose to you. The guide is classified by a unique identifier and a description of what is covered. By law the statements and information in the guides are taken to be included in the PDS.

This PDS and the guide 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.

About The Portfolio Service – Investment Essentials

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

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

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

Consolidating your investments into the Plan may also reduce the amount of paperwork you receive and simplify your tax reporting.

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

Benefits of the Plan

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

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

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

You will enjoy:

- low-cost and transparent fees - a low administration fee keeps your base cost down
- one account for all your investment options - comprehensive reporting on your investment portfolio makes keeping track of your investments manageable
- a wide range of investment options, including exchange traded funds, selected by the IOOF Advice Division research team and regularly updated as new opportunities become available
- choice to reinvest income distributions into your investment options or have the money paid into your Cash Management Account
- the ability to establish a Regular Savings Plan and make automatic deposits from your Australian credit union, building society or bank account

- the option to establish a Regular Investment Sweep so that cash in excess of your minimum Cash Management Account balance is automatically invested to your nominated investment option
- access to a margin lending facility, which may allow you to borrow to invest
- flexibility to change your investment options
- the ability to arrange for regular payments to be made from your Cash Management Account to your Australian credit union, building society or bank account via the Regular Payment Plan.

The Portfolio Service has a range of products built with flexibility in mind, so 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 for you that includes a professionally managed Cash Management Account. Your money is initially invested in the Cash Management Account and then in the investment options you select.

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

- purchase and sale of investment options
- receipt of dividends, income distributions and interest from your investment options
- investments made via the Regular Savings Plan
- payment of any fees, expenses and taxes
- withdrawals
- any payments made via the Regular Payment 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 deposits, 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.

To achieve the competitive returns, the Cash Management Account balances of all investors are currently invested in a combination of an operating bank account (for day-to-day transactions) and in the Cash Management Fund (ARSN 089 508 636) (Cash Management Fund). We may change the investment of the Cash Management Account at any time.

Before investing in the Plan, you must obtain and read the product disclosure statement for the underlying investments of the Cash Management Account. The product disclosure statements for those investments are available on our website (www.theportfolioservice.com.au) or from your financial planner.

You must hold a minimum balance of two per cent of the value of your total investment portfolio in the Cash Management Account, unless you have chosen to receive regular payments from your Cash Management Account, in which case the minimum is five per cent. 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. We do not take into consideration any taxation implications when selecting which investment option will be sold.

If your Cash Management Account falls into a negative balance, you may also incur a charge until the balance is restored. Please refer to the 'Cash Management Account balance charge' section on page 10 for further 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 that 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

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

Term investments

Term investments are available during each monthly offer period. Details of a term investment buy order window (including rates, commencement and maturity dates) for both a new 6 and 12 month term, are communicated to your financial planner every month to confirm availability.

The **TPS IDPS investment guide (TPS.04)** 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	<p>Managed investments</p> <ul style="list-style-type: none"> ▶ Diversified strategies ▶ Share strategies ▶ Property strategies ▶ Fixed interest strategies ▶ Cash strategies <p>Listed investments</p> <ul style="list-style-type: none"> ▶ Exchange traded funds <ul style="list-style-type: none"> - Australian shares - Australian property - Fixed income - International and regional shares - Other (for example, gold) <p>Term investments</p>	page 3
Investment methods	<p>Initial investment</p> <ul style="list-style-type: none"> ▶ Cheque <p>Additional investment</p> <ul style="list-style-type: none"> ▶ Cheque, or ▶ Regular Savings Plan (automatic via direct debit) 	page 15
Minimum initial investment	No minimum initial investment applies	page 15
Minimum investment purchase	\$1,000 per investment option	page 15
Minimum Cash Management Account	<p>The minimum allocation to your Cash Management Account is:</p> <ul style="list-style-type: none"> ▶ 2% of the value of your total investment portfolio, or ▶ 5% if you have chosen to receive regular payments 	page 3
Minimum switch¹	\$1,000	page 16
Minimum withdrawal	\$1,000	page 18
Margin lending facility	You may be entitled to borrow money to invest along with your own funds.	page 16
Regular payments	You can arrange to receive regular payments from the Plan via the Regular Payment Plan monthly, quarterly, half-yearly and annually.	page 17
Fees and other costs	For details of 'Fees and other costs', see pages 7 to 14.	
Investor Advice Fees	For details of 'Investor Advice Fees', see pages 11 and 12.	
Reporting	<ul style="list-style-type: none"> ▶ Quarterly statement ▶ Annual report ▶ Annual tax statement and tax guide ▶ Quarterly instalment income reports for pay as you go (PAYG) purposes (if requested) 	page 20

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 investments
- 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 and options is contained in the **TPS IDPS investment guide (TPS.04)** 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 and **TPS.04**.

Investment options – product disclosure statements

Your financial planner is required to provide you with a product disclosure statement for the investment options you choose to invest in. A separate product disclosure statement is available for each of the investment options in the current list of investment strategies. 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.

Keep your product disclosure statement

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

Ongoing management of investment strategies and options

Our Product 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 of investment strategies. We will not always notify you when investment strategies or investment options are added or removed, but we will notify you of any matters that may materially affect your investment holding.

We may terminate an investment strategy or investment options and dispose of all investments. If this happens, we may direct your investment proceeds for the affected investment option to your Cash Management Account.

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

If you have a Regular Investment Sweep or reinvest income distributions in an investment option that becomes unavailable for investment, we will automatically invest your money for the affected investment option into your Cash Management Account until we receive updated instructions from you.

If you do not provide alternative instructions for your Regular Investment Sweep facility, your excess cash will over time be swept to your remaining managed investment options.

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

Further information about the investment selection process can be found in the **TPS IDPS investment guide (TPS.04)**.

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.

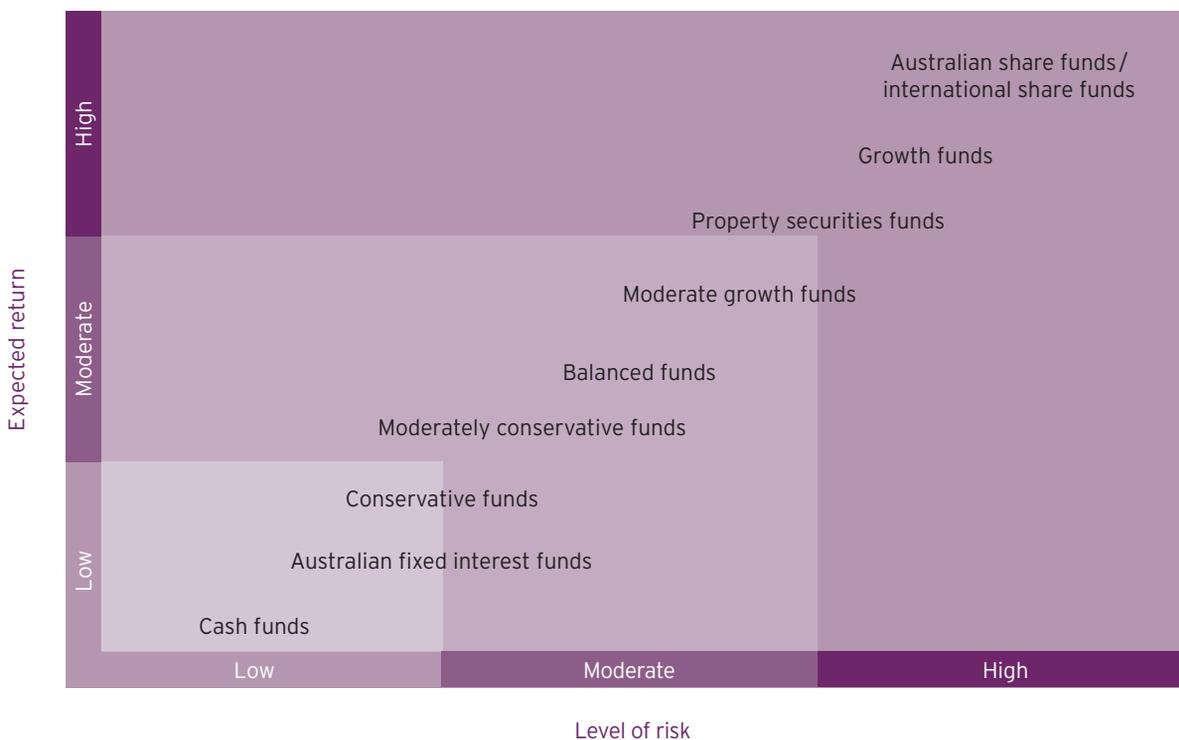
Returns may vary from year to year and the value of an investment option may rise and fall.

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 IDPS investment guide (TPS.04)**.

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 about these risks and others, is available in the **TPS IDPS investment guide (TPS.04)**.

Managing these risks

How you can manage your risk

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

Diversification reduces risk

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

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

Please discuss with your financial planner whether your selection of investment strategies and investment options will provide you with adequate diversification.

Further information about diversification and risk bands is available in the **TPS IDPS investment guide (TPS.04)**.

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 fund 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.

You may be able to negotiate to pay lower 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.moneysmart.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 other costs may be deducted from your money, from the returns on your investment or from the assets of your investment account as a whole.

All fees and expenses shown include Goods and Services Tax (GST) and where applicable, also take into account any reduced input tax credits (RITCs).

The taxes that may apply to your investment are set out in the 'Taxation' section on page 19 of this PDS.

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

Fee table

The Portfolio Service – Investment Essentials		
Type of fees or cost	Amount	How and when paid
Fees when your money moves in to or out of the Plan		
Establishment Fee The fee to open your investment.	Nil.	Not applicable.
Contribution Fee The fee on each amount contributed to your investment.	Nil.	Not applicable.
Withdrawal Fee The fee on each amount you take out of your investment.	Nil.	Not applicable.
Exit Fee The fee to close your investment.	Nil.	Not applicable.
Management costs		
The fees and costs for managing your investment.	Administration Fee 0.40% pa (or \$4 pa per \$1,000 invested)	The Administration Fee is calculated based on your daily balance and will be charged at the end of the quarter. The fee is deducted quarterly in arrears and is deducted from your Cash Management Account ² . We may negotiate fees with wholesale clients. For more information, please see 'Differential fees' on page 13.
	Account Keeping Fee \$24.00 per quarter	This fee is deducted quarterly in arrears from the Cash Management Account.
	Indirect cost ratio (excluding any performance-based fee) Varies across the managed investments and can range from 0.00% to 2.40% pa ³ (\$0.00 to \$24.00 pa per \$1,000 invested). No indirect cost ratio applies to annuity funds and term investments.	The investment managers receive the indirect cost ratio directly from the assets of the relevant investment option and is generally reflected in the unit price of that investment option. It is generally charged monthly or quarterly in arrears. The fee is not deducted directly from your account. The indirect cost ratio range displayed is current as at the date of this PDS. For further information, please refer to the product disclosure statement for the applicable investment option.
Service fees ^{4,5}		
Investment Switching Fee The fee for changing investment options in your account.	Nil.	Not applicable.

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 fees of any investment option you choose, and that those fees are in addition to the fees charged by us for the Plan, together with the transaction and account costs incurred on your behalf. The cost of the investments you choose will be set out in the product disclosure statements for those investment options, which are available on our website (www.theportfolioservice.com.au) or from your financial planner.

2 Your Cash Management Account is currently invested in an operating bank account (for day-to-day transactions) and the Cash Management Fund, of which IOOF Investment Management Limited (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.

3 The indirect cost ratio (excluding any performance-based fee) applied by each fund 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 ratios (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 in the relevant product disclosure statement for each managed investment.

4 Other fees may be payable. See 'Additional explanation of fees and costs' on pages 10 to 14.

5 There are transaction fees associated with some services. Please see 'Transaction fees' on page 10 for more detail. Buy-sell spreads may also apply when you make a switch. See 'Buy-sell spreads' on page 12.

Example of annual fees and costs for a balanced investment option

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

Example – IOOF Multi Series Balanced Trust		Balance of \$50,000, including a contribution of \$5,000 during the year
Contribution Fee	Nil	Not applicable
PLUS Management costs ⁶	0.95% pa plus \$96 pa	And, for every \$50,000 you have in the Plan, you will be charged \$475 plus \$96 each year.
EQUALS Cost of Plan ⁷		If you had an investment of \$50,000 at the beginning of the year and you put in an additional \$5,000 during that year, you would be charged a fee of: \$571 ⁸ What it costs you will depend on the investment option you choose and the fees you negotiate with us and your financial planner.

6 The management costs comprise the Administration Fee of 0.40 per cent per annum, the indirect cost ratio applied by the IOOF Multi Series Balanced Trust of 0.55 per cent per annum and the Account Keeping Fee of \$96 per annum. The indirect cost ratio applied to the IOOF Multi Series Balanced Trust was based on the fees and other costs attributed to this investment option for the financial year ending 30 June 2013.

7 The total annual cost of administering your super account will vary depending on the value of your account and the investment options you choose.

8 Additional fees may apply (such as investor advice fees, a 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. However, management costs will also be charged in relation to the additional contribution that you make. For example management costs would also be charged in respect to the additional contribution of \$5,000. The actual fees you pay will depend on when you invest 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

Management Costs

Administration Fee

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

This fee includes all administration and other expenses we incur, excluding any Investor 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).

Account Keeping Fee

This is the fee for general administration of your account. This includes annual reporting and any changes made to your account details. The Account Keeping Fee is \$24 per quarter and is deducted quarterly in arrears from your account.

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 8 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.

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 each relevant investment, which will detail any applicable performance-based fee and the calculation methodology.

Transaction fees

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

Transaction Fee – \$50

This fee is applied to an investment option:

- › purchase
- › sale, or
- › transfer between plans within The Portfolio Service.

This fee is deducted from your Cash Management Account.

A Transaction Fee does not apply to your Cash Management Account, term investments or when using the Regular Investment Sweep.

Stockbroking Fee – \$39

This fee is charged in addition to the Transaction Fee for each purchase and sale of a listed investment. This fee is included in the purchase and sale price applicable to your investment option.

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 debit from (or a direct credit to) your nominated Australian credit union, building society or bank account is unsuccessful.

Investor 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:

- **Investor Advice Fee – Upfront**
- **Investor Advice Fee – Transaction**
- **Investor Advice Fee – Transfer**
- **Investor Advice Fee – One-off**
- **Investor Advice Fee – Ongoing**

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

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

Investor 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
- subsequent investments made to your account (including investments made via the Regular Savings Plan).

This fee is also payable on the transfer of your Cash Management Account 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) of each investment made. For example, on an initial investment of \$50,000, you would pay the financial planner up to a maximum of \$2,000. A new request must be submitted for each investment made to your account (except investments made via the Regular Savings Plan).

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

While the Investor 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).

Investor 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 is also payable on investments made using the Regular Investment Sweep facility.

This fee does not apply to:

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

While the Investor 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).

Investor 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 Investor 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).

Investor 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.

Investor 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.

An Investor 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 1.25 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 \$625.

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 Investor Advice Fee – Ongoing you may pay is up to 1.25 per cent per annum (inclusive of GST and RITCs), the actual amount an AFSL holder receives is up to 1.34 per cent per annum (inclusive of GST) (\$670 for this \$50,000 example).

Important note:

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

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

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

Percentage asset-based fees cannot be charged where geared or borrowed funds have been used to invest. This means a percentage-based investor advice fees (such as the ongoing fee) cannot be charged where you have borrowed funds through a margin lending facility.

Additional financial planner benefits

Where the law allows, we may pay alternative forms of remuneration and/or non-monetary (soft dollar) benefits to a financial planner or their dealer group.

Dealer groups and other licensees who have an agreement with us on or before 30 June 2013, may continue to receive remuneration in the form of monetary benefits.

These alternative forms of remuneration and/or non-monetary benefits are paid from our resources and are not separate or additional charges to you.

Your financial planner should provide you with the details of any benefits that they may receive. This information will be included in the planner's Financial Services Guide and/or a Statement/Record of Advice.

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 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 it 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.

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

Expense Recovery Fee

The Constitution for the Plan allows us to be reimbursed from the assets of the Plan for any expenses incurred by us in relation to the proper performance of our duties as Responsible Entity.

Expenses include (among other things) promotion (including offer documents, advertising material and printing), custody, audit, taxation advice, accountants, external consultants, termination costs, unit holder meetings, legal costs, compliance and compliance committee costs.

The Expense Recovery Fee is a maximum of 0.30 per cent per annum of the value of the Plan. Currently, no Expense Recovery Fee is payable.

Can the fees and expenses change?

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

Differential fees

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

If you qualify as a wholesale investor, contact Client Advisory Services to see if you are eligible to negotiate your fees with us. If you do not qualify as a wholesale investor, we do not negotiate fees with you.

Total fees indicator

The annual cost of administering your investment account will vary, depending on the value of your investment account and the investment options you choose.

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

Example 1

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

- Cash Management Account – \$5,000
- IOOF Multi Series Balanced Trust – \$35,000
- IOOF MultiMix Australian Shares Trust – \$35,000
- IOOF MultiMix International Shares Trust – \$25,000

Fees applied		Dollar cost of fees over the first year
Contribution Fee	Nil	\$0.00
Administration Fee	Administration Fee 0.40% pa Account Keeping Fee \$96 pa (\$24 per quarter)	= \$496
Indirect cost ratios applied by the investment manager (assume 0.73%#)	0.73% pa	= \$730
Investor Advice Fee – Ongoing* 0.25% pa	0.25% pa	= \$250
Approximate total cost over the first year		= \$1,476 (as a percentage of your investment: $\$1,476/\$100,000 = 1.48\%$)

Example 2

Based on a single investment of \$500,000 in the following:

- Cash Management Account – \$25,000
- IOOF Multi Series Balanced Trust – \$175,000
- Perennial Value Shares Wholesale Trust – \$175,000
- IOOF MultiMix International Shares Trust – \$125,000

Fees applied		Dollar cost of fees over the first year
Contribution Fee	Nil	\$0.00
Administration Fee	Administration Fee 0.40% pa Account Keeping Fee \$96 pa (\$24 per quarter)	= \$2,096
Indirect cost ratios applied by the investment manager (assume 0.77%#)	0.77% pa	= \$3,850
Investor Advice Fee – Ongoing* 0.25% pa	0.25% pa	= \$1,250
Approximate total cost over the first year		= \$7,196 (as a percentage of your investment: $\$7,196/\$500,000 = 1.44\%$)

Examples assume no switches or withdrawals are made and no dishonour fees are incurred. Examples do not take into consideration any movement in the value of the managed investment options in the portfolio.

These examples provide an indication of fees incurred over a single year only. Dollar costs shown are rounded to nearest dollar. By choosing to pay higher investor advice fees, your total fees will also be higher.

The indirect cost ratio is based on a weighted average of the indirect cost ratio in the portfolio. Managed investment fees and expenses are expressed through the unit price of the investment option and not deducted separately from your account.

* The cost of any Investor Advice Fee is optional and therefore negotiable between you and your financial planner.

Making an investment

There is no minimum initial or additional investment amount required to establish your investment in the Plan and you can make additional investments at any time.

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 affect the time taken to complete 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.

How to invest

Your investment must be made by cheque payable to:

Questor Financial Services Limited ATF Investment Essentials

Ongoing investments to your account can also be made through the Regular Savings Plan with a minimum of \$100 per month. For more detailed information, please refer to the 'Regular Savings Plan' section on page 17.

The minimum balance per investment option is \$1,000 (except where the Regular Investment Sweep is utilised).

Cooling-off period

To ensure that you are satisfied with your initial investment in the Plan you have a 14 day cooling-off period to decide whether it meets your needs. The 14 day period starts from the earlier of the date you receive your confirmation letter (ie 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:

- any market movements in your chosen investment option(s) (up or down) up to the date we receive your notification
- taxes payable
- the deduction of reasonable transaction or administration costs incurred by us in issuing your investment
- reimbursement of any investor advice fee or similar fee.

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

If you have entered into a margin lending facility, we will be bound by the instructions of the provider of the margin lending facility as to whom the money is to be repaid to.

Please note that the cooling-off right does not apply if you exercise your right or powers in the Plan such as investments made under the Regular Investment Sweep, Regular Savings Plan, when you switch investment options, when you make an additional investment or in other situations where the law does not require it to apply.

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

Valuing your investment options

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

- Cash and term investments – at cost
- Listed investments – generally 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. 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 either by:

- 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, which is available on our website (www.theportfolioservice.com.au) or from your financial planner. The minimum switch amount is \$1,000 per investment option.

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

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.

Borrowing to invest – margin lending

We have an arrangement with a financial organisation for a margin lending facility to be made available to investors in the Plan. This arrangement does not extend to investors as trustees of a self-managed super fund. The provider (not us) will determine whether you can access the margin lending facility. If so, the provider will lend you funds to make an initial investment or additional investments in the Plan.

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

For further details about margin lending through the Plan and to understand your rights and obligations under such an arrangement please refer to the **TPS IDPS investment guide (TPS.04)**.

Distributions, regular savings and regular payments

How is your income distributed?

Unless you choose otherwise, income (such as distributions, dividends and interest) that you earn from your investment options will be automatically invested into your Cash Management Account.

Alternatively, you can elect for your income to be automatically reinvested into the same investment option (where it is available). Investment options available for reinvestment are identified on the list of investment strategies.

Note: Distribution reinvestment can occur before you receive a revised product disclosure statement for any relevant managed investment. We recommend you discuss the reinvestment options with your financial planner.

You can choose to reinvest income at the time of purchase or at a later date by contacting your financial planner or by completing a 'Reinvesting income nomination form'. Please allow ten business days from the date we receive a request for it to be implemented.

Regular Savings Plan

A Regular Savings Plan facility allows you to set up a direct debit arrangement for regular monthly investment to your account. All you need to do is complete a 'Direct debit request form' located in the 'The Portfolio Service – Investment Essentials Forms Booklet' (forms booklet).

You can commence a Regular Savings Plan with a minimum investment of \$100 per month. Please allow ten business days for your Regular Savings Plan to be established.

We will deduct money from your nominated Australian credit union, building society or bank account on or after the 15th of each month. These monies are then invested into your Cash Management Account.

We reserve the right to terminate your Regular Savings Plan if your direct debit is unsuccessful three times in any 12 month period.

If you have established a Regular Savings Plan, we will continue to deduct money from your nominated account until you tell us otherwise or the Regular Savings Plan is terminated. You can change your account details, alter the amount of your monthly investment or stop contributing by contacting your financial planner or by completing a 'Regular Savings Plan form'. Please allow ten business days from the date we receive a request for it to be implemented.

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

Regular Investment Sweep

The Regular Investment Sweep makes it easy to add to your investment portfolio without the inconvenience

of completing additional application forms. You can activate the Regular Investment Sweep so that any cash in excess of your minimum Cash Management Account balance plus \$100 (including any investments made to your Cash Management Account) is automatically invested each month according to your nominated investment profile. If you choose to activate the Regular Investment Sweep, we will check your Cash Management Account balance monthly.

Please refer to pages 3 and 4 for the Cash Management Account minimum balance. The minimum sweep amount is \$100. The Regular Investment Sweep will continue until you tell us otherwise.

You may choose up to five managed investment options and you must nominate what percentage of the monthly sweep amount is to be invested into each option. A minimum of 20 per cent per managed investment option applies. This facility is not available for term investments or listed investments.

To establish the Regular Investment Sweep, please complete section 7 of the application form located in the forms booklet.

To change your Regular Investment Sweep, please contact your financial planner or complete a 'Regular Investment Sweep form'. Please allow ten business days from the date we receive a request for it to be implemented.

If you establish a Regular Savings Plan and/or Regular Investment Sweep, we will make any updated product disclosure statements for your investment options available to you as soon as practical once they are issued. However, it is possible that money may be invested into your investment options before you access the updated product disclosure statements. Additional investments into the investment options will be made on the basis of the product disclosure statements current at the time of the additional investments.

Regular Payment Plan

You can receive regular payments from your investment portfolio. You can choose:

- the level of the payments you receive
- the frequency of the payments (monthly, quarterly, half-yearly or annually)
- to have your payments deposited into your Australian credit union, building society or bank account
- to vary the amount and frequency or stop regular payments at any time.

The payments are usually made on or before the 15th of the month from your Cash Management Account.

To change your regular payments, please contact your financial planner or complete a 'Regular Payment Plan form'. Please allow ten business days from the date we receive a request for it to be implemented.

Accessing your investment

In order to withdraw money from your Cash Management Account or sell all or part of an investment option, you should either:

- contact your financial planner
- complete a 'Withdrawal request form' and/or 'Switch request form' and send it to us.

The actual price applicable for the sale of an investment option will depend on the date we receive and accept your request and the next available price for the investment option. Please refer to 'Valuing your investment options' on page 16 for further details.

Making withdrawals from your Cash Management Account

There is a minimum withdrawal amount of \$1,000 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 provided to us in writing.

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 – such as minimum redemption limits. Where an investment manager considers that a withdrawal request may be adverse to other members, there may be delays in receiving your withdrawal request. Delays may also apply when redeeming from illiquid investment options. Redemptions will be based on the timing restrictions imposed by the investment manager of those investment options. 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.

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

Closing your investment portfolio

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

We will process your full withdrawal to your nominated bank account within ten business days of receipt of proceeds from the last investment sale.

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

When you close your investment portfolio, we will leave your Cash Management Account open and retain a reasonable balance until after the end of the quarter in which your request was submitted. This enables us to:

- credit the account with any dividends, distributions and interest payments that may be due to you
- deduct any fees, expenses or taxes which you 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 end of the financial year.

In the event of death

In the event of your death, while you are an investor in the Plan, we will pay your account balance as instructed by your executor or legal personal representative. We will seek appropriate evidence to ensure that we carry out all of our legal obligations. This can increase the amount of time that it takes to pay an investment and generally includes obtaining:

- a certified copy of the grant of probate
- a certified copy of the death certificate and the Will
- instructions from the executor of the estate.

If you are a joint account holder, ownership will normally be transferred to the surviving investor upon receipt of a certified copy of the death certificate and a signed request.

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

Taxation

The following is a general summary only of the taxation implications for individual investors who are Australian residents for tax purposes, who hold their investments as long-term investments, and is based on information that is current at the date of this PDS.

This summary does not address the taxation implication for investors who hold their investments on revenue account.

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

Personal tax issues

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

The taxation implications of investing in the Plan depend on the investment options you select.

Foreign taxes

Investments may be affected by foreign tax laws, which can reduce the amount you receive. Under some foreign laws you may be subject to additional obligations if you have a connection with a foreign country (for example by birth, residence, citizenship or property ownership).

Income

Income includes any interest, distribution income and dividends received from your investment options.

Generally, income from your investment options, including amounts received in a subsequent year of income or which are reinvested, will be included in your assessable income for that year.

Any franking credits and foreign income tax offsets and non-assessable amounts will be passed on to you.

Franking credits may be used to offset any personal tax liability (and in certain circumstances you may be entitled to a refund of excess credits). Foreign tax offsets may be used only to offset the Australian tax liability on any foreign income earned.

The amounts of income, tax credits and offsets will be identified in your tax statement. We are required to disclose the income, tax credits and offsets to the Australian Taxation Office (ATO).

Capital gains tax

Taxable capital gains may arise:

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

A transfer of a listed investment into or out of the Plan will usually not be regarded as a capital gains tax (CGT) event and therefore should not give rise to a capital gain or loss for tax purposes so long as there is no change of beneficial ownership.

Taxable capital gains form part of your annual assessable income for a year of income.

You may be entitled to apply the discount capital gain concession to all or part of a capital gain.

Allowable deductions

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

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

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

You may quote your TFN or claim an exemption from doing so by completing the relevant section of the application form. Alternatively, if you are investing through the Plan as part of an enterprise, you may provide your ABN. If you are an Australian resident for taxation purposes and a TFN or ABN is not provided or an exemption is not claimed, we are required by law to withhold tax at the top marginal rate plus the Medicare Levy from any income distributions and interest payments through the Plan.

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

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

Additional information

Keeping you informed

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

At any time, your financial planner can request information for you generally 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 when investing through the Regular Investment Sweep or the Regular Savings Plan).

Regular reports

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

- › the current value of your investment options
- › any additional investments you have made, including those made through the Regular Investment Sweep and the Regular Savings Plan
- › the investment options you bought or sold
- › the fees and expenses that have been deducted from your Cash Management Account
- › payments that have been made to you from your investment options.

Tax information

After the end of each financial year you will receive:

- › a consolidated tax statement that summarises the income from your investment portfolio, including the components of the income and allowable deductions
- › a statement advising you of the capital gains or losses on the sale of investment options
- › a guide on how to use the information in the statement to complete your income tax return. This will be made available on our website.

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

Annual reports

The annual report for the Plan will be available on our website before 30 September after the end of the financial year. A copy of the latest annual report is also available free of charge on request. This PDS should be read in conjunction with the latest annual report for the Plan.

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

Updated information

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

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

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

Keeping us informed

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, change of postal address, email address or telephone number
- › 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

Complaints about the Plan

If you have any questions or a complaint, please:

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

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

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

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

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

Complaints about the investment options available through the Plan

If you have a complaint relating to any of the investment options available through the Plan, you may be able to raise your complaint directly with the issuer of that investment. We can advise you if a product issuer has a dispute resolution system which allows you to raise complaints directly with them. To ascertain if this applies to you, please contact us.

Complaints about your financial planner

If you have a complaint relating to the advice you have received, as a first step you should contact your financial services provider's (licensee's) consumer complaints area to discuss your issue, tell them what your concerns are and how you would like them to be resolved. Your planner should have provided you with a Financial Services Guide (FSG) which would describe their dispute resolution process. If you no longer have the FSG you can obtain another from your planner's licensee.

The licensee is required by law to deal with your complaint within 45 days.

If you are not satisfied with the licensee's handling of your complaint or a decision they have made in relation to your complaint, you may contact FOS by calling 1300 780 808 or by writing to FOS at GPO Box 3, Melbourne VIC 3001.

This service is available free of charge to you, however FOS can only consider your complaint after you have first made use of the licensee's internal complaints handling arrangements (as explained above).

FOS will work with you and the financial services provider to try and resolve your dispute. Their dispute resolution methods may involve negotiation, conciliation, or reaching a decision. It is important that all information relating to your dispute is provided to FOS to assist in a timely resolution.

The role of the Responsible Entity

We are the Responsible Entity of the Plan and are responsible for the management, research and administration of over \$6 billion in Australia. We are also part of the IOOF group, which as at 31 March 2014 had over \$124 billion in funds under management, advice, administration and supervision.

As the Responsible Entity, we must perform our obligations under the Constitution honestly and with reasonable care and diligence. The Constitution also contains a general obligation for us to act in accordance with instructions from you (subject to some limitations such as where the instruction is unclear, unacceptable or inappropriate under the Constitution or the law or market practice).

We also have absolute discretion as to whether or not to accept applications for the Plan and we can terminate the Plan, or your investment in the Plan at any time after giving notice to you.

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

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

Your rights

Your rights as an investor through the Plan are governed by this PDS, the Constitution and the *Corporations Act*. The rights you have as an investor include the right to:

- › invest your money
- › withdraw your investment
- › terminate your investment
- › receive income entitlements
- › receive investor reports
- › inspect the Constitution.

There are differences between investing directly and investing through the Plan. As the Custodian, we hold and are the legal owner of all investment options purchased on your behalf. You have a beneficial interest in the investment options in your portfolio. As you are not the registered owner of any of the investment options, you cannot participate in meetings of investors of the investment options, nor do you have any voting rights (refer to the Voting policy section below for further information).

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

These differences are set out in a detailed table in the **TPS IDPS investment guide (TPS.04)**.

Voting Policy

Where we receive notices of meetings or resolutions that relate to the investment options, we do not generally pass this information on to you or your financial planner.

We maintain a voting policy under which we do not offer voting rights to investors. The Responsible Entity votes on all company or scheme resolutions and other corporate actions. Proxy voting records are retained by the Responsible Entity and are published annually on the website and made available to investors upon request.

A copy of our voting policy is available free of charge on request.

Corporate Actions

Corporate actions for Australian listed securities will generally be made available on your account, and processed according to your instructions. We will send your financial planner any corporate action notices that we receive. Corporate actions include (but are not limited to): entitlement offers, renounceable and non-renounceable rights, share purchase plans, initial public offerings, takeovers, mergers, de-mergers, re-investment offers, consolidations and redemptions.

In some circumstances, the Responsible Entity may decide to participate in a corporate action on behalf of all members of the Plan if it believes the transaction is in the best interest of all investors and/or the action cannot be administered on an individual basis. There may be circumstances where we may not process corporate actions (such as, where it is not administratively possible to do so).

Borrowings

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

Related party transactions and our role as service provider

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

Some of the Plan's investment options are managed by related parties of the Responsible Entity and they receive investment management fees for doing so (as disclosed in the relevant investment option's product disclosure document).

All transactions with related parties are conducted at arm's length.

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 ATO
- 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.co.au/privacy_policy).

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

We are required to carry out proof of identity procedures for investors opening an account in the Plan. 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 on applying to join the Plan or when you request a withdrawal. If you do not provide the information or we are unable to verify the information, your application or request for payment may be delayed or refused.

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 221151.

