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IOOF Portfolio Service

IOOF **Portfolio Service** Allocated Pension

Product Disclosure Statement

Dated: 1 April 2013

Issuer: IOOF Investment Management Limited | ABN 53 006 695 021 | AFS Licence No. 230524
as Trustee of the IOOF Portfolio Service Superannuation Fund | ABN 70 815 369 818.

This Product Disclosure Statement (PDS) has been prepared and issued by IOOF Investment Management Limited (IIML) ABN 53 006 695 021, AFS Licence No. 230524. IIML is the Trustee of the IOOF Portfolio Service Superannuation Fund (Fund), ABN 70 815 369 818. The IOOF Portfolio Service Allocated Pension is a pension product in the Fund.

About the Trustee

- IIML is a part of the IOOF group comprising IOOF Holdings Ltd ABN 49 100 103 722 and its related bodies corporate (IOOF group).
- As Trustee, IIML is responsible for operating the Fund honestly and in the best interests of members.
- IIML is also responsible for holding the assets of the Fund on behalf of members and undertakes all of the administrative tasks through IOOF Service Co Pty Ltd ABN 99 074 572 919. IIML has investment and service contracts with related parties within the IOOF group, including Perennial Investment Partners Limited (Perennial) ABN 59 087 901 620 AFS Licence No. 238763 and IOOF Service Co Pty Ltd.

IIML is solely responsible for the content of this PDS. This PDS was prepared by IIML based on its interpretation of the relevant legislation as at the date of issue.

Contributions made to, and investments in, an IOOF Portfolio Service Allocated Pension do not represent assets or liabilities of IIML (other than as trustee of the Fund) or any other company or business within the IOOF group. The terms 'our', 'we', 'us' and 'Trustee' in this PDS refer to IIML.

Neither IIML, nor any other related or associated company, the fund managers providing the managed investments, service providers or the related bodies corporate of the parties mentioned, guarantee the repayment of capital or the performance or any rate of return of the investment options chosen in an IOOF Portfolio Service Allocated Pension. Investments made into the investment options in an IOOF Portfolio Service Allocated Pension are subject to investment risks and other risks. This could involve delays in the repayment of principal and loss of income or principal invested.

IIML operates IOOF Portfolio Service Allocated Pension on the terms and conditions outlined in this PDS and in accordance with the Fund's Trust Deed. We may change any of the terms and conditions set out in the PDS at any time where permitted to do so under the Trust Deed and superannuation (super) law.

IIML is the Responsible Entity of the Perennial Trusts, the IOOF MultiMix Trusts, the IOOF Multi Series Balanced Trust, the IOOF Cash Management Trust, the IOOF Wholesale Solutions and IOOF Wholesale Single Manager Solutions (collectively referred to as the Trusts), and we receive fees under the Constitutions of the Trusts. These Trusts are some of the investment options offered in IOOF Portfolio Service Allocated Pension (as listed in the **IOOF Portfolio Service investment guide (IPS.10)**).

An IOOF Portfolio Service Allocated Pension is only available to persons receiving this PDS (electronically or otherwise) within Australia. We may refuse an application to join the Fund without providing reasons for the refusal. You become a member of the Fund when we accept your completed application and record you as a member.

About the relationship between Perennial and IIML

Perennial, another company within the IOOF group has been appointed by IIML to manage the investment assets of the Perennial Trusts. Perennial is paid arms-length asset management fees by IIML (as the Responsible Entity) for the management of the Perennial Trusts.

Investment options offered

IIML makes no recommendation regarding the investment options set out in **IPS.10**.

As Trustee, IIML regularly monitors the investment options available to members in an IOOF Portfolio Service Allocated Pension and provides no assurance that any investment option currently available will continue to be available in the future. We have the right to suspend or cease investments in a specific investment option and if necessary, can redeem and transfer your investments to your Cash Account in circumstances where the investment option is no longer available and no alternative instructions are provided. We will notify you of any such change where possible before the change occurs.

The fund managers have not authorised or caused the issue of this PDS but have consented to the inclusion of statements which relate to their particular managed investment.

In order to choose an investment option for your investment strategy, you should review the information in **IPS.10**. Before selecting an investment option, your financial adviser should give you the product disclosure statement for that managed investment or the product guide for the term deposit. These documents provide you with important information to consider and evaluate prior to investing. Product disclosure statements for each managed investment and product guides for each term deposit are also available on our website (www.ioof.com.au). Please note, product disclosure statements and product guides are not available for Direct Share Choice investment options.

General advice warning

The information contained in this PDS is of a general nature only and does not take into account your individual objectives, financial situation or needs. You should consider the appropriateness of this information having regard to your objectives, financial situation and needs and you may want to seek advice from a financial adviser before making a decision about IOOF Portfolio Service Allocated Pension.

Updated information

Naturally, the information referred to in this PDS may change from time to time. We will inform you of any significant changes that could affect you or other significant events that may affect the information in this PDS. Any updated information that is not materially adverse may be obtained by:

- checking our website (www.ioof.com.au)
- emailing us at clientservices@ioof.com.au
- calling us on 1800 062 963.

A paper copy of the updated information will be provided free of charge on request.

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How to find your way around this PDS

This PDS is important because it will help you decide whether IOOF Portfolio Service Allocated Pension will meet your needs. You can use it to compare the IOOF Portfolio Service Allocated Pension with any other pension product you may be considering.

The PDS describes the key features, risks and purpose of an IOOF Portfolio Service Allocated Pension. 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 that 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. You can then use this description to decide whether to read the information. 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.ioof.com.au) or contact us and we will send you a paper copy at no charge.

Key words

There may be some words in this PDS and the guides you may not be familiar with. To help you understand those terms, we have defined them in the 'Key words explained' section in the **IOOF Portfolio Service general reference guide (IPS.12)**.

An introduction to IOOF Portfolio Service Allocated Pension

Arranging the investment of your super is important. If managed correctly, it could ensure financial security and peace of mind when it comes time for you to retire. Choosing a quality investment partner is a key step towards achieving your financial goals in retirement.

An IOOF Portfolio Service Allocated Pension can help you control and manage your super savings in retirement and aims to provide a tax-effective pension in retirement. It also offers a pre-retirement (non-commutable) pension option.

In this introduction, you will find important information about an IOOF Portfolio Service Allocated Pension, including a snapshot of the key features and benefits available to help you meet your retirement needs.

Investing in an IOOF Portfolio Service Allocated Pension

This product provides access to:

- a well researched range of Australian and international fund managers
- over 60 different shares selected from the top 150 companies listed on the Australian Securities Exchange (ASX) based upon market capitalisation plus a range of Exchange Traded Funds (ETFs) and other listed investments approved by the Trustee from time to time
- secure online access to your account details
- consolidated reporting.

You select the investment strategy using one convenient administration facility. This makes it very simple for you to manage your retirement goals.

Your initial contribution is invested by us on your behalf, in accordance with your investment strategy. The value of the investment options you select forms part of your pension account. You do not directly invest into (or hold an interest in) any investment option. This means investing in an IOOF Portfolio Service Allocated Pension is not the same as personally investing in term deposits, managed investments or listed investments.

About IOOF Portfolio Service Allocated Pension

Pension payments will cease when your pension 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.

The IOOF Portfolio Service Allocated Pension is an account-based pension, which is required to make a minimum payment at least annually (maximum payments only apply to transition to retirement pensions). If you are aged 60 or more, your pension payments will be tax-free. If you are below age 60, your pension payments will be taxed (until you reach age 60), but you will be eligible to receive a 15 per cent tax offset on the taxable component and no tax is payable on any tax-free component.

Who is the IOOF group?

The IOOF group has demonstrated expertise in the administration and management of investments, superannuation savings and retirement income solutions. The IOOF group has more than 160 years' experience in financial services. It is important to know that one of the biggest investments in your life, your retirement income, is being managed by a trusted Australian company.

Snapshot of IOOF Portfolio Service Allocated Pension

The following table provides a snapshot of the key features and benefits.

Investing		Page
Investment options	<p>Easy Choice – offers a range of IOOF multi-manager trusts.</p> <p>Premier Investor Choice – complements our existing Easy Choice investment selection by providing a suite of screened managers who offer high-conviction, quality investments with significantly lower management fees.</p> <p>Investor Choice – offers a large range of sector or asset class specific managed investments and term deposits.</p> <p>Direct Share Choice – offers access to over 60 different shares selected from the top 150 companies listed on the ASX based upon market capitalisation plus a range of ETFs and other listed investments approved by the Trustee from time to time.</p>	8
Standing instructions	<p>You can provide a Standing Instruction for investments and/or redemptions.</p> <ul style="list-style-type: none"> • A Standing Investment Instruction specifies how excess cash (the amount above the minimum balance required) held in your Cash Account is to be invested. • A Standing Redemption Instruction specifies the investment options to be redeemed to meet the minimum balance required for your Cash Account, or to fund a withdrawal request where you have not provided a Specific Instruction. 	10
Cash Account	The Cash Account records all transactions and aims to generate a competitive investment return on that part of your pension account that is required to be held in cash.	11
Income distributions	Income distributions from your investment options (if or when payable) will be credited to your Cash Account. A Standing Investment Instruction is required to automatically invest your distributions (when in excess of your minimum Cash Account requirement).	10
Options		
Transition to retirement (TTR) pension option	You can use the TTR pension option to commence a pension once you have reached your preservation age, regardless of your employment status.	14
Estate planning options	<p>Choose from the following estate planning options:</p> <ul style="list-style-type: none"> • Reversionary Beneficiary • Binding Death Benefit Nomination • Non-Binding Death Benefit Nomination. <p>Under the Reversionary Beneficiary option, we are bound to pay your remaining account balance as a continuing pension to your nominated Death Benefits Dependant after your death. However, the Reversionary Beneficiary may choose to make a lump sum withdrawal rather than continue to receive pension payments.</p> <p>Under the Binding Death Benefit Nomination and Non-Binding Death Benefit Nomination options, we retain the flexibility to pay your benefit as a lump sum or pension.</p>	7
Managing your pension		
Pension payment options	<p>You can choose to receive your pension payments:</p> <ul style="list-style-type: none"> • twice-monthly • monthly • quarterly • half-yearly • annually. <p>We withhold any PAYG tax liability on gross pension payments, as required by law.</p>	14
Portfolio Online	View your account details online, normally 24 hours a day, seven days a week with secure access to your account over the internet.	10
Fee Aggregation	You can link multiple IOOF Portfolio Service accounts (conditions apply), including those of family members, which may reduce the Administration Fee payable.	19

Minimum amounts		Page												
Initial contribution	\$20,000 per pension account.	5												
Investment options and switching instruction ¹	<ul style="list-style-type: none"> Managed investments – no minimum applies. Term deposits – \$5,000 per term deposit. Direct Share Choice – a minimum parcel of \$5,000 is required per listed investment trade. 													
Cash Account	Minimum: <ul style="list-style-type: none"> higher of \$500 or 2% of your account balance, plus three months worth of pension payments (if applicable). 	12												
Pension payments	<ul style="list-style-type: none"> 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 option are also subject to a maximum level set by the Commonwealth Government. 	13												
Lump sum withdrawals (one-off) ²	No minimum applies.													
Fees														
Entry (Contribution) Fee	Up to 4.1% of the value of your initial contribution.	17												
Administration Fee	<table border="1"> <thead> <tr> <th>Account balance</th> <th>Administration Fee</th> </tr> </thead> <tbody> <tr> <td>\$0 – \$100,000</td> <td>Up to 1.35% pa</td> </tr> <tr> <td>Next \$150,000</td> <td>Up to 1.10% pa</td> </tr> <tr> <td>Next \$250,000</td> <td>Up to 0.95% pa</td> </tr> <tr> <td>Next \$500,000</td> <td>Up to 0.65% pa</td> </tr> <tr> <td>Above \$1,000,000</td> <td>Up to 0.40% pa</td> </tr> </tbody> </table>	Account balance	Administration Fee	\$0 – \$100,000	Up to 1.35% pa	Next \$150,000	Up to 1.10% pa	Next \$250,000	Up to 0.95% pa	Next \$500,000	Up to 0.65% pa	Above \$1,000,000	Up to 0.40% pa	17
	Account balance	Administration Fee												
	\$0 – \$100,000	Up to 1.35% pa												
	Next \$150,000	Up to 1.10% pa												
	Next \$250,000	Up to 0.95% pa												
	Next \$500,000	Up to 0.65% pa												
Above \$1,000,000	Up to 0.40% pa													
Monthly Member Fee	\$7 per month for account balances below \$150,000.	17												
Benefit Payment Fee	\$77.95 per withdrawal.	17												
Investment Management Cost	Charged separately by the fund manager of each managed investment.	17												
Switching Fees ³	Managed investments and term deposits – nil. Listed investments – brokerage charges apply.	18												
Performance-based fees	We do not charge any performance-based fees for IOOF Portfolio Service Allocated Pensions. A fund manager may charge a performance-based fee for a particular managed investment.	19												
Member Advice Fee	You and a financial adviser selected by you have the flexibility to nominate an amount (if any), within limits that are set by us. If you do not have a financial adviser, these fees are not charged.	20												

1 Investment limits apply to the proportion of your portfolio which can be held in restricted investments, annuity funds, term deposits and listed investments. For further information regarding these limits, see the 'Investment limits' section in the **IOOF Portfolio Service investment guide (IPS.10)**.

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

3 When you move money in or out of an IOOF Portfolio Service Allocated Pension or when you switch between managed investments, you may incur a buy/sell spread which is included in the unit price of the managed investment you choose. Refer to 'Transaction costs – managed investments' on page 19 and the product disclosure statement for the particular managed investment for details.

How does an IOOF Portfolio Service Allocated Pension work?

Commencing an IOOF Portfolio Service Allocated Pension is easy. As long as you have met a condition of release such as retiring after reaching your preservation age or turning age 65, you can make an initial contribution to your new pension account and start receiving your pension straight away.

If you have reached your preservation age but you have not retired, you can commence an IOOF Portfolio Service Allocated Pension using the transition to retirement (TTR) pension option but the amount of cash you can withdraw will be limited until you retire or reach age 65. The access rules are set out on page 14.

Your initial contribution

The minimum initial contribution required to establish an IOOF Portfolio Service Allocated Pension is \$20,000 per pension account.

You or your spouse can make a contribution to an IOOF Portfolio Service Allocated Pension by completing Part B of Step 3 of the 'Application for Allocated Pension – Form A' (Application form) located in the IOOF Portfolio Service Allocated Pension Forms Booklet and sending it to us with your cheque made payable to:

IOOF IPS – [your full name or account number]

If you are transferring your benefit from another super fund, please complete Part A of Step 3 of the Application form. Alternatively, we can facilitate the transfer on your behalf, if you complete the 'Request to transfer a superannuation benefit – Form C' (Transfer form) located in the IOOF Portfolio Service Allocated Pension Forms Booklet.

If you are transferring your benefit from another IOOF Portfolio Service or Pursuit super or pension account, please complete Part C of Step 3 of the Application form.

Please note that no additional contributions or transfers can be made to an existing pension account once your pension has commenced.

How can an initial contribution be made into the pension account?

For new members, your initial contribution is credited first to your Cash Account. This contribution (less any Contribution Fee or nominated Member Advice Fee – Upfront⁴) will then be invested in accordance with your Investment Instructions. You may need to retain part or all of your contributions in your Cash Account to satisfy the minimum holding requirements. Information on how your Cash Account balance is invested is contained on page 11.

What can the initial contribution consist of?

We can accept a wide range of contributions to commence your pension:

- personal contributions that you make yourself which are not tax deductible
- spouse contributions made by your spouse (legal or de facto) for your benefit
- transfer of super benefits from other super funds, ADFs or superannuation annuities
- transfers from other super and pension accounts within the Fund.

If you wish to commence a pension with other types of contributions (for example if you are self-employed and wish to make tax deductible personal contributions), you will need to contribute these to a super account first.

Are there restrictions on when particular contributions can be made to commence your pension?

Below is a table setting out when contributions can be made to commence an IOOF Portfolio Service Allocated Pension. For information on preservation age and conditions of release, see column opposite.

Your age	Contributions we can accept to commence your pension
Under age 55	<p>If you have met a condition of release, such as permanent incapacity:</p> <ul style="list-style-type: none"> transfers from other super accounts and other super funds personal and spouse contributions. <p>OR where you have not met a condition of release:</p> <ul style="list-style-type: none"> transfers from other super accounts and other super funds which are wholly unrestricted non-preserved benefits.
Age 55 to 64	<p>If you have met a condition of release such as retirement after preservation age:</p> <ul style="list-style-type: none"> transfers from other super or pension accounts in the Fund and from other super funds personal and spouse contributions. <p>If you have not met a condition of release, you can only commence a pension using the TTR pension option.</p>
Age 65 to 74	<ul style="list-style-type: none"> Transfers from other super accounts and from other super funds. Personal contributions if you have met the Work Test⁵. Spouse contributions cannot be accepted once you turn age 70.
Age 75 or more	<ul style="list-style-type: none"> Transfers from other super accounts and from other super funds.

Are there any limits on the amount of personal and spouse contributions that can be made to commence the pension?

A maximum of \$450,000 applies to personal and spouse contributions that you can make to commence your pension. If you are aged 65 or more the maximum is \$150,000. Any personal or spouse contributions over this amount will be refunded.

Personal and spouse contributions used to purchase your IOOF Portfolio Service Allocated Pension (including the TTR pension option) are called non-concessional contributions. The Commonwealth Government sets an annual cap on the amount of non-concessional contributions that can be made to your super each year. For the caps on these contributions and the tax penalties that apply if you breach the caps see the 'How super is taxed' section in **IOOF Portfolio Service general reference guide (IPS.12)**.

What are conditions of release and how do they affect the commencement of your pension?

Super funds can only pay benefits, such as commencing an IOOF Portfolio Service Allocated Pension or paying a cash lump sum in specified circumstances. Benefits in super are 'preserved'⁶ until you meet a condition of release. Once you have met a condition of release your super benefits become unrestricted non-preserved and you can commence an IOOF Portfolio Service Allocated Pension.

The main conditions of release are:

- permanently retiring after reaching your preservation age (see section below)
- 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 an IOOF Portfolio Service Allocated Pension using the TTR pension option.

Preservation age

Preservation age is currently age 55. However, if you were born on or after 1 July 1960, you will have a higher preservation age as follows:

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

5 Before the contribution is made, you must have worked at least 40 hours in 30 consecutive days in the financial year in which the contribution is made. A personal contribution must be received within 28 days after the end of the month in which you turn age 75.

6 Benefits that are preserved also include restricted non-preserved benefits. However, restricted non-preserved benefits have an additional condition of release which is termination of employment with an employer who has contributed to the super fund.

Dependants – paying benefits if you die

If you die while you are an IOOF Portfolio Service Allocated Pension account holder, super law requires us to pay your Death Benefit (the remaining balance of your pension account) to one or more of your dependants and/or your estate.

To provide greater certainty as to who will receive your benefit in the event of your death, there are three estate planning 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. Dependants include your spouse, de facto spouse, same-sex partner and children.

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.

A short description of how each nomination works is as follows:

Reversionary Beneficiary⁷

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

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 Nomination or Non-Binding Nomination in favour of another dependant(s).

Not all dependants can be nominated as a Reversionary Beneficiary. See the 'Death benefit nominations' section in **IPS.12** for further details.

Binding Nominations

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 Nominations

Your nomination is **not binding** on us but rest assured we will take it into account when we determine to whom to pay your benefit. You can amend your Non-Binding Nomination at any time by sending us a new Non-Binding Nomination.

No nomination

If you do not nominate a Reversionary Beneficiary or make a Binding Nomination or Non-Binding Nomination, we must pay your Death Benefit to your Legal Personal Representative, unless your estate is insolvent.

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

Important note

When we receive evidence of your death, we have discretion to sell your managed investments and put your money into your Cash Account until the Death Benefit is paid. We would normally exercise this discretion unless advised otherwise.

See the 'Death benefit nominations' section in **IPS.12** for further information about dependant nominations and the available payment options.

⁷ This option is not available to you if you have received the pension as a Reversionary Beneficiary. You can, however, make a Binding Nomination or Non-Binding Nomination.

Making investment choices

Your investment strategy

An IOOF Portfolio Service Allocated Pension provides access to over 200 managed investments, term deposits, over 60 different shares selected from the top 150 companies listed on the ASX based upon market capitalisation plus a range of ETFs and other listed investments approved by the Trustee from time to time. With so many investment options you can construct a portfolio to help achieve your retirement goals.

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

What investment options can you choose?

You may choose from a range of investment options within the following sections:

Section	Overview of objectives
Easy Choice	Offers you access to a spread of different asset classes designed to meet particular investment objectives. IOOF's range of diversified and single-sector multi-manager trusts simplify the investment selection process by blending some of the best available managers to suit your investment objectives.
Premier Investor Choice	Complements our existing Easy Choice investment selection by providing a suite of screened managers who offer high-conviction, quality investments with significantly lower management fees.
Investor Choice	This is where you and your financial adviser can tailor the investments to suit your investment strategy. Investor Choice allows you to select from a wide range of managed investments and term deposits.
Direct Share Choice	Provides you with access to over 60 different shares selected from the top 150 companies listed on the ASX based upon market capitalisation plus a range of ETFs and other listed investments approved by the Trustee from time to time.

The **IOOF Portfolio Service investment guide (IPS.10)** provides more information about the range of investment strategies and options.

Choose what is right for you

The investment options available vary in:

- level of risk
- investment objectives (goals)
- strategies (ways of achieving those goals)
- types of assets in which investments are made.

This allows you to invest in a range of investment options which may be diversified across different asset classes, fund managers and investment styles.

You can normally switch between different managed investments at any time and you can also select diversified managed investments managed by a range of leading Australian and international fund managers.

We carefully research leading Australian and international fund managers before selecting managed investments to be part of the investment menu. We also monitor and review the fund managers and managed investments on an ongoing basis and may add or remove managed investments from time to time.

The list of Easy Choice, Premier Investor Choice and Investor Choice investment options is set out in **IPS.10**. This list may change from time to time.

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

Important note

More information about each of the managed investments available is detailed in the product disclosure statement issued by the fund manager for the particular managed investment and the product guide for the particular term deposit.

Product disclosure statements include information about performance, asset allocation, costs and the risks associated with investing in a particular managed investment and must be read and considered before selecting a managed investment.

Before investing, a financial adviser should provide you with a copy of the product disclosure statement for the managed investment(s) and the product guide for any term deposit(s) you have selected. Alternatively, you can obtain a copy free of charge by downloading it directly from our website (www.ioof.com.au) or requesting it from our client services team on 1800 062 963.

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

Please note that listed investments do not have product disclosure statements.

Direct Share Choice

You have the option to invest in various listed investments through your IOOF Portfolio Service Allocated Pension account. Direct Share Choice provides you with access to over 60 different shares selected from the top 150 companies listed on the ASX based upon market capitalisation plus a range of ETFs and other listed investments approved by the Trustee from time to time. The current list of Direct Share Choice investment options is set out in **IPS.10**. This list may change from time to time.

Term deposits

Terms and conditions relating to an investment in a term deposit is detailed in the 'Investing in a term deposit' section in **IPS.10**.

Important note

The maximum percentages which can be allocated to each of the restricted investments, annuity funds, term deposits and listed investments are detailed in the 'Investment limits' section in **IPS.10**.

Managing your pension account

This section provides you with instructions about how to select and maintain your Investment Instructions and manage the operation of your Cash Account.

Using Portfolio Online

Portfolio Online is a valuable tool to help you manage your investment. This user friendly website gives you access to a range of current and historical transaction and performance details about your pension account, including the following:

Portfolio summary – view the total value of your account.

Account transactions – view all your transactions including your initial contribution, pension payments, withdrawals and income distributions.

Account information – view information about your Investment Instructions and other account features.

Statements – view current and historical Annual Statements online.

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

Electronic communications – view the Trustee's communications to members which you elect to receive electronically.

How to register for Portfolio Online

You can register for Portfolio Online once you have received your client number. Simply apply online at www.ioof.com.au and we will send you an email allowing you to create your own password.

Your Investment Instructions

Your Investment Instructions outline how you would like us to:

- allocate your initial contribution (less any Member Advice Fee – Upfront[®]) across the various investment options
- invest any excess cash held in your Cash Account
- top up your Cash Account to meet the minimum requirement
- process a withdrawal request (which investment options we should redeem from).

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

You are able to supply **two** types of Investment Instructions.

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

Types of Investment Instructions

1. A Standing Investment and/or Redemption Instruction

- A Standing Investment Instruction specifies the managed investments you wish any excess cash held in your Cash Account to be invested in.
- A Standing Redemption Instruction specifies which managed funds you wish to redeem to top up your Cash Account or to fund a withdrawal request.

All Standing Investment and Redemption Instructions must total 100 per cent. Your allocation to the Cash Account does not count towards this 100 per cent, including where you have nominated a Cash Account holding above the minimum requirement.

Annuity funds, term deposits and Direct Share Choice investment options cannot form part of your Standing Instructions.

To confirm your allocation to each managed investment, you can view your current Standing Instructions via Portfolio Online, or you can call our client services team on 1800 062 963.

2. Specific Instructions

Initial contribution

A **one-off** Specific Instruction can be supplied for an initial contribution only where that contribution is made by **cheque**.

When provided, the one-off Specific Instruction will override the use of your Standing Investment Instruction for that particular contribution.

You may need to retain all or part of a contribution in your Cash Account to satisfy the minimum requirement.

Withdrawals

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

Income distributions

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

Any income distributions that you receive from your investment option(s) are automatically credited to your Cash Account. These distributions and dividends may be retained in your Cash Account to restore the balance to the required minimum. Where your Cash Account exceeds the minimum requirement, the excess may be invested in accordance with the process outlined under 'Surplus cash' on page 12.

Changing your Investment Instructions

To update your Investment Instructions, please complete the Investment Authority (Form B) located in the IOOF Portfolio Service Allocated Pension Forms Booklet and send it to us.

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

For example

Maria submits a request to fully redeem her holding in Investments C and D. As a result, Maria's Standing Investment Instruction is automatically updated to remove Investments C and D and to re-weight the remaining investments.

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

Where you have nominated a single managed investment as your Standing Redemption Instruction, and the balance in that managed investment has been exhausted, your Standing Redemption Instruction will be invalid. Any future redemptions will be drawn from all managed investments according to the proportion invested in each managed investment.

Changing your investment options (switching)

An IOOF Portfolio Service Allocated Pension gives you the ability to change your selected investment options. The decision is yours.

Easy Choice, Premier Investor Choice and Investor Choice

Changing your managed investment selection generally requires you to redeem units from one or more of your existing managed investments and to purchase units in one or more managed investments selected by you. This process is often referred to as a switching instruction.

We currently do not charge a separate fee for switching between managed investments in your account. A switching instruction can be made by completing the Investment Authority (Form B) located in the IOOF Portfolio Service Allocated Pension Forms Booklet.

The proceeds of any redemption transaction are first deposited into your Cash Account before units are purchased in the new investment option(s).

The product disclosure statement for a managed investment may be updated or replaced by the fund manager from time to time. This means that you may not always have the most recent copy of the applicable product disclosure statement for a new managed investment before making your switch request. We provide electronic versions of product disclosure statements for the available managed investments via Portfolio Online. You can also obtain a copy free of charge by contacting a financial adviser or by calling our client services team on 1800 062 963.

Important note

A buy/sell spread may be incurred when switching between managed investments. See 'Transaction costs – managed investments' on page 19 and the product disclosure statement for the particular managed fund for details.

Direct Share Choice

An order to buy or sell a listed investment involves a switch from or to your Cash Account to or from the listed investment involved. For further details please see the 'Investing in listed investments available in Direct Share Choice' section in the **IOOF Portfolio Service investment guide (IPS.10)**.

Brokerage applies to any listed investment trades (buy or sell). See 'Transaction costs – listed investments' on page 19 for more information.

Your Cash Account

Why do you have a Cash Account?

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

Competitive investment returns from your Cash Account

The Cash Account provides you with exposure to a mix of Australian short-term money market securities and cash. Interest generated by these investments (less bank fees and charges) is calculated daily and credited monthly to your Cash Account.

The Cash Account provides competitive returns when compared to cash funds.

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

Minimum allocation to your Cash Account

You are required to maintain a minimum amount in your Cash Account. This amount is used for funding fees and expenses, pension payments and taxes (where applicable).

Cash Account minimum:

- higher of \$500 or two per cent of account balance; **plus**
- three months worth of pension payments (if applicable).

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

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

Minimum balance

We will check your Cash Account balance at least quarterly.

If the balance in your Cash Account falls below the required minimum, we may top up the balance by redeeming the necessary amount from your managed investment(s). Where you have supplied a Standing Redemption Instruction (see page 10), we will redeem the necessary amounts from each managed investment based on the instruction provided by you. Where no instruction has been supplied, the amount redeemed from each managed investment will normally be weighted in proportion to the balance of your managed investments.

Please note that annuity funds, term deposits, Direct Share Choice investment options and restricted investments are excluded from the top up process.

Surplus cash

We will review your Cash Account on or around the 20th day of each month. If your Cash Account exceeds your minimum balance plus \$200, we will invest the excess according to your Standing Investment Instruction (see page 10) if you have provided one. The excess (if applicable) will normally be invested within five business days following our review of your Cash Account balance.

Pension options explained

An IOOF Portfolio Service Allocated Pension is one of the most flexible retirement products available in the market. It provides a TTR pension option, increasing your financial planning alternatives as you near retirement.

How is the minimum annual pension calculated?

The Commonwealth Government has set a minimum annual payment that you must withdraw from your pension account each financial year based on your age. The minimum is a percentage of your account balance and is measured at commencement⁹ and each following 1 July.

You are able to select any amount of pension income above this minimum that you wish. The Commonwealth Government has reduced the minimum pension drawdown requirements by 25 per cent for the 2012/13 financial year. No reduction will apply for 2013/14.

If you select a minimum limit in the 'Pension payment details' section of the Application form, the minimum level of payments as per the following table will apply to your pension for the remainder of the financial year unless you notify us otherwise when submitting your application.

Age	Minimum annual payment	
	2012/13 financial year	Thereafter
55 – 64*	3.00%	4.00%
65 – 74	3.75%	5.00%
75 – 79	4.50%	6.00%
80 – 84	5.25%	7.00%
85 – 89	6.75%	9.00%
90 – 94	8.25%	11.00%
95+	10.50%	14.00%

* These minimums also apply to payments made under the TTR pension option.

Selecting your annual pension payments

You can nominate your annual pension payment to be:

- your age-based minimum annual payment, as above, rounded to the nearest \$10
- a fixed dollar amount.

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.

If you have nominated a fixed dollar amount, you can also elect to automatically index your pension by the Consumer Price Index (CPI) or a fixed percentage each year, provided the pension meets the Commonwealth Government's regulated pension payment limits.

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. You can request a change to your selected pension payments at any time in writing. However, any lump sum withdrawal requests will not be treated as a change to your pension payments unless you specify otherwise.

Depending on your selection, your annual pension payments will change over time. Please consult a financial adviser about how to select your required annual pension payment.

Important note

Your first year's pension payment amount will be reduced in proportion to the number of days between the date your pension account was established and the following 1 July, unless you request otherwise.

Example – age-based minimum payment as a percentage of your account balance

Diana (age 60) invests \$200,000 in an IOOF Portfolio Service Allocated Pension to commence on 1 July 2012. She nominates her pension level to be her age-based minimum annual payment as a percentage of her account balance, which (as per the table opposite) is three per cent (for the 2012/13 financial year). Consequently, her annual pension payment is \$6,000.

On 1 July 2013, Diana's pension account balance is \$204,000, after allowing for her pension payments, account fees and growth in the value of her investments¹⁰. As she has not elected to change her level of pension, based on her age-based minimum payment percentage of four per cent, her new annual pension will be \$8,160 (four per cent of \$204,000).

⁹ If the pension commences in June of a financial year, no minimum annual pension applies for that financial year. If your pension commences after 1 July in a financial year, the minimum annual pension is pro-rated.

¹⁰ Depending on your investment selection, the nominated level of pension payments and the amount of any lump sum withdrawals, your pension account balance may rise or fall. This example is for illustrative purposes only and does not in anyway indicate an expected level of performance.

Example – fixed dollar nomination

Graeme (age 64) invests \$200,000 in an IOOF Portfolio Service Allocated Pension to commence on 1 July 2012. He nominates a fixed dollar annual pension payment of \$20,000, to be indexed by five per cent per annum. This figure exceeds Graeme's age-based minimum payment percentage of three per cent required to be paid for the 2012/13 financial year (as per the table on page 13). Graeme receives an annual pension of \$20,000 during the first year of his pension.

On 1 July 2013, Graeme's annual pension payment is automatically indexed to \$21,000 (\$20,000 plus five per cent of \$20,000). This increase occurs irrespective of changes in Graeme's account balance, provided this revised annual pension payment exceeds Graeme's age-based minimum payment.

Frequency of pension payments

You may elect to receive your annual pension payment as one annual payment or in instalments based on one of the following frequencies:

- twice-monthly
- monthly
- quarterly
- half-yearly.

Irrespective of the frequency you select, we will, where necessary, withhold any PAYG tax liability on the gross pension payment for that frequency as required by law. For more information, see 'What taxes apply and how do they work?' on pages 22 to 24 of this PDS.

We will deduct the required pension payments from your Cash Account and credit them electronically to your nominated account with a financial institution. Payments are made by the 28th day of the month where a pension payment is due, unless you have selected the twice-monthly option which is paid by the 14th and 28th day of each month.

What is the transition to retirement (TTR) pension option?

Can someone receive a pension while still working?

When you reach your preservation age (see page 6), you can acquire an income stream under the TTR pension option without having to permanently retire, change employment or reach age 65.

This means you can continue working while receiving an annual pension. There is no cap on the amount of benefit that you can transfer from your super fund in order to commence an IOOF Portfolio Service Allocated Pension using the TTR pension option.

You can commence your TTR pension with preserved benefits, restricted non-preserved benefits and unrestricted non-preserved benefits.

Advantages and restrictions of the TTR pension option

An advantage of using an IOOF Portfolio Service Allocated Pension for TTR purposes is that the investment option(s) you chose in your IOOF Portfolio Service Personal Superannuation account can normally be transferred directly into your pension account in an IOOF Portfolio Service Allocated Pension without being redeemed and without having to incur any CGT liability. On transfer you can either retain your existing investment option(s) or provide us with a new Investment Instruction.

If you choose to transfer only part of your benefit from IOOF Portfolio Service Personal Superannuation to an IOOF Portfolio Service Allocated Pension, a balance of at least \$2,000 must remain in your account within IOOF Portfolio Service Personal Superannuation to allow for further contributions to be made. Where tax on contributions or investment income is required to be paid in respect of your personal super, the minimum balance may be higher.

A TTR allocated pension has the following restrictions:

- A maximum of ten per cent of the account balance may be paid to you in pension payments each financial year. This means that your nominated pension payment needs to be within the minimum four per cent (for the 2012/13 financial year the minimum is reduced from four per cent to three per cent) and maximum ten per cent limits.
- Cash lump sum withdrawals can only be made in very limited circumstances (see the 'Can a lump sum withdrawal be made' on page 5).

Once you meet a condition of release, such as retirement or turning age 65, these additional restrictions will no longer apply. In this situation, if you have been receiving the maximum pension payment, we will convert your current annual pension payment to a fixed dollar amount and continue to pay that amount of pension until you advise us otherwise.

How the preservation components of your TTR pension option are treated

Your components will retain their existing status where you have selected the TTR pension option. 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 lastly, from your preserved benefits.

Investment earnings will be allocated to the preserved component.

Can a lump sum withdrawal be made?

Generally, you can make a full or partial cash lump sum withdrawal from your pension account at any time, except where you have selected the TTR pension option.

Under the TTR pension option, the following restrictions apply to cash withdrawals. No lump sum cash withdrawals are permitted except:

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

Once you meet a condition of release, such as permanently retiring from the workforce or reaching age 65, the withdrawal restrictions cease and you can make cash withdrawals at any time.

You can transfer your benefit at any time:

- to purchase a super product within the Fund
- to purchase a super product in another super fund
- to purchase a super pension or annuity¹¹.

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.

¹¹ If you have a TTR allocated pension and have not met a condition of release, you can only transfer to another income stream that also applies restrictions on cash withdrawals.

What will this cost?

An IOOF Portfolio Service Allocated Pension is competitively priced and easy to understand. As your account balance grows, the Administration Fee applied reduces. In addition, Fee Aggregation allows you to link your account with other IOOF Portfolio Service accounts (conditions apply) for the purpose of calculating and possibly reducing your Administration Fee even further. You are able to negotiate the remuneration structure payable to a financial adviser for financial advice and other services provided in relation to your investment.

The following is a consumer advice warning that the Commonwealth Government requires all super providers to include in their PDS. It is a useful tool to help you compare the relative costs of our competitors using the same format.

Fees and other costs

DID YOU KNOW?

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

For example, total annual fees and costs of 2 per cent of your account balance rather than 1 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 contribution fees and management costs where applicable. Ask the fund or your financial adviser*.

TO FIND OUT MORE

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

* Only the member advice fee(s) can be negotiated with a financial adviser.

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

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

Tax information is set out under 'What taxes apply and how do they work?' on page 22.

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

The investment management costs for the available investment options are set out in the **IOOF Portfolio Service investment guide (IPS.10)**.

Fee table

Type of fee or cost	Amount	How and when paid
Fees when your money moves in or out of the fund¹²		
Establishment Fee The fee to open your investment.	Nil.	Not applicable.
Contribution Fee¹³ The fee on each amount contributed to your investment – either by you or your employer.	Up to 4.10% of the value of your initial contribution.	Deducted from your Cash Account ¹⁴ at the time of each contribution.
Withdrawal Fee The fee on each amount you take out of your investment.	Benefit Payment Fee \$77.95 per withdrawal.	Deducted from your Cash Account at the time of each withdrawal.
Termination Fee The fee to close your investment.	Nil.	Not applicable.
Management costs		
The fees and costs for managing your investment.	Administration Fee¹³	
	Part of your account balance	Administration Fee (pa)
	\$0 - \$100,000	Up to 1.35% (or \$13.50 per \$1,000 invested)
	Next \$150,000	Up to 1.10% (or \$11 per \$1,000 invested)
	Next \$250,000	Up to 0.95% (or \$9.50 per \$1,000 invested)
	Next \$500,000	Up to 0.65% (or \$6.50 per \$1,000 invested)
Above \$1,000,000	Up to 0.40% (or \$4 per \$1,000 invested)	
	The Administration Fee is calculated daily on your account balance ¹⁴ . The fee is charged monthly in arrears and it is deducted from your Cash Account ¹⁵ at the beginning of each month.	
	Monthly Member Fee	
	\$7 per month for accounts with a balance less than \$150,000. Where your account balance exceeds \$150,000, this fee does not apply.	The Monthly Member Fee is calculated daily on your account balance. The fee is charged monthly in arrears and it is deducted from your Cash Account at the beginning of each month. Where you are only a member for a portion of the month, the fee will be charged on a pro rata basis.
	Investment Management Cost (excluding any performance-based fee)	
	Varies across the managed investments and can range from 0.18% to 2.12% pa ¹⁶ (\$1.80 to \$21.20 pa per \$1,000 invested). No investment management cost applies to annuity funds and term deposits.	Generally calculated daily as a percentage of the amount that you have invested in each managed investment. It is not deducted directly from your account but is generally incorporated into the unit price of the managed investment and generally charged monthly or quarterly in arrears. Please refer to the product disclosure statement for the applicable managed investment.

12 Buy/sell spreads – when you move money in or out of IOOF Portfolio Service Allocated Pension or when you make a switch, you may incur a buy/sell spread which is included in the unit price of the managed investment you choose. See 'Transaction costs – managed investments' on page 19 and the product disclosure statement for the particular managed investment for details.

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

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

15 Your Cash Account is currently invested in an operating bank account (for day-to-day transactions) and the IOOF/Perennial Cash and Income Fund (ARSN 087 727 277) (Cash and Income Fund), for which IIML is the responsible entity. Interest generated by this investment is reduced by bank charges and the management costs charged by IIML, as the responsible entity of the Cash and Income Fund, before it is credited to the Cash Account. You are charged an indirect management cost on your Cash Account balance. As at 30 June 2012, this indirect management cost was 0.62 per cent per annum. We may change the investment of the Cash Account at any time.

16 Investment management costs (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 fund manager as at the date of this PDS (for further information refer to **IPS.10**). Investment options and investment management costs may change from time to time. The most recent investment management cost (excluding any performance-based fee) applied by each fund manager for a particular managed investment can be obtained from **IPS.10**.

Service Fees ¹⁷		
Investment Switching Fee¹² The fee for changing investment options in your account.	Nil.	Not applicable.

Where there are insufficient funds in your Cash Account to fund any applicable fees, the fees may be accrued and deducted when sufficient funds are available.

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 your pension was transferred to the Fund as a result of a successor fund transfer or your account was transferred to the IOOF Portfolio Service from another product within the Fund.

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 pension 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
Contribution Fees	0 – 4.10%.	Nil ¹⁸ .
PLUS Management Costs	1.90% ¹⁹ pa plus \$84 pa (\$7 per month)	AND for every \$50,000 you have in the fund you will be charged \$950 plus \$84 each year.
EQUALS cost of fund ²⁰		If your balance was \$50,000, for that year you will be charged fees of \$1,034 ^{21,22} . What it costs you will also depend on the investment option you choose and the fees you negotiate with your financial adviser.

Additional fees may apply

- The example does not take into consideration any market movement in the value of the investment option and assumes that no further transactions were made and no further buy/sell spreads were incurred.
- No withdrawals have been taken into account with this example.

For this product, you may not negotiate directly with the Fund. You may negotiate with a financial adviser for one or more member advice fees to be deducted separately from your pension account.

17 Member advice fees – we will acquire and pay for the services of a financial adviser selected by you. You may negotiate the amount of these fees up to a limit set by us. These fees are deducted from your account. See 'Financial adviser remuneration' under 'Additional explanation of fees and costs'. We do not charge these fees if you have not selected a financial adviser.

18 On the assumption that you contributed \$50,000, a Contribution Fee of between nil and 4.10 per cent would have applied (between \$0 and \$2,050 for the initial \$50,000 contributed). In addition, a buy spread of 0.21 per cent (\$105) would apply. This amount is an additional cost to you but is included in the unit price and not separately charged.

19 The management costs comprise the Administration Fee of 1.35 per cent per annum and the investment management cost applied by IOOF Multi Series Balanced Trust of 0.55 per cent per annum. The investment management cost applied by IOOF Multi Series Balanced Trust was based on the fees and other costs attributed to this investment option in the most recent product disclosure statement. For account balances of \$100,000 and above, the sliding scale in the Fee Table will apply in relation to the Administration Fee and the amount you pay will be reduced accordingly.

20 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 Fee Aggregation.

21 The example assumes a constant account balance of \$50,000 for the entire year.

22 If you leave the Fund, you will be charged a Benefit Payment Fee of \$77.95.

Additional explanation of fees and costs

This section explains the fees and costs set out in the Fee Table and also provides a brief explanation about any additional transactional fees and charges that may apply to your account.

Administration Fee

The Administration Fee represents the annual fees and costs charged by us for operating and managing your pension account. This fee includes all administration and other expenses we incur, including the ongoing commission that we pay to a financial adviser, but excluding any member advice fees (outlined in the following pages) and the fees and costs charged by the fund managers for each managed investment (the investment management cost, any buy/sell spread and any performance-based fee). For further information, see the 'Investment options menu' section in **IPS.10**.

Performance-based fees

As Trustee of the Fund, we do not charge any performance-based fees. However, a fund manager may charge a performance-based fee for a particular managed investment when the investment return generated by the managed investment exceeds a specific criteria or benchmark.

The performance-based fee (if applicable) is generally calculated daily as a percentage of the amount that you have invested in the managed investment. The fee is generally deducted on a monthly, quarterly or annual basis. Please refer to the product disclosure statement for the relevant managed investment.

A fund manager may incorporate the cost into the unit price of the managed investment, or alternatively, the fund manager can charge us and we will pass on the cost to you by directly deducting it from your pension account.

The fund managers that can charge a performance-based fee are outlined in the 'Investment options menu' section in **IPS.10**.

Fee Aggregation

Fee Aggregation allows you to link your IOOF Portfolio Service account(s) for the purpose of calculating the Administration Fee payable. This can mean a reduction in the Administration Fee payable by all 'linked' members/investors. This is another way that we can help you lower the cost of managing your investments.

Fee Aggregation allows you to link:

- your account(s) within IOOF Portfolio Service Investment Service, IOOF Portfolio Service Personal Superannuation, IOOF Portfolio Service Allocated Pension and IOOF Portfolio Service Term Allocated Pension
- your account(s) with those of your immediate family members (as defined in the terms and conditions) who also have accounts in the above-mentioned IOOF Portfolio Service products
- any account(s) in IOOF Portfolio Service Investment Service held in the name of a trust or company, provided that either a director or trustee has a linked account in their own name or the director or trustee is an immediate family member with another 'linked' account.

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

Fee Aggregation has no impact upon the Monthly Member Fee (where applicable) and any member advice fees.

Terms and conditions

- Each person applying to link for the purpose of Fee Aggregation must be a member of the same immediate family (husband, wife, son, daughter, de facto, partner, father, mother, brother or sister).
- A Fee Aggregation request can be rejected and linking can be cancelled at any time by us.
- Any new Fee Aggregation nomination will override any previous nomination.
- Each person must have the same financial adviser.
- Fee Aggregation will only apply if, at the end of the month, the nominated accounts are in an aggregated group.

Transaction costs – managed investments

Some managed investments have a difference between their entry (purchase) and exit (sale) unit prices and this is referred to as the buy/sell spread. This difference is an allowance for the transaction costs (such as brokerage, clearing and settlement costs and stamp duty if applicable) of buying and selling the underlying securities/assets incurred by the fund manager of the particular managed investment.

The buy/sell spread (if applicable) is incurred when you purchase or redeem units in a managed investment (at the time of a switch or when you move money in or out of your account) and is additional to investment management costs and performance fees. However, the buy/sell spreads are not charged separately to your account – they are generally included in the unit prices of each managed investment. The buy/sell spread that applies to each managed investment can change from time to time. Details of the buy/sell spread (or how to obtain the current buy/sell spread) applicable to each investment option are outlined in the product disclosure statement issued by the fund manager for the particular managed investment. These documents are available on our website (www.ioof.com.au).

Transaction costs – listed investments

Brokerage of \$45.66 applies to each order to buy or sell a listed investment. The brokerage is deducted from the Cash Account at the time of the transaction.

Expense recovery

The Trustee is entitled to recoup out-of-pocket expenses from the assets of the Fund, where such expenses are properly incurred (such as certain regulatory levies or government imposts, professional fees and other expenses). The amount charged is the actual amount of the expense incurred. Such expenses will be recovered from the Fund, where practicable, and may flow through as a deduction from your account at the time the expense is applied.

Financial adviser remuneration

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

- Adviser commission
- Member Advice Fee(s)

Adviser commission

Adviser initial commission

The Contribution Fee is paid to the financial adviser as initial commission. You can agree with your financial adviser on the amount of this fee up to a maximum of 4.40 per cent (inclusive of GST) of your initial contribution. For example, on an initial contribution of \$50,000, we would pay your financial adviser up to a maximum of \$2,200.

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

This fee is not applied to:

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

This fee cannot be charged where your financial adviser is being paid a Member Advice Fee – Upfront.

Adviser ongoing commission

The Administration Fee detailed on page 19 contains a component which is paid to your financial adviser as ongoing commission. This payment is made on the following scale:

Commission payable as a % of your account balance
Up to 0.50% pa on the first \$100,000
Up to 0.45% pa on the next \$150,000
Up to 0.45% pa on the next \$250,000
Up to 0.25% pa on the next \$500,000
Up to 0.20% pa on the balance above \$1 million

This payment is made from the Administration Fee applicable to your account and does not represent an additional charge to your account. The ongoing commission paid to the financial adviser is inclusive of GST. The cost to you includes the benefit of RITCs for any GST included in the Administration Fee (see page 19 for more information).

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

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

Member Advice Fee(s)

We will acquire and pay for the services of a financial adviser selected by you to provide financial advice in relation to your pension.

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

- Member Advice Fee – Upfront
- Member Advice Fee – Ongoing
- Member Advice Fee – One-Off
- Member Advice Fee – Licensee.

You may agree to one, or more of these options. For each option, we set a maximum amount that we will pay to the financial adviser or their Australian Financial Services Licensee (Licensee). You and the financial adviser must agree on the amount of each member advice fee within these relevant limits.

The amount of any member advice fee(s) that we pay to the financial adviser or their Licensee, as agreed by you, will be an additional cost to you and charged against your pension account. We shall not charge a member advice fee unless you tell us to do so.

Any agreed member advice fee(s) will be charged by us to your pension account and paid in full to the financial adviser or their Licensee, until you instruct us to cease payment.

Where you change the nominated financial adviser, the member advice fee(s) you agreed with the former financial adviser will continue with the new financial adviser.

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 adviser for financial advice and services provided to you in relation to the establishment of your pension account.

You can agree with the financial adviser on the amount of this fee up to a maximum of 5.5 per cent (inclusive of GST) of your initial contribution. For example, on an initial contribution of \$50,000, we would pay the financial adviser up to a maximum of \$2,750.

You can agree to a different amount for the following types of contributions made to your account:

- initial contributions (excluding transfers/rollovers)
- transfers/rollovers.

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

This fee is not applied to:

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

This fee cannot be charged where your financial adviser is being paid an initial commission.

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 adviser for ongoing financial advice and services provided to you in relation to your account. You can agree with the financial adviser on the amount of this fee which can be:

- up to a maximum of 2.2 per cent per annum (inclusive of GST) of your account balance (calculated daily), and/or
- up to a maximum of \$1,500 per month (inclusive of GST).

The amount of this fee is accrued daily and is deducted from your Cash Account at the beginning of each calendar month. For example, on an average monthly account balance (over 12 months) of \$50,000, we would pay the financial adviser up to a maximum of \$1,100 per annum (based on a Member Advice Fee – Ongoing of 2.2 per cent per annum) (inclusive of GST).

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 adviser for one-off financial advice and services provided in relation to your pension account.

The amount of this fee can be up to a maximum of \$11,000 (inclusive of GST) per request. A new request must be supplied each time you wish this fee to be applied.

Member Advice Fee – Licensee

This fee is charged by us and we deduct the net cost from your account. We then pay the full amount of our fee to the financial adviser's Licensee for ongoing financial advice and services provided to you in relation to your account. You can agree with the financial adviser on the amount of this fee which can be up to a maximum of 1.1 per cent per annum (inclusive of GST) of your account balance (calculated daily).

The amount of this fee is accrued daily and is deducted from your Cash Account at the beginning of each calendar month. For example, on an average monthly account balance (over 12 months) of \$50,000, we would pay the financial adviser's Licensee up to a maximum of \$550 per annum (inclusive of GST).

Additional financial adviser benefits

We may pay additional amounts to a financial adviser (or their dealer group) in return for the promotion and marketing of IOOF Portfolio Service Allocated Pension. This payment may include both financial and non-financial rewards. Any such amounts are paid from our resources and are not separate or additional charges to you.

The financial adviser should provide you with the details of any such benefit that they may receive. This information will be included in the adviser's Financial Services Guide and/or a Statement/Record of Advice, detailing any recommendations with respect to IOOF Portfolio Service Allocated Pension.

Low account balances

If there are insufficient funds in your pension account to pay the fees (including the Administration Fee, Monthly Member Fee and member advice fee(s)) due in any month, the fees will be waived.

Where member advice fee(s) are waived no further fee(s) will be paid to the financial adviser or their Licensee until there are sufficient funds to meet such fees. Any member advice fee(s) waived will not be recovered.

Netting

We often buy and sell units in a managed investment on the same day. We intend to deal as a net buyer or net seller of units on any given day. As a result, no transactions may need to be made at all to give effect to your Investment Instruction. However, you will still receive the prevailing sell or buy price applied to your particular investment transaction. We are entitled to retain any benefit that may arise from the netting of transactions.

Fund manager payments

We may receive a fee from the fund managers of certain investment options for administration and investment related services. This fee (up to 0.40 per cent per annum plus GST and/or up to \$5,000 per annum plus GST, as at the date of this PDS) is generally based on the total amount of funds we have invested with each investment option and is paid to us from the fund manager's own resources. The fee is retained by us and is **not** an additional cost to you.

Alternative remuneration register

In accordance with the Financial Services Council (FSC)/Financial Planning Association (FPA) Industry Code of Practice we maintain a register which outlines the alternative forms of remuneration that are paid and received by us.

If you would like to view this register, please contact your financial adviser or our client services team on 1800 062 963.

Alteration to fees

In certain circumstances, where it is reasonable for us to do so, we may alter the fees and costs applied to your pension account (subject to law). We also have the right to introduce new fees. However, we will provide you with at least 30 days' notice of the introduction of a new fee or the increase of an existing fee.

External cost pressures such as increased regulatory complexity and the introduction of new or improved member services are but two of the circumstances that may give rise to an increase in fees and other costs. The Trust Deed does not impose maximum limits in relation to fees and costs for an IOOF Portfolio Service Allocated Pension.

Under the Trust Deed, the Trustee is authorised to recover out-of-pocket expenses properly incurred as a result of operating the Fund (such as certain regulatory levies or government imposts, professional fees and other expenses). These costs may be reimbursed by way of expense recovery or, where possible, from the Fund reserves.

What are the risks?

All investments carry some risk. As with the purchase of any financial product, you should consider the risks that may impact your investment in an IOOF Portfolio Service Allocated Pension.

If you leave the product shortly after joining or switch out of an investment option shortly after selecting it, you could get back less than the amount put in because of the level of investment returns and the effect of fees, costs and taxes.

Other key risks that may adversely affect your investment in an IOOF Portfolio Service Allocated Pension include the possibility of negative investment returns, insufficient diversification of investments and changes to super and taxation law.

There are also investment risks that may affect the investment options, like market risk or credit risk and general risks associated with changing economic conditions. In the case of an investment in a restricted investment, depending upon the amount of pension required, pension payments may be delayed, reduced or unavailable until sufficient assets from that restricted investment can be redeemed.

Further information on these risks and others is available in the 'More about risks' section in the **IOOF Portfolio Service general reference guide (IPS.12)**.

How can investment risk be reduced?

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

IOOF Portfolio Service Allocated Pension 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.

A financial adviser can help you understand the various types of investment risk and assess which investment options are appropriate for your specific requirements considering your risk tolerance and risk/return investment objectives.

What taxes apply and how do they work?

This section provides you with some general information about the tax implications of investing in an IOOF Portfolio Service Allocated Pension. It will help you answer questions like:

- **how pension payments will be taxed**
- **how super benefits will be taxed if a cash withdrawal is made**
- **how earnings will be taxed in an IOOF Portfolio Service Allocated Pension.**

The laws relating to super, including tax laws, are complex and subject to change from time to time. We recommend that you obtain professional advice on the consequences before investing.

This section sets out a summary of the key taxes that affect super and pensions. If you would like more information on specific super taxation rules please see the 'How super is taxed' section in **IPS.12**.

Contributions to commence your pension

You cannot claim a tax deduction for any personal or spouse contributions used to directly purchase an allocated pension²³. You can, however, make personal contributions to a super account, claim a tax deduction for those contributions if you are eligible (for example if you are self employed), and then transfer your benefits to a pension.

Non-deductible personal contributions and spouse contributions are called non-concessional contributions and an annual cap applies. A separate cap (the concessional contributions cap) applies to deductible personal contributions (along with employer contributions) made to super. Contributions over these caps are heavily taxed. It is your responsibility to ensure that you do not exceed the caps.

These caps do not apply to rollovers or transfers into your pension account from other super accounts or funds. However, 15 per cent tax may apply if you are transferring an untaxed element from a public sector scheme into your pension account.

See the 'How super is taxed' section in **IPS.12** for full details of the contributions caps and the exemptions to those caps to ensure you do not end up paying more tax than you expected. The guide also contains information on how to claim a tax deduction for your personal contributions and the special arrangements for larger contribution amounts.

For nominated and reversionary beneficiaries, any earlier contributions made by the deceased member will not count against the beneficiaries' caps.

Transferring from another IOOF super product to an IOOF Portfolio Service Allocated Pension

If you transfer investment options from another super product within the Fund to the IOOF Portfolio Service Allocated Pension, 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 pension account, no CGT liability will arise, even on capital gains that accrued while in the previous product.

Tax on pension earnings

The great advantage of super is that you can grow your investments in a low tax environment and take your retirement benefits tax-free once you turn age 60.

Through super, you can access investment options across all asset classes and receive investment earnings into your super account – all in a low tax environment.

Once you convert your accumulated super into an income stream through an allocated pension, the news gets even better. No tax is payable on your investment earnings (interest, income distributions or realised capital gains). Plus, as your pension investments are held within a tax exempt environment, no CGT applies if you choose to switch your investments or redeem any investments to provide for pension payments or cash lump sums.

Tax on pension payments and lump sum withdrawals

When you are aged 60 and over

Pension payments and lump sum withdrawals are tax-free.

If you are under 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 basis²⁴ as follows:

Component	Pension payment	Lump sum withdrawal
Tax-free	Tax-free and not included in assessable income.	
Taxable	Included in assessable income. 15% tax offset applies if received after reaching preservation age (currently age 55) or if totally and permanently disabled.	Under preservation age (currently age 55): <ul style="list-style-type: none"> • 20% (plus Medicare Levy) Preservation age to age 59: <ul style="list-style-type: none"> • Up to \$175,000²⁵ threshold: 0% • Excess over threshold: 15% (plus Medicare Levy).

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

See the 'How super is taxed' section in **IPS.12** for more detailed information regarding the tax on pension payments and withdrawals.

Death Benefits

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

Death Benefit pensions

These are either reversionary pensions or new pensions paid to a nominated beneficiary on the death of the original pensioner. A Death Benefit pension is tax-free if either the deceased pensioner or the beneficiary is aged 60 or over. Death Benefit pensions paid, where both the deceased pensioner and the beneficiary are under age 60, are taxed on the same basis as pensions paid to members under age 60. However, the 15 per cent offset applies even if the beneficiary is under preservation age. When the beneficiary turns age 60 the pension becomes tax-free.

Death Benefit pensions paid to dependent children must be commuted to a tax-free lump sum benefit once the child turns age 25 (unless the child is disabled). For other beneficiaries, if a Death Benefit pension is commuted to a lump sum within six months from the original pensioner's death or three months of grant of probate/letters of administration (whichever is the later), the lump sum is treated as a lump sum Death Benefit and taxed as below. If the Death Benefit pension is commuted after this period, the lump sum is no longer treated as a Death Benefit and will be taxed as a normal super payment received by the beneficiary.

Lump sum Death Benefits

If the payment is made directly to your Death Benefits Dependents it will be tax-free.

If the lump sum benefit is to be paid direct to a beneficiary who is not a Death Benefits Dependant, the benefit is taxed on a similar basis to lump sum benefits paid to those under age 60. However, the entire taxable component is taxed at 15 per cent. For more detailed information regarding the tax on lump sum death benefits see the 'How super is taxed' section in **IPS.12**.

Tax file numbers

We require you to provide your tax file number (TFN) in order for your application to be accepted (unless we already hold your TFN). Without a TFN, we would be required to deduct tax from the taxable component of the pension at the top marginal tax rate for those under age 60.

If you are aged 60 or over

You can notify us of your TFN by completing Step 6 on the Application form located in the IOOF Portfolio Service Allocated Pension 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.

²⁴ The proportion of tax-free component and taxable component of the pension is determined at commencement and applies to all payments from the pension account.

²⁵ Threshold increases annually with movements in Average Weekly Ordinary Time Earnings rounded down to the nearest \$5,000.

If you are under age 60

You need to complete the tax file number declaration. You can obtain a tax file number declaration by calling our client services team on 1800 062 963 or by emailing clientservices@ioof.com.au.

Please complete this form even if we already have your TFN, as the form includes additional information which allows us to appropriately deduct tax from your pension.

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. 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.

Centrelink/Department of Veterans' Affairs information

The Commonwealth Government determines whether you are eligible for a Centrelink or Department of Veterans' Affairs (DVA) pension or allowance payment. See the 'How is super treated for Centrelink/Department of Veterans' Affairs purposes?' section in **IPS.12** for more information.

General information

Cooling-off period

To ensure that you are happy with your pension account in the IOOF Portfolio Service Allocated Pension, 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 pension account has been established.

If you want to close your pension account during the 14 day cooling-off period, you must provide written notice by mail to the postal address on the back cover of this PDS.

The amount returned (if applicable) will be adjusted for any market movements in your chosen investment option(s) (up or down) until the time of their redemption. We will not refund taxes and reasonable transaction or administration costs incurred by us in issuing your investment (excluding the payment of any member advice fee or similar fee). As a result, the amount received may be more or less than the amount of your initial contribution.

Please note that the cooling-off period ceases to apply if you exercise your rights or powers in an IOOF Portfolio Service Allocated Pension, such as if you make an investment switch during the 14 day cooling-off period.

If you have selected a TTR pension option, we cannot repay your initial contribution directly to you. You must nominate a provider that offers a TTR pension option 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 Account.

Your instructions and communications

Instructions must be made in writing unless another facility for providing instructions is made available to you or your financial adviser by us. Your instructions may generally be accepted by fax except, for instance, if they are instructions to change your name.

Any changes (or corrections) to your personal details (for example changing your name by marriage) should be advised in writing to us as soon as possible (together with a certified copy of documentation verifying the name change).

You can change your address details over the telephone by calling our client services team on 1800 062 963 provided you satisfy our identification and verification requirements. Where you wish to update your postal address to a post office box, a signed request is required.

If you wish to amend your Death Benefit nomination, you must submit a new Binding Nomination or Non-Binding Nomination form completed in accordance with the instructions on that form.

You may also confirm or revoke your nomination as per the process outlined in the 'Death benefit nominations' section in the **IOOF Portfolio Service general reference guide (IPS.12)**, by completing the relevant form. Visit our website (www.ioof.com.au), see a financial adviser or call our client services team on 1800 062 963 to obtain a copy of these forms.

Please contact us directly for further instructions if you want to make any other changes to your pension account (such as changing your selected investment options).

We will act in accordance with instructions from you or your appointed representative (including your financial adviser). We are not required to ask whether instructions are genuine or proper.

You agree to release us from, and indemnify us against, any and all losses and liabilities arising from any payment or action we make based on any written instruction (even if not genuine) that we receive bearing your account number and a signature we reasonably believe is yours or that of your representative. You also agree that neither you, nor anyone claiming through you, has any claim against us or the Fund in relation to these payments or actions.

However, please note that we are not required to effect any instructions if:

- it would make your account balance fall below the minimum holding requirement
- giving effect to the instruction is contrary to our agreement with you, the law or any market practice
- the instructions are incomplete or are, in our opinion, unclear
- you do not have sufficient investments or funds in your Cash Account for us to carry out the instruction
- we are not reasonably satisfied that the instructions are genuine
- you have not provided us with relevant documents or information we consider necessary to act on your instructions
- your membership of the Fund is suspended or terminated.

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

You can find all other general information about IOOF Portfolio Service Allocated Pension in the 'Other general information' section in **IPS.12**.

Keeping track of your investments

We provide you with comprehensive and consolidated reporting on all of your investments in your pension account.

We provide regular communications that are sent to you for your records. Additionally, you can view your account information via Portfolio Online or request reports from our client services team.

What you will receive from us

Statement of Membership

- Sent on the establishment of your pension account in an IOOF Portfolio Service Allocated Pension, normally within seven business days of joining.
- Your Statement of Membership confirms your pension account details and your initial Investment Instructions.
- On receipt of all your contributions to commence your pension, we will also send a Centrelink/Department of Veterans' Affairs Schedule.

Annual Statement

- Provides a summary of all transactions during the financial year including:
 - your initial contribution and withdrawals over the 12 month period
 - taxation and other fees or costs deducted
 - details of your pension account value, current investments and historic performance results for each of your investment options
 - pension payments
 - estate planning nominations
 - preservation status of your super benefit.
- An Annual Statement is provided within six months of the end of each financial year and following the closure of your account.

Annual Pension Pack

- You will receive a Pension Pack each year detailing your new annual pension payment for the following financial year, your PAYG payment summary for tax purposes (where required) and Centrelink/Department of Veterans' Affairs schedule.
- The Annual Pension Pack is sent to you by 14 July each year.

What other information is available for you to access?

Additional information available free of charge

- You can request a copy of:
 - the most recent audited accounts for the Fund, together with the auditor's report
 - the Trust Deed
 - the Fund's Risk Management Plan.
- You can also request other information that is reasonably required to help you understand your benefit entitlements in the Fund.

Trustee's Annual Report

- We will provide on our website the Trustee's Annual Report for the Fund, which covers financial statements, general super updates and managed investment information for each financial year ending 30 June.
- It is provided within six months of the end of each financial year.

Internet access and functionality

- Portfolio Online is a user friendly internet facility. It provides you with convenient and secure access to your key pension account details, including the value of your investment options.
- You can register for access to Portfolio Online by clicking on the 'login' button on the homepage of our website (www.ioof.com.au).

Electronic communications

You can choose to receive any or all of the following communications from the Trustee electronically via Portfolio Online:

- your Annual Statement
- confirmation of transactions which are required by law to be confirmed
- notice of any change or event required by law to be given to members
- all communications other than those listed immediately above.

You will be able to access and download these communications electronically at any time while you are a member and registered user of Portfolio Online.

When a communication is available for you to access using Portfolio Online we will send a notification to your preferred email address. You will need to let us know your preferred email address on your Application form and then tell us your new email address if it changes.

By making these communications available to you electronically, we satisfy our obligations under the *Corporations Act 2001*. However, if you ever change your mind and would like paper copies of any of these communications, we will provide them to you free of charge on request.

Terms and conditions for electronic communications

Where you elect to receive communications from the Trustee electronically via Portfolio Online, you agree:

- to receive the communications (selected in your application) from the Trustee electronically by regularly accessing them using Portfolio Online
- to register or be registered and remain registered as a user of Portfolio Online
- any communication given to you electronically by making it available to you to access using Portfolio Online will be taken to be delivery of the communication to you
- the Trustee will send an email notification to your preferred email address when a communication is available for you to access using Portfolio Online
- you have provided your preferred email address in your application and are responsible to notify the Trustee of any change to your preferred email address
- you will be able to access such communications at any time while you are a member and registered user of Portfolio Online
- you can download a copy of any such communication
- the Trustee will send you a free paper copy of any communication you request
- Portfolio Online is a 'facility' for the purposes of section 1017F(5) of the *Corporations Act 2001*
- the Trustee may give you any communication in any other method permitted by law.

Transferring assets into your IOOF Portfolio Service account

Any external assets that you currently hold may be able to be transferred into your account in the Fund. As a transfer of external assets is treated as a contribution to the Fund, tax and superannuation rules may apply to the transfer. The Trustee will treat the contribution as having been received by the Fund when legal title passes to the Trustee.

Where the Trustee permits the transfer of assets into the Fund as some or all of your rollover, any external expenses (including stamp duty) incurred by the Trustee in facilitating the transfer shall be debited to your account. In addition, the Trustee may apply an administration fee per asset transferred into the Fund.

Transfers within the Fund

If you are transferring from another IOOF Portfolio Service or IOOF Pursuit product within the Fund and your current investment option(s) is also available in your new product, you can transfer those investment option(s) directly into your new account. Where an existing investment option is not available in your new product, your holding in that investment option will be sold down within your existing account and the proceeds added to your Cash Account. Your Cash Account balance will then be transferred to your new account.

Financial adviser authority

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

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

If you have authorised your financial adviser to do so, your financial adviser may submit switch or re-weight instructions and establish or change Investment Instructions in relation to your account (known as 'online instructions') using Portfolio Online.

What if you have a complaint?

If you have a complaint about your IOOF Portfolio Service Allocated Pension account (or wish to obtain further information about the status of an existing complaint), please contact the Manager, Customer Care on 1800 062 963 or write to:

Manager, Customer Care
IOOF Investment Management Limited
GPO Box 264
MELBOURNE VIC 3001

If you let us know of any concerns arising from your dealings with us, we can work towards providing suitable resolutions and better service for all clients in the future.

When you get in touch with us, please provide:

- your contact details
- your account or client number
- a detailed description of the facts surrounding your complaint.

Where possible, concerns will be resolved immediately.

If further investigation is required, our customer care team will acknowledge your complaint in writing and will consider and deal with your complaint as quickly as possible. We are required by law to deal with your complaint within 90 days.

If you are not satisfied with our handling of your complaint or a decision we have made in relation to your complaint, you may contact the Superannuation Complaints Tribunal (SCT) by calling 1300 884 114 or by writing to the SCT at Locked Bag 3060, Melbourne VIC 3001.

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

Your privacy

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

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

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

- your financial adviser
- your employer
- banks or other financial institutions
- legal and accounting firms, auditors, mail houses, contractors, or other consultants involved with the Fund
- the Australian Taxation Office (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.

If you do not provide the information requested in your Application form, we may not be able to accept and process your application.

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

Privacy Officer
IOOF Investment Management Limited
GPO Box 264
MELBOURNE VIC 3001

Depending upon the nature of the request, we have the right to impose a reasonable charge for providing access to that information. If you have provided us with information about another person (such as a family member to whom you have granted a power of attorney to deal with your pension account), you must advise them that we collect, hold and use the information for the purposes set out above.

To obtain a copy of the IOOF group Privacy policy or to elect not to receive marketing information about other IOOF group products and services, please contact our client services team on 1800 062 963 or visit our website (www.ioof.com.au).

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 pension payment. If you do not provide the information or we are unable to verify the information, payment of your pension 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 IOOF Portfolio Service Allocated Pension Forms Booklet.

You can obtain a copy of this booklet:

- from your financial adviser
- by downloading one from our website (www.ioof.com.au)
- by calling our client services team on 1800 062 963.

IOOF Portfolio Service

Contact us

Postal address

Client Services
GPO Box 264
Melbourne VIC 3001

Telephone

1800 062 963

Fax

1800 558 539

Email

clientservices@ioof.com.au

Website

www.ioof.com.au

Trustee

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

Registered address

Level 6, 161 Collins Street
Melbourne VIC 3000