

The Portfolio Service Retirement Fund

ABN 92 861 884 632

Super Essentials

Super Plus

Retirement Income Plan

Term Allocated Pension (closed)

Annual report 2011/12 Reporting period from 1 July 2011 to 30 June 2012

Part of the IOOF group

The trustee of The Portfolio Service Retirement Fund is Questor Financial Services Limited (Trustee), ABN 33 078 662 718
AFSL No 240829 Locked Bag 4004, Queen Victoria Building NSW 1230 Telephone 1800 221 151 Facsimile 1800 000 948

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Report to members

Dear Member

I am pleased to present The Portfolio Service Retirement Fund (Fund) annual report for the year ended 30 June 2012.

Questor Financial Services Limited (Questor) has prepared this annual report in its capacity as the Trustee of the Fund.

The Fund commenced operation on 10 December 1992 and, as at 30 June 2012, had total funds under management of \$4.89 billion on behalf of 37,191 members.

We will continue to provide you with high quality customer service and look forward to updating you on any future improvements to the Fund.



Christopher F Kelaher
Managing Director
Questor Financial Services Limited

A review of the 2011/12 financial year

Super changes that took effect from 1 July 2011

Minimum pension payments

The Federal Government extended the drawdown relief provided in 2010/11 for account-based superannuation pensions to the 2011/12 financial year. The drawdown relief was, however, reduced from 50 per cent to 25 per cent. The minimum annual payment is determined by your age at the date of the commencement of the pension and at every 1 July of each financial year thereafter. For 2011/12 financial year the following payment rates applied:

Age	Minimum annual pension payment as a percentage of your account balance
Under 65	3.0%
65 -74	3.75%
75-79	4.5%
80-84	5.25%
85-89	6.75%
90-94	8.25%
95 and over	10.5%

Drawdown relief also extended to term allocated pensions.

Temporary flood and cyclone reconstruction levy

For the 2011/12 financial year only, an additional tax applied if a member's taxable income exceeded \$50,000. This tax (the flood levy) was 0.5 per cent on that part of a member's taxable income above \$50,000 and 1 per cent on that part of a member's taxable income that was above \$100,000.

The levy did not apply to pension payments and superannuation lump sums paid to members over age 60, as these payments are wholly tax-free. However, for pension and lump sum payments made to members under age 60, withholding tax may have included an allowance for the flood levy if the taxable component of the pension or lump sum withdrawal was more than \$50,000.

Members between age 55 and 59 should especially take note that, while in previous years (generally) no withholding tax was deducted on the first \$165,000 of the taxable component of a superannuation lump sum, for 2011/12 financial year some withholding tax may have been applied due to the flood levy.

Members who were affected by a natural disaster during 2010/11 financial year and received an Australian Government disaster recovery payment are exempt from the flood levy and can apply to have any withholding tax on their super benefits adjusted accordingly.

Refund of excess contributions

Eligible individuals who breached their concessional contributions cap for the first time since 1 July 2011 will have the option to have the excessive contributions taxed at their marginal tax rate instead of the penalty rates. This is a one-off concession applying to individuals whose excessive concessional contributions for the year are not more than \$10,000.

Use of tax file numbers

The Government will mandate that tax file numbers should be the main way for super funds to identify and locate member accounts, to assist with consolidation of multiple accounts and lost super.

Super co-contributions

For the 2011/12 financial year, personal contributions to super were matched with a dollar for dollar co-contribution for eligible members.

Super changes to take effect from 1 July 2012

Minimum pension payments

The Federal Government extended the drawdown relief that applies to account-based pensions and term allocated pensions in the previous financial year to the 2012/13 financial year.

Employer termination payments

Since 1 July 2012, concessional tax treatment no longer applies to termination payments directed to superannuation. If you receive a termination payment and request your employer to direct it to The Portfolio Service Super Plus, we can only accept it as a non-concessional contribution.

Concessional contributions cap

The concessional contributions cap limits the amount you can contribute to superannuation on a concessional tax basis in a financial year. Since 1 July 2012, a concessional contribution cap of \$25,000 now applies to everyone.

Tax increase on concessional contributions for high income earners

The Government proposed increasing the tax rate that applies to concessional contributions from 15 per cent to 30 per cent for individuals earning over \$300,000 pa. Concessional contributions include the superannuation guarantee contributions made by your employer on your behalf as well as any salary sacrifice contributions you choose to make. It was proposed that this apply from 1 July 2012, but has not yet been legislated. If this proposal is legislated, we will update you accordingly.

Low income superannuation contribution

Since 1 July 2012, if you earn less than \$37,000 a year you may be eligible for the low income superannuation contribution (LISC) from the Government. The LISC refunds the 15 per cent contributions tax paid on the superannuation guarantee payments made by your employer on your behalf as well as any salary sacrifice contributions you choose to make. The maximum refund is \$500 and the minimum is \$20.

Government super co-contributions

From 1 July 2012, the Government proposed that the super co-contribution rate be reduced from \$1 to \$0.50. Therefore, for every dollar you contribute, the Government proposed a co-contribution of \$0.50, up to a maximum co-contribution of \$500. To be eligible to receive the full Government super co-contribution you must have a total assessable income of \$31,920 pa or less and make a personal non-concessional contribution of \$1,000. 'Total assessable income' is assessable income together with reportable employer superannuation contributions and reportable fringe benefits. For every dollar of total assessable income above \$31,920 pa, the maximum Government super co-contribution reduces by 3.333 cents and cuts out at \$46,920 pa. At the time of writing, this proposed change has not yet been legislated.

Payslip reporting of superannuation contributions

This measure amends the *Superannuation Industry (Supervision) Act 1993* to require employers to report, on payslips, any information prescribed in the regulations about superannuation contributions. The regulations have not yet been enacted. The commencement date is expected to be either 1 January 2013 or 1 July 2013.

SuperStream levy

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

Commonwealth costs associated with the implementation of the SuperStream measures will be paid for by a new but temporary SuperStream levy imposed on APRA regulated superannuation entities. The levy will collect a total of \$467 million from funds between July 2012 and June 2018.

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

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

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

Intra-fund consolidation

The Government announced that, from the 2012/13 financial year, trustees will be required to identify members with multiple interests within their fund on an annual basis, and to consider whether it would be appropriate to consolidate those interests. Draft legislation to give effect to this measure has been released for public consultation.

Auto consolidation

From January 2014, the ATO will assist super funds to auto-consolidate lost and inactive accounts with low balances with members' active accounts. Members will have the opportunity to opt-out of this process. At the time of writing, this proposed change has not yet been legislated.

Changes to the Fund

Change of insurer's company name

On 1 June 2012, TOWER Australia Limited (TOWER) was renamed TAL Life Limited (TAL).

Updates to income protection personal rates

Since 1 July 2012, a reduction applies to income protection premium rates for some age groups. Please refer to the product information updates available on our website for details.

Changes to the list of managed investments during the 2011/12 financial year

The following managed investment options were added to the Retirement Fund's list of investment strategies:

- IOOF Multi Series Balanced Fund
- Perpetual Wholesale Global Resources Fund (Class B)
- Greencape Wholesale Broadcap Fund
- Bennelong ex-20 Australian Equities Fund
- Macquarie High Conviction Fund
- Hunter Hall Global Ethical Trust
- RARE Infrastructure Value Fund (unhedged)

The following managed investment options were removed from the Retirement Fund's list of investment strategies:

- Macquarie Emerging Markets Tactical Allocation Fund
- Global Value Investors
- GVI Global Industrial Share Fund (Unhedged)
- BlackRock Wholesale Australian Share Fund
- IOOF Capital Secure (previously United Capital Secure)
- IOOF MultiMix Wholesale Australian Property Trust (previously United Sector Leaders Australian Property Fund)
- IOOF Income Trust (previously United Income Fund)
- IOOF MultiMix Total Growth Trust
- United Sector Leaders Capital High Growth Trust
- United Sector Leaders Capital Growth Trust
- United Sector Leaders Capital Stable Trust
- United Sector Leaders Australian Equities Trust
- United Sector Leaders International Equities Trust
- United Sector Leaders Fixed Interest Fund
- Perpetual Wholesale International Share Fund

Underlying investment manager product disclosure statement updates

During the 2011/12 financial year, most underlying managers reissued the product disclosure statement (PDS) for their funds in order to comply with the 8-page PDS regime (if required). The underlying manager's PDS contains important information about your investment option including applicable fees and charges that apply. Please refer to the investment options section of The Portfolio Service website at www.theportfolioservice.com.au to obtain up-to-date copies of these PDSs.

Investment option withdrawal provisions

Access to your monies invested in some funds is limited to the withdrawal provisions imposed by the investment manager. If you are invested in an investment option that is subject to withdrawal provisions, you can find up-to-date information in the withdrawal schedule available in the downloads section of The Portfolio Service website www.theportfolioservice.com.au

Investment strategies and objectives

Super Essentials, Super Plus, Retirement Income Plan and Term Allocated Pension (closed)

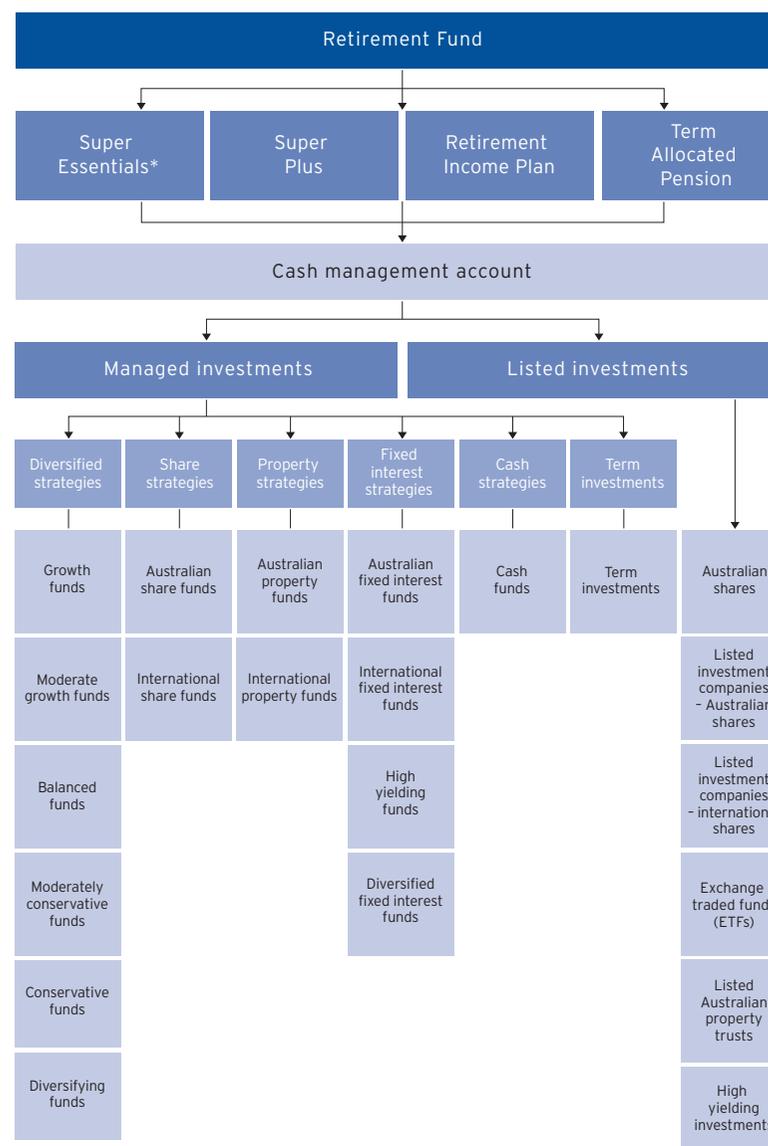
The Trustee offers an extensive range of investment options, including managed and listed investments, as set out in the current list of investment strategies (LIS). A copy of the current LIS must be read in conjunction with the PDS for the relevant plan. A PDS or investment report is available for each investment option on the current LIS.

The investment objective for each investment strategy offered by the Fund is outlined on pages 10 to 15 of this annual report. We have provided indicative asset allocations and indicative investment performance numbers for the last five financial years (where applicable) for each of these investment strategies.

Information on the actual asset allocation and investment performance for the investment options in your investment portfolio is available, free of charge, from your financial planner.

These plans do not use derivatives, however, some of the underlying investment options may. For further information, please refer to the PDS or the investment report for the relevant investment option.

Investment strategies



* Please note that Super Essentials offers only a limited range of listed investments such as some exchange traded funds.

Investment options

	Managed investments options		
	Diversified strategies		
	Growth funds	Moderate growth funds	Balanced funds
Investment objective	To achieve higher returns than balanced options over the long term by investing in a diversified portfolio with an emphasis on growth assets.	To achieve higher returns than balanced and conservative options over the medium to long term by investing in a broadly diversified portfolio across both growth and defensive assets.	To achieve higher returns than conservative options over the medium to long term by investing in a broadly diversified portfolio across both growth and income assets.
Indicative asset allocation¹			
Indicative investment performance²			
2011/12	-3.4%	-0.9%	1.2%
2010/11	10.4%	7.9%	7.8%
2009/10	11.7%	10.7%	10.4%
2008/09	-18.7%	-13.6%	-9.7%
2007/08	-14.5%	-11.9%	-7.6%
5 year annualised return²	-3.9%	-2.2%	-0.1%

The table outlines the general characteristics of the investment strategies. You choose investment options from within these strategies. The details of a particular investment option may vary from the information above. You should read all relevant information for an investment option before investing.

The notes to the tables are on page 16.

			Share strategies
Moderately conservative funds	Conservative funds	Diversifying funds	Australian share funds
To achieve a return higher than that of cash and other short term fixed interest securities through a diversified portfolio which favours less volatile assets. There is potential for some capital growth from the small component of shares and property securities.	To achieve returns above the cash rate by investing in a range of growth and income assets, while providing a measure of protection for the capital value of investments.	To achieve moderate returns over the medium to long-term with low correlation to traditional assets by investing in a range of alternative investment options operated by professional investment managers.	To achieve high returns over the long term by investing in a variety of Australian companies.
3.8%	4.9%	1.2%	-7.8%
6.5%	5.8%	7.8%	10.5%
9.0%	8.1%	10.4%	11.5%
-4.5%	0.6%	-9.7%	-18.2%
-4.0%	0.2%	-7.6%	-14.2%
1.96%	3.6%	-0.1%	-4.5%

Managed investments options (continued)			
	Share strategies	Property strategies	
	International share funds	Australian property funds	International property funds
Investment objective	To achieve high returns over the longer term from a portfolio of international shares.	To provide a moderately high return over time through investment in a range of property securities.	To provide a moderately high return over time through investment in a range of international property securities.
Indicative asset allocation¹			
Indicative investment performance²			
2011/12	-3.0%	9.9%	7.9%
2010/11	3.4%	5.7%	37.7%
2009/10	6.3%	19.6%	43.8%
2008/09	-19.6%	-39.7%	-43.0%
2007/08	-20.7%	-38.9%	-19.4%
5 year annualised return²	-7.1%	-12.5%	-2.13%

The table outlines the general characteristics of the investment strategies. You choose investment options from within these strategies. The details of a particular investment option may vary from the information above. You should read all relevant information for an investment option before investing. The notes to the tables are on page 16.

Fixed interest strategies				Cash strategies	Term investments
Australian fixed interest funds	International fixed interest funds	Diversified fixed interest funds	High yielding funds	Cash funds	Term investments
To achieve a return higher than cash over the medium term by investing in Australian fixed interest securities.	To achieve a return higher than cash by investing in international fixed interest investments over the medium term.	To achieve a return higher than cash over the medium term by investing in a diversified range of fixed interest securities.	To achieve a higher return than securities issued by governments and banks.	To provide interest income at a rate higher than that of an 'at call' bank account with a high level of capital security.	To provide a known rate of interest income for a term ranging from six months up to five years with a high level of capital security.
10.7%	9.3%	3.7%	3.8%	4.3%	5.5%
10.0%	6.9%	9.8%	11.6%	4.6%	6.1%
15.2%	13.5%	14.6%	18.7%	3.5%	5.3%
-8.3%	6.4%	-9.7%	-5.3%	4.5%	6.6%
-1.7%	5.5%	-2.9%	0.5%	5.9%	6.7%
7.4%	8.3%	2.7%	2.8%	4.6%	6.2%

	Listed investments*		
	Australian shares	Listed investment companies – Australian shares	Listed investment companies – international shares
Investment objective	To achieve high returns over the long term by investing in Australian companies.	To achieve high returns over the long term from a portfolio of shares in a variety of Australian companies.	To achieve high returns over the longer term from a portfolio of international shares.
Indicative asset allocation¹			
Indicative investment performance²			
2011/12	-7.0%	-3.5%	11.0%
2010/11	11.9%	2.7%	-3.2%
2009/10	13.1%	11.9%	4.5%
2008/09	-20.3%	-10.5%	1.7%
2007/08	-13.7%	-12.0%	-16.0%
5 year annualised return²	-4.2%	-0.7%	-0.4%

	Exchange-traded funds (ETFs)	Listed Australian property trusts	High yielding investments
	To achieve returns in line with market indices.	To provide a moderately high return over time through investment in a range of listed property trusts.	To achieve a return above that of securities issued by Australian governments and banks.
	Not applicable.		
	Not applicable ³ .	11.0%	6.1%
		5.9%	11.9%
		20.3%	24.4%
		-42.1%	-7.5%
		-37.7%	-5.2%
	Not applicable ³ .	-12.6%	5.3%

The table outlines the general characteristics of the investment strategies. You choose investment options from within these strategies. The details of a particular investment option may vary from the information above. You should read all relevant information for an investment option before investing.

The notes to the tables are on page 16.

* Super Essentials only offers a limited range of listed investments such as exchange traded funds.

Notes to pages 10 to 15

- 1 Please note the figures shown are a guideline for the investment strategies offered through the Fund as at 30 June 2012. This indicative asset allocation does not represent the actual asset allocation for a particular investment strategy or option chosen by a member but is the representative asset allocation derived from the representative sector funds in that risk profile.
- 2 Please note the indicative investment performance is sourced from Morningstar. The figures shown are a guideline only for the investment strategies offered through the Fund as at 30 June 2012. Performance figures are indicative only and do not represent the actual performance for a particular investment option. These figures represent the weighted industry-wide average of performance derived for each of the investment options within an investment strategy. In cases where industry averages are not available, the weighted average of funds in the strategy is shown. Indicative investment performance includes investment management fees, expenses and the reinvestment of income but excludes any ongoing fees, expenses and taxes for the Fund. The Trustee does not guarantee the investment performance of any investment strategy or option or the return of capital or income. Past performance is not a reliable indicator of future performance.
- 3 ETFs should be expected to perform inline with the underlying investment market it is exposed to. The ETFs benchmarks are as follows:

Name	Benchmark
Vanguard Australian Shares Index ETF	S&P/ASX 300 Index
iShares Core S&P 500 ETF	S&P 500 Index
iShares MSCI EAFE (AU)	EAFE Index
iShares MSCI Emerging Markets Index (AU)	MSCI EM Index
iShares S&P Asia 50 (AU)	S&P Global Asia 50
iShares S&P Global 100 (AU)	S&P Global 100 Index
iShares S&P/ASX 20	S&P/ASX 20 Index
iShares S&P/ASX Small Ordinaries	S&P/ASX Small Ordinaries Index
Perth Mint Gold	Spot Gold
SPDR S&P/ASX 200 Fund	S&P/ASX 300 Index
SPDR S&P/ASX 50 Fund	S&P/ASX 50 Index
Vanguard All-World Ex US Shares (AU) ETF	FTSE All World ex US Index
Vanguard Aus Fixed Interest Index ETF	UBS Composite 0+ Yr TR AUD
Vanguard Australian Prop Secs Index ETF	S&P/ASX 300 A-REIT TR
Vanguard US Total Market Shares (AU) ETF	MSCI US Broad Market Index

Additional information

How is your income distributed?

Income such as dividends, distributions and interest that you earn from your investment options is automatically invested into your cash management account.

However, if you are a member of Super Plus (formerly known as Superannuation Plan) or Super Essentials, you can choose to have your income automatically reinvested in the same investment option (where available). Investment options available for reinvestment are identified on the list of investment strategies.

Remember that the reinvestment of your distributions can occur before you receive a revised product disclosure statement for the relevant managed investment. We recommend you discuss the reinvestment options with your financial planner.

To change the income distribution for your investment options, please notify us in writing, allowing 10 business days for your request to be implemented.

Calculation of insurance benefits

The benefit calculation for members who, during the reporting period, elected to take death cover through the Fund was:

- Total accumulated benefit + any insured death benefit = total death benefit.

The benefit calculation for members who, during the reporting period, elected to take total and permanent disablement cover through the Fund was:

- Accumulated benefit + any insured total and permanent disablement benefit = total and permanent disablement benefit.

Complying fund

The Fund is a complying superannuation fund and consequently qualifies for concessional tax rates. To be a complying fund, the Fund must comply with the *Superannuation Industry (Supervision) Act 1993*, lodge an annual return with the Australian Prudential Regulation Authority (APRA) and receive a 'Compliance Notice' from APRA.

The Fund has continued as a complying superannuation fund for each of the years that it has been required to file an annual return. The Fund has lodged an annual return for the 2011/12 financial year and expects to continue as a complying superannuation fund.

Allocation of fees

Please refer to your annual statement and new member statement for details of the fees and charges that apply to your membership.

About Questor Financial Services Limited

Questor is the Trustee of the Fund and is responsible for the management, research and administration of over \$5 billion in Australia. Questor is part of the IOOF group, which has over \$107 billion in funds under management, administration, advice and supervision as at 30 June 2012.

Superannuation contribution surcharge

The superannuation contributions surcharge was levied on surchargeable contributions and was based on the individual member's adjusted taxable income. Although it was abolished on 1 July 2005, members may have an outstanding liability in respect of previous periods. The liability for the superannuation contributions surcharge is recognised when the assessment is received and will be debited from your cash management account.

Member protection

Subject to exceptions under superannuation law, if, at 30 June in a financial year, your benefit is less than \$1,000 and includes, or has included, superannuation guarantee or award contributions from your employer, then you will be treated as a 'protected member' and Government regulations limit the amount of fees and expenses (other than tax and insurance premiums) that can be deducted from your account.

Member protection only applies to members in Super Plus and Super Essentials.

Trustee

Questor Financial Services Limited was granted approved trustee status on 28 March 1994 and appointed as Trustee of the Fund on 1 July 1994. Questor Financial Services Limited was granted a Registrable Superannuation Entity Licence on 28 March 2006.

The contact details of the Trustee are:

Questor Financial Services Limited

Locked Bag 4004

Queen Victoria Building NSW 1230

Telephone 1800 221151

Facsimile 1800 000 948

Indemnity insurance

We maintain professional indemnity insurance as required by APRA.

Lost members

If at least one written communication is returned to us from your last known address, we may classify you as a lost member.

If you become a lost member and:

- your account balance is less than \$200 (\$2,000 from 30 December 2012) or
- your account has been inactive for a period of five years,

we are required to report and transfer the monies in your account to the ATO as unclaimed super.

For other lost members, we may transfer your benefits to an eligible rollover fund. The fund currently used is the SMF Eligible Rollover Fund.

If we are able to locate you prior to transferring your benefits to the SMF Eligible Rollover Fund, you will cease to be a lost member and will remain in the Fund. If benefits are transferred to the SMF Eligible Rollover Fund, you will cease to be entitled to any benefit from the Fund and the SMF Eligible Rollover Fund will be responsible for your benefit.

Their contact details are:

SMF Eligible Rollover Fund

GPO Box 529

Hobart TAS 7001

Freecall 1800 677 306

Enquiries and complaints

If you have any questions or a complaint please:

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

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

Complaints Officer

The Portfolio Service
Locked Bag 4004
Queen Victoria Building NSW 1230

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

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

If you have complained to us and your complaint has not been resolved to your satisfaction within 90 days you can contact the Superannuation Complaints Tribunal (SCT), an independent complaints handling body. The SCT will then advise whether or not they can help you.

You can call them on 1300 884 114 or you can write to them at:

Superannuation Complaints Tribunal

Locked Bag 3060
Melbourne VIC 3001

Abridged financial statements

Set out below are the abridged financial statements detailing the Fund's financial transactions for the year ended 30 June 2012. All members have the right to request the full audited Fund financial statements and related audit report for the year. Members will be supplied with a copy of these financial statements on request or the financial statements may be viewed by appointment at the office of the Trustee during normal business hours. If you have any enquiries in relation to the audited Fund financial statements, please contact the Trustee. The Auditor has issued an unqualified opinion in respect of the financial statements.

Extract of accounts for the year ended 30 June	2012 \$'000	2011 \$'000
REVENUE		
Investment income	127,345	341,883
Sundry income	207	87
Employer contributions	57,438	53,157
Member contributions	162,516	178,430
Co-contributions	1,106	1,457
Transfers from other funds	302,210	286,276
TOTAL REVENUE	650,822	861,290
EXPENSES		
Benefits paid	520,701	510,764
Management fees	80,760	81,753
General administration expenses	12	9
Group life and income protection premiums	2,263	2,032
Superannuation contributions surcharge	-	8
Income tax expense	(51,977)	(40,416)
TOTAL EXPENSES	551,759	554,150
Increase in Members' funds	99,063	307,140
Balance brought forward	4,895,694	4,588,554
MEMBERS' FUNDS	4,994,757	4,895,694

Extract of accounts for the year ended 30 June	2012 \$'000	2011 \$'000
<i>Represented by</i>		
ASSETS		
Investments	3,128,780	3,143,677
Cash and cash equivalents	1,738,652	1,644,908
Sundry debtors	56,830	62,803
Current tax assets	18,741	19,711
Deferred tax asset	63,896	28,164
TOTAL ASSETS	5,006,899	4,899,263
LIABILITIES		
Creditors and accruals	12,142	3,569
TOTAL LIABILITIES	12,142	3,569
NET ASSETS	4,994,757	4,895,694
MEMBERS' FUNDS	4,994,757	4,895,694

Reserves

Reserves represent timing differences between net revenue and taxes in the operating statement and amounts allocated to members' accounts. These amounts may be allocated to members in future years on a fair and equitable basis. Reserves are retained in cash and cash equivalents.

The reserve levels for the past three years are as follows:

Reserves	2012 (\$'000)	2011 (\$'000)	2010 (\$'000)
Opening balance	657	317	666
Transfer to reserves	(64)	340	(349)
Closing balance	593	657	317

Concentration of assets of the Fund

The Trustee advises that, to the best of its knowledge, at 30 June 2012:

- the Questor Cash Management Fund had a value of more than 5 per cent of the total assets of the Fund.

The Trustee acknowledges that, as a result of the discretion which can be exercised by account holders, individual accounts may have a greater than 5 per cent exposure to a single investment.

Further, the Trustee acknowledges that when considered in aggregate (across all managed fund options in which the Trustee holds assets on behalf of members of the Fund), the Fund may be construed as having a total exposure to a single shareholding (or to a composite interest in the investment assets of a single issuer) and this exposure may exceed 5 per cent of the total value of Fund assets.

Derivatives

As the Fund is a discretionary fund, the Trustee does not have a policy of actively investing in derivatives. The underlying investment funds which members elect to invest in may use derivatives as part of their investment policy. Further information on the use of derivatives by individual managed investments, can be found in the current PDS or other disclosure document of the underlying investment option. Please contact your financial planner for more information.

As the Trustee does not actively invest in derivatives there is no information to report to members with respect to the derivative charge ratio. The derivative charge ratio is the percentage of the total market value of the assets of the Fund (other than cash) that the Trustee has charged as security for derivatives investments made by the Trustee.

