



IOOF Portfolio Service Term Allocated Pension

Product Disclosure Statement

The IOOF Portfolio Service Term Allocated Pension is available to:

- new applicants electing to rollover from an existing Term Allocated Pension
- the Reversionary Beneficiary of a current IOOF Portfolio Service Term Allocated Pension member who will continue the pension on the death of that member.

Dated: 1 June 2011

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 Term Allocated Pension is a pension product in the Fund.

About the Trustee

- IIML is a part of the IOOF group comprising IOOF Holdings Limited 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 Australian Wealth Management Services 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 Australian Wealth Management Services 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.

Rollovers to, and investments in, an IOOF Portfolio Service Term 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 investment managers providing the managed funds, 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 IOOF Portfolio Service Term Allocated Pensions. Investments made into the investment options in IOOF Portfolio Service Term Allocated Pensions 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 Term Allocated Pensions 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 and the IOOF Multi Series Balanced Trust (collectively referred to as the Trusts), and we receive fees under the Constitutions of the Trusts. IOOF Global One Limited ABN 54 093 415 251, AFS Licence No. 234432, is the Responsible Entity of the IOOF Wholesale Solutions and IOOF Wholesale Single Manager Solutions range of trusts, and is entitled to charge fees under the Constitutions of IOOF Wholesale Solutions and IOOF Wholesale Single Manager Solutions. These are some of the investment options offered in IOOF Portfolio Service Term Allocated Pension (as listed in [IPS fact sheet 2: IOOF Portfolio Service investment options menu](#)).

An IOOF Portfolio Service Term 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 us to manage the investment assets of the Perennial Trusts. Perennial is paid arm's length asset management fees by us (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 fact sheet 2](#).

As Trustee, IIML regularly monitors the investment options available to members in IOOF Portfolio Service Term Allocated Pensions 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 investment 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 fund.

In order to choose an investment option for your investment strategy, you should review the information in [IPS fact sheet 1: IOOF Portfolio Service investment strategies](#). Before selecting an investment option, your adviser should give you the product disclosure statement for that managed fund 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 fund 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 an IOOF Portfolio Service Term 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.

What is inside?

An introduction to IOOF Portfolio Service Term Allocated Pensions

Investing in an IOOF Portfolio Service Term Allocated Pension 2

Snapshot of IOOF Portfolio Service Term Allocated Pensions 3

How does an IOOF Portfolio Service Term Allocated Pension work?

Your initial rollover 6

Dependants – paying benefits if you die 6

Making investment choices 7

Managing your pension account

Using Portfolio Online 10

Your Investment Instructions 10

Types of Investment Instructions 10

Changing your investment options (switching) 12

Your Cash Account 13

Pension options explained

Selecting your annual pension income 14

Selecting your term 15

How is your annual pension calculated? 16

How are pension payments calculated for Reversionary Beneficiaries? 17

How to find your way around this PDS

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

This PDS describes the key features, risks and purpose of IOOF Portfolio Service Term Allocated Pensions. It also contains some information we are required to include by law.

You will see that the PDS refers to a number of fact sheets – these contain statements and information that we are required by law to disclose to you. The contents of the fact sheets are

Minimum and maximum payment requirements 17

Frequency of pension payments 17

Receiving a pension on the death of a Member 18

Can a lump sum withdrawal be made? 18

The nuts and bolts

What will this cost? 19

What are the risks? 28

Tax and social security information 28

General information

Cooling-off period 30

Your instructions and communications 30

Keeping track of your investments 32

Electronic communications 33

Transferring assets into your IOOF Portfolio Service account 33

Financial adviser authority 33

What if you have a complaint? 33

Your privacy 34

Anti Money Laundering and Counter Terrorism Financing legislation (AML/CTF Law) 34

How to apply

Application procedure 35

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 fact sheets are taken to be included in the PDS.

This PDS and the fact sheets 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 words in this PDS and the fact sheets you may not be familiar with. To help you understand these terms, we have defined them in **IPS fact sheet 108: Key words explained**.

An introduction to IOOF Portfolio Service Term Allocated Pensions

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 Term Allocated Pension can help you control and manage your super savings, and aims to provide a tax-effective pension in retirement.

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

Investing in an IOOF Portfolio Service Term Allocated Pension

You select the investment strategy and options using one convenient administration facility. This includes having access to:

- a well-researched range of Australian and international investment managers
- over 60 different shares selected from the top 150 companies listed on the Australian Securities Exchange (ASX) based upon market capitalisation and approved exchange traded funds (ETFs)
- secure online access to your account details
- a choice of fee structures
- consolidated reporting.

This makes it very simple for you to manage your retirement goals.

Your initial rollover 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 Term Allocated Pension is not the same as personally investing in shares, term deposits or managed funds.

About IOOF Portfolio Service Term Allocated Pensions

The IOOF Portfolio Service Term Allocated Pension is only open to rollovers from other complying income streams such as a previous term 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) or the amount of pension payments, as well as investment earnings which may rise or fall.

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 company.

Snapshot of IOOF Portfolio Service Term Allocated Pensions

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

Investing		Page
Investment options	<ul style="list-style-type: none"> • Easy Choice – offers a range of IOOF multi-manager Trusts. • 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 – offers over 230 sector or asset class specific managed funds and term deposits. • Direct Share Choice – offers access to over 60 different shares selected from the top 150 companies listed on the ASX based upon market capitalisation and approved ETFs. 	7
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.	13
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).	11
Options		Page
Estate planning options	<p>The following estate planning options apply:</p> <ul style="list-style-type: none"> • Reversionary Beneficiary • Binding Nomination • Non-Binding Nomination. 	6
Social Security Treatment	<p>Only 50% of your account balance is counted as an assessable asset under the Centrelink Assets Test if you are commencing this term allocated pension either:</p> <ul style="list-style-type: none"> • from the full commutation and rollover of another term allocated pension that commenced before 20 September 2007 • as the Reversionary Beneficiary of an existing IOOF Portfolio Service Term Allocated Pension member. <p>The annual pension payment less the deductible amount is counted as income under the Centrelink Income Test. The deductible amount is calculated as the purchase price divided by the term of the pension.</p>	28



An introduction to IOOF Portfolio Service Allocated Pensions (continued)



Managing your pension		Page	
Pension payment options	You can choose to receive your pension payments: <ul style="list-style-type: none"> twice-monthly monthly quarterly half-yearly or annually. We withhold any PAYG tax liability on gross pension payments, as required by law.	17	
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.	23	
Minimum amounts		Page	
Initial rollover	\$20,000 per pension account.	6	
Investment options and switching instruction ¹	<ul style="list-style-type: none"> Managed funds – no minimum applies. Term deposits – \$5,000 per term deposit. Direct Share Choice – a minimum parcel of \$5,000 is required per share trade. 	12	
Cash Account	Standard Entry Fee Option – Contribution Fee paid upfront	Deferred Entry Fee Option – Contribution Fee paid later	13
	Minimum: <ul style="list-style-type: none"> higher of \$500 or 2% of account balance; plus three months worth of pension payments (if applicable). 		
Pension income	Annual pension payments are fixed. You can however select an annual pension of between 90% ² and 110% of the fixed amount.	14	
Lump sum withdrawals ³ (one-off)	No minimum applies.	18	

1 Investment limits apply to the proportion of your portfolio which can be held in restricted investments, annuity funds, term deposits and listed securities. For further information regarding these limits, see [IPS fact sheet 1: IOOF Portfolio Service investment strategies](#) and [IPS fact sheet 2: IOOF Portfolio Service investment options menu](#).

2 The Commonwealth Government has reduced the minimum pension drawdown requirement to 45 per cent for the 2010/11 financial year.

3 Commonwealth Government regulations impose restrictions on when you can make lump sum (cash) withdrawals from a term allocated pension.

Fees		Page												
Entry (Contribution) or Exit Fees	<p>Choose between:</p> <ul style="list-style-type: none"> Standard Entry Fee Option – Contribution Fee paid upfront Under this option no Exit Fee applies. Deferred Entry Fee Option – Contribution Fee paid later Under this option the Exit Fee reduces each year for 5 years with an additional charge on the Annual Administration Fee for that same period. 	20												
Administration Fee	<table border="0" style="width: 100%;"> <thead> <tr> <th style="text-align: left;">Account balance</th> <th style="text-align: left;">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> <p>plus up to an additional 0.98% pa for the first 5 years of the initial rollover amount where an account is opened under the Deferred Entry Fee Option.</p>	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	21
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.	21												
Benefit Payment Fee	\$77.95 per withdrawal.	20												
Investment Management Cost	Charged separately by the investment manager of each managed fund.	21												
Switching Fees ⁴	<p>Managed funds and term deposits – nil.</p> <p>Listed securities – brokerage charges apply.</p>	25												
Performance-based fees	We do not charge any performance-based fees for IOOF Portfolio Service Term Allocated Pensions. An investment manager may charge a performance-based fee for a particular managed fund.	23												
Adviser service fee	You and a financial adviser selected by you have the flexibility to nominate an ongoing adviser service fee payable as either a dollar-based amount or a percentage of your account balance. If you do not have a financial adviser, this fee is not charged.	26												

⁴ When you move money in or out of an IOOF Portfolio Service Term Allocated Pension or when you switch between managed funds, you may incur a 'buy/sell spread' which is included in the unit price of the managed fund you choose (see 'Transaction costs – managed funds' on page 25 and the product disclosure statement for the particular managed fund for details).

How does an IOOF Portfolio Service Term Allocated Pension work?

Commencing an IOOF Portfolio Service Term Allocated Pension is easy. You can start your pension as long as you are rolling over your benefits from:

- another term allocated pension
- another type of complying income stream such as a guaranteed lifetime or term annuity.

A Reversionary Beneficiary of an IOOF Portfolio Service Term Allocated Pension member can also continue the pension on the death of that member.

Your initial rollover

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

We can facilitate the rollover on your behalf, if you complete the Request to transfer a superannuation benefit (Form D) located in the IOOF Portfolio Service Term Allocated Pension Forms Booklet. If you are transferring your benefit from another term allocated pension account within the Fund please complete the Application form (Form A) and a new Investment Authority (Form B). You can transfer your current investment options directly into your new pension account if those options are available in the IOOF Portfolio Service Term Allocated Pension. You may also request that your existing investment options be aligned (or 're-weighted') to your new Investment Instructions by requesting this on your Investment Authority.

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

For new members, your initial rollover is credited first to your Cash Account. This rollover (less any nominated Contribution Fee⁵) will be invested in accordance with your Investment Instructions. You may need to retain part or all of your initial rollover in your Cash Account to satisfy the minimum holding requirements. Information on how your Cash Account balance is invested is contained on page 20.

Dependants – paying benefits if you die

If you die while you are an IOOF Portfolio Service Term Allocated Pension account holder, super law requires that we pay your Death Benefit (the remaining balance of your pension account) to one or more of your nominated 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 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 form of nomination works follows:

⁵ For more information regarding the Contribution Fee, refer to page 20 of this PDS.

Reversionary Beneficiary⁶

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 or for the remaining term, whichever occurs first.

If the term of your pension is based on your spouse's age, the pension must revert to your spouse on death and cannot be commuted until after the death of your spouse. On the other hand, if the term of your pension is based on your age, your Reversionary Beneficiary may choose to take a lump sum rather than continue to receive the pension payments upon your death.

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 (if your nominee dies before you, for example), 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 **IPS fact sheet 306: Dependant nominations for term allocated pensions** 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 who to pay your benefit to. 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, if there is no nomination in place or you have made a Non-Binding Nomination or a Binding Nomination to pay your legal personal representative, we will sell your investment options and put your money into your Cash Account until the Death Benefit is paid.

Further information about dependant nominations and available payment options is in **IPS fact sheet 306: Dependant nominations for term allocated pensions**.

Making investment choices

Your investment strategy

IOOF Portfolio Service Term Allocated Pensions provide access to over 230 managed funds, term deposits, over 60 different shares selected from the top 150 companies listed on the ASX and approved ETFs. 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.

⁶ This option is not available to you if you have received the pension as a Reversionary Beneficiary. You can, however, make a Binding or Non-binding Nomination.



How does an IOOF Portfolio Service Term Allocated Pension work? (continued)



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 multi-manager Diversified and Sectoral Trusts simplify the investment selection process by combining the 'best of the best' manager blends to suit your investment objectives.
Premier Investor Choice	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 funds and term deposits.
Direct Share Choice	Direct Share Choice provides you with access to over 60 different shares selected from the top 150 companies listed on the ASX based on market capitalisation and approved ETFs.

See **IPS fact sheet 1: IOOF Portfolio Service investment strategies** for more information about the range of investment strategies and options.

Choosing what is right for you

The investment options available vary in risk, investment objectives (goals), strategies (ways of achieving those goals) and the 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, investment managers and investment styles.

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

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

The list of Easy Choice, Premier Investor Choice and Investor Choice investment options is set out in **IPS fact sheet 2: IOOF Portfolio Service investment options menu** and also in the Investment Authority (Form B) contained in the IOOF Portfolio Service Term Allocated Pension Forms Booklet. The list may change from time to time.

You can obtain the most current list of managed funds 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 available managed funds is detailed in the product disclosure statement issued by the investment manager for the particular managed fund 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 fund and must be read and considered before selecting a managed fund.

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

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 securities do not have product disclosure statements.

Direct Share Choice

You have the option to invest in various listed securities through your IOOF Portfolio Service Term 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 on market capitalisation. Also available is a range of approved ETFs. The current list of Direct Share Choice investment options is set out in **IPS fact sheet 2: IOOF Portfolio Service investment options menu** and also in the Direct Share Choice Investment Authority (Form C) contained in the IOOF Portfolio Service Term Allocated Pension Forms Booklet. This list may change from time to time.

See **IPS fact sheet 14: Investing in listed securities available in Direct Share Choice** for more information on how you can invest in listed securities through an IOOF Portfolio Service Term Allocated Pension.

Term deposits

Terms and conditions relating to investment in a term deposit are contained in the product guide and **IPS fact sheet 13: Investing in a term deposit**.

Important note

The maximum percentages which can be allocated to each of restricted investments, annuity funds, term deposits and listed securities are detailed in **IPS fact sheet 1: IOOF Portfolio Service investment strategies**.



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 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 ('portfolio').

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

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

Statements – view current and historical Member 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 rollover amount 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 Term Allocated Pension Forms Booklet.

Types of Investment Instructions

1. A standing investment and/or redemption instruction

- A standing investment instruction specifies the managed funds 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 fund you can view your current standing instructions via Portfolio Online or you can call our **client services team** on **1800 062 963**.

2. Specific instruction

Initial rollover

A **one-off** specific instruction can be supplied for an initial rollover only where that rollover is made by **cheque**.

When provided, this one-off specific instruction will override the use of the standing investment instruction for the rollover. You may need to retain all or part of the rollover amount 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. When provided, such an instruction will override the use of the standing redemption instruction for that particular withdrawal.

For example

Maria submits a request to fully redeem her investments in Funds C and D. As a result, Maria's standing investment instruction is automatically updated to remove Funds C and D and to re-weight the remaining funds.

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

Where you have nominated a single managed fund as your standing redemption instruction, and the balance in that managed fund has been exhausted, your standing redemption instruction will be invalid. Any future redemptions will be drawn from all managed funds according to the proportion invested in each managed fund.

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 13.

Changing your Investment Instructions

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

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



Managing your pension account (continued)



Changing your investment options (switching)

An IOOF Portfolio Service Term 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 fund selection generally requires you to redeem units from one or more of your existing managed funds and purchase units in one or more managed funds 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 funds in your account. A switching instruction can be made by completing the Investment Authority (Form B) located in the IOOF Portfolio Service Term Allocated Pension Forms Booklet.

Switching between managed funds generally involves redeeming units in one or more of your managed funds. This means you must complete a 'redemption' transaction before you can 'purchase' units in a new managed fund.

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 fund may be updated or replaced by the investment 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 fund before making your switch request. We provide electronic versions of product disclosure statements for the available managed funds 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 funds. See 'Transaction costs – managed funds' on page 25 and the product disclosure statement for the particular managed fund for details.

Listed securities

An order to buy or sell a listed security involves a switch from your Cash Account to the listed security involved; or from the listed security involved to your Cash Account. See **IPS fact sheet 14: Investing in listed securities available in Direct Share Choice** for more information.

Brokerage applies to any listed security trades (buy or sell). See 'Transaction costs – listed securities' on page 25 for more information.

Portability of super benefits

If you provide us with a request to transfer your benefits out of the Fund, super law requires that we transfer your benefits within 30 days of receiving all relevant prescribed information (including all information necessary to process your request).

However, restricted investments may have extended redemption periods. This means if you have invested in an investment option that is a restricted investment, we may not be able to transfer part or all of your withdrawal benefit within 30 days because the underlying investment managers may take up to 360 days to process our withdrawal request. Before you invest in restricted investments, you are required to sign a written consent (which is set out in the declaration section of your Investment Authority (Form B)). This consent confirms your acceptance that a period longer than 30 days may be required (in respect of the whole or part of your requested transfer amount) to effect the transfer because of the illiquid nature of restricted investments and that you understand the possible extended redemption period applicable to your investment. Investment options that fall into the category of restricted investments are identified in **IPS fact sheet 2: IOOF Portfolio Service investment options menu**.

Where you invest in an annuity fund, term deposit or a restricted investment part or all of a withdrawal or switching request may be delayed until sufficient assets from that investment can be redeemed to fund the withdrawal.

Pension payments may be delayed, reduced or unable to be paid until sufficient assets from your investment in annuity fund(s), term deposit(s) and restricted investment(s) can be redeemed to fund the next pension payment.

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 go 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 Cash Account requirement

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

Standard Entry Fee Option – Contribution Fee paid upfront	Deferred Entry Fee Option – Contribution Fee paid later
<ul style="list-style-type: none">Higher of \$500 or two per cent of account balance; plusthree months worth of pension payments (if applicable).	<ul style="list-style-type: none">Higher of \$500 or three per cent of account balance; plusthree 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 fund(s). Where you have supplied a standing redemption instruction (see page 10), we will redeem the necessary amounts from each managed fund based on the instruction provided by you. Where no instruction has been supplied, the amount redeemed from each managed fund will normally be weighted in proportion to the balance of your managed funds.

Please note 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 Term Allocated Pension is designed to provide you with pension payments each year for a fixed term.

If you are rolling over into the IOOF Portfolio Service Term Allocated Pension, you must determine the number of years over which you would like your IOOF Portfolio Service Term Allocated Pension to be paid. How to select the term of your pension is explained below.

If you have received this IOOF Portfolio Service Term Allocated Pension as the Reversionary Beneficiary of a deceased member, the pension will continue for the remainder of the term of the original pension.

Selecting your annual pension income

The term selected must be within certain ranges set by the Commonwealth Government. These ranges are based on:

- your life expectancy
- your spouse's life expectancy.

Important note

You can only use your spouse's life expectancy if you nominate your spouse (legal or de facto) as your Reversionary Beneficiary and he/she has a longer life expectancy than yourself.

You can choose the term between:

- your life expectancy on the commencement of your pension (rounded to the nearest whole number⁷)
- the number of years from your last birthday until you reach age 100.

If you nominate your spouse (legal or de facto) as your Reversionary Beneficiary and he/she has a longer life expectancy than yourself, you can alternatively choose a term between:

- your spouse's life expectancy on the commencement of your pension (rounded up to the nearest whole year⁷)
- the number of years from your spouse's last birthday until he/she reaches age 100.

To nominate your spouse as a Reversionary Beneficiary, you must indicate this on the Application form (Form A) before your pension commences. **Once you have nominated a Reversionary Beneficiary, the nomination cannot be changed.**

Helpful hint

An IOOF Portfolio Service Term Allocated Pension has restrictions affecting your ability to change your mind or commute your pension and withdraw it as a lump sum. Please consult a financial adviser about the terms and specific product options available before investing in an IOOF Portfolio Service Term Allocated Pension or contact our **client services team** on **1800 062 963**.

The available terms for a term allocated pension (based on your age and gender at the commencement of the term allocated pension) are set out in the following table:

Age	Range of available pension terms (in years)	
	Male	Female
50	32 – 50	36 – 50
51	31 – 49	35 – 49
52	30 – 48	34 – 48
53	29 – 47	33 – 47
54	28 – 46	32 – 46
55	27 – 45	31 – 45
56	27 – 44	30 – 44
57	26 – 43	29 – 43
58	25 – 42	28 – 42
59	24 – 41	27 – 41
60	23 – 40	26 – 40
61	22 – 39	26 – 39
62	21 – 38	25 – 38
63	21 – 37	24 – 37
64	20 – 36	23 – 36

⁷ Using life expectancy factors from the 2005-2007 Australian Life Tables.

Range of available pension terms (in years)		
Age	Male	Female
65	19 – 35	22 – 35
66	18 – 34	21 – 34
67	17 – 33	20 – 33
68	17 – 32	20 – 32
69	16 – 31	19 – 31
70	15 – 30	18 – 30
71	15 – 29	17 – 29
72	14 – 28	16 – 28
73	13 – 27	16 – 27
74	12 – 26	15 – 26
75	12 – 25	14 – 25
76	11 – 24	13 – 24
77	11 – 23	13 – 23
78	10 – 22	12 – 22
79	9 – 21	11 – 21
80	9 – 20	11 – 20
81	8 – 19	10 – 19
82	8 – 18	9 – 18
83	7 – 17	9 – 17
84	7 – 16	8 – 16
85	7 – 15	8 – 15

See our website (www.ioof.com.au) for terms that apply at other ages.

Selecting your term

For example

As at 1 July 2010, James is aged 65 and his wife Helen is aged 60. James has an existing term allocated pension with XYZ Superannuation Fund. However he is unhappy with his current pension and decides to rollover to a new IOOF Portfolio Service Term Allocated Pension. James can select one of the following terms for his IOOF Portfolio Service Term Allocated Pension:

- If James wants to acquire a term allocated pension that becomes payable to Helen on his death (so that Helen becomes his Reversionary Beneficiary), he can select a term for his pension between:
 - 19 and 35 years (based on the term for a 65 year old male, see previous table)
 - 26 and 40 years (based on the longest term for a 60 year old female, see previous table).
- If James does not want to nominate Helen as his Reversionary Beneficiary or would like the pension to become payable to a dependant other than Helen, he can only choose a term based on his life expectancy (between 19 and 35 years).

Important note

If you have selected a Reversionary Beneficiary option and a term based on your spouse's life expectancy, in the event of your death, the pension **must** be paid to your spouse for the remaining term of the pension. Your spouse cannot convert the pension to a lump sum after your death.

When you apply for your IOOF Portfolio Service Term Allocated Pension, we will verify the actual term you select to ensure that it is available to you. The actual term you select will impact on the amount of pension you receive each year, the income tax treatment of your annual pension and the calculation of your Centrelink/Department of Veterans' Affairs entitlements (if applicable).



Pension options explained (continued)



How is your annual pension calculated?

Super law specifies the rules for calculating your annual pension payment.

The annual pension payments for the first year are calculated by dividing your account balance on commencement of the pension by the Pension Payment Factor (PPF) that relates to the term you have selected.

For pensions commencing after 1 July in a financial year, pension payments for the first year will be reduced in proportion to the number of days between the date your pension account was established and the following 1 July.

The annual pension payments for subsequent years are calculated by dividing your account balance on 1 July each year by the PPF that relates to the remaining term of your pension.

The remaining term must be a whole number and must be rounded:

- down if your pension commenced in the first half of a financial year (between 1 July and 31 December)
- up if it commenced in the second half of the financial year (between 1 January and 30 June).

Pension payment amounts will be rounded to the nearest \$10.

The following table shows the payment factors for members according to the product's remaining term at purchase, or on 1 July each year.

Terms (years)	Payment factor	Terms (years)	Payment factor
70 or more	26.00	35	20.00
69	25.91	34	19.70
68	25.82	33	19.39
67	25.72	32	19.07
66	25.62	31	18.74
65	25.52	30	18.39
64	25.41	29	18.04
63	25.30	28	17.67

Terms (years)	Payment factor	Terms (years)	Payment factor
62	25.19	27	17.29
61	25.07	26	16.89
60	24.94	25	16.48
59	24.82	24	16.06
58	24.69	23	15.62
57	24.55	22	15.17
56	24.41	21	14.70
55	24.26	20	14.21
54	24.11	19	13.71
53	23.96	18	13.19
52	23.80	17	12.65
51	23.63	16	12.09
50	23.46	15	11.52
49	23.28	14	10.92
48	23.09	13	10.30
47	22.90	12	9.66
46	22.70	11	9.00
45	22.50	10	8.32
44	22.28	9	7.61
43	22.06	8	6.87
42	21.83	7	6.11
41	21.60	6	5.33
40	21.36	5	4.52
39	21.10	4	3.67
38	20.84	3	2.80
37	20.57	2	1.90
36	20.29	1 or less	1.00

Source: Superannuation Industry (Supervision) Regulations 1994.

For example

Elisha is age 66 and invests \$200,000 in an IOOF Portfolio Service Term Allocated Pension to commence on 1 September 2010. She selects a term of 23 years. The annual pension in year one is calculated by dividing the purchase price by the PPF. The PPF applicable for a term of 23 years is 15.62. Therefore her annual fixed pension payment in year one is $\$200,000/15.62 = \$12,800$. As she is commencing her pension part way through the financial year, the first year's pension is pro-rated. Her pension payment for 2010/11 is therefore $\$12,800 \times 0.83 = \$10,624$.

On 1 July 2011, Elisha's account balance was \$197,000, after allowing for her pension payments, account fees and growth in the value of her investments⁸. The remaining term is 22.17 years. However, this is rounded down to 22 years so that the 2011/12 pension payment is determined by dividing the account balance on 1 July 2011 by the PPF applicable to a term of 22 years (15.17). Therefore her new fixed pension payment for 2011/12 is $\$197,000/15.17 = \$12,990$.

How are pension payments calculated for Reversionary Beneficiaries?

On transfer of the pension to a Reversionary Beneficiary, the deceased member's pension payments continue for the remainder of the financial year. On 1 July the pension payments will be recalculated as described previously in the 'How is your annual pension calculated?' section above.

Minimum and maximum payment requirements

The payment options available include:

- 90 per cent of the fixed pension payment (the minimum pension)⁹
- the fixed pension payment¹⁰
- 110 per cent of the fixed pension payment (the maximum pension).

The Commonwealth Government has reduced the minimum pension by 50 per cent for the 2010/11 financial year. It has also announced in the May 2011 budget a reduction in the minimum pension of 25 per cent for the 2011/12 financial year.

⁸ Depending on your investment selection, 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 any way indicate an expected level of performance.

⁹ If you select the minimum pension for the 2010/2011 financial year, you will receive the reduced minimum pension rate for the remainder of the financial year.

¹⁰ If you select the fixed pension payment option, you can also choose to index your fixed pension by CPI or a fixed percentage (up to a maximum of five per cent per annum). Indexation is subject to the minimum and maximum limits above. If the annual pension payment is outside these ranges, the pension payment will default to the closest limit.

That means a reduced minimum of 45 per cent applies for 2010/11 and 67.5 per cent applies for 2011/12.

If you do not nominate a payment option on your Application form (Form A), you will receive the fixed pension payment. You can vary your pension payments on an annual basis based on the limits on page 16.

Your annual pension payment is also subject to a minimum level set by the Commonwealth Government that applies to allocated (ie account-based) pensions generally. The minimum is a percentage of your account balance based on your age and is measured at commencement and on 1 July each year.

For example

On 1 July 2011, Leah commenced an IOOF Portfolio Service Term Allocated Pension for a term of 13 years with an initial investment of \$200,000. For 2011/2012, Leah can choose to take:

- the fixed pension payment of \$19,420 (\$200,000 divided by the PPF of 10.30 (rounded to the nearest \$10))
- the fixed pension payment of \$19,420 for 2011/2012 and five per cent annual indexation of the pension thereafter
- the minimum pension of \$13,109 (67.5 per cent of the fixed pension payment)
- the maximum pension of \$21,362 (110 per cent of the fixed pension 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 'Tax and social security information' on page 28 of this PDS.

Pension options explained (continued)



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.

Receiving a pension on the death of a Member

Once a Reversionary Beneficiary has been nominated, the nomination cannot be changed.

If you receive an IOOF Portfolio Service Term Allocated Pension as a Reversionary Beneficiary, the remaining balance of the deceased member's pension account will be transferred into your name. A new client and account number will be allocated at this time. The deceased member's existing Investment Instructions and nominated level of annual pension income will also be transferred and remain unchanged unless alternative instructions are received from you.

In the case of a Reversionary Beneficiary who is a child of the deceased member, the benefit will only be paid as a pension if the child:

- is under the age of 18
- is over the age of 18 but less than age 25 and is financially dependent on the member when he/she died
- is permanently disabled.

If a reversionary pension is paid to a child, the pension must be commuted to a lump sum on the child's 25th birthday unless the child is permanently disabled.

Can a lump sum withdrawal be made?

You cannot make a full or partial cash lump sum withdrawal from your pension account except in the following limited circumstances:

- To pay the superannuation surcharge.
- To give effect to a Release Authority under the *Income Tax Assessment Act 1997*.
- To give effect to a payment split under the *Family Law Act 1975*.
- Upon your death (except where you have nominated your spouse as a Reversionary Beneficiary).

You can, however, choose to roll over your pension to purchase another Term Allocated Pension or other complying income stream.

The nuts and bolts

What will this cost?

An IOOF Portfolio Service Term 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% of your account balance rather than 1% could reduce your final return by up to 20% over a 30-year period (for example, reduce it from \$100,000 to \$80,000).

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

You may be able to negotiate to pay lower contribution fees and management costs where applicable. Ask 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, ASIC's MoneySmart website (www.moneysmart.gov.au) has a superannuation fee calculator to help you check out different fee options.

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.

Taxes are set out under 'Tax and social security information' on page 28.

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 Easy Choice, Premier Investor Choice and Investor Choice investment options are set out in **IPS fact sheet 2: IOOF Portfolio Service investment options menu**.

The IOOF Portfolio Service Term Allocated Pension offers two different fee payment options:

- a **Standard Entry Fee Option:** To pay a Contribution Fee upfront at the time when you make your initial investment in the Fund.
- b **Deferred Entry Fee Option:** To pay a Contribution Fee later (for example, on the termination of your investment or by way of other increased fees).

Important note

You may pay more in total fees if you choose to pay a Contribution Fee later. Once a fee payment option is implemented it is set for the life of the account and cannot be altered. Where no fee option is selected, the Standard Entry Fee Option applies.

The nuts and bolts (continued)



Fee Table

Type of fee or cost	Amount		How and when paid	
Fees when your money moves in or out of the Fund¹¹				
Establishment Fee The fee to open your investment.	Nil.		Not applicable.	
Contribution Fee¹² The fee on each amount contributed to your investment.	Standard Entry Fee Option	Deferred Entry Fee Option	Standard Entry Fee Option	Deferred Entry Fee Option
	Up to 4.10% of your initial rollover.	Nil.	Deducted from your Cash Account ¹³ at the time of your initial rollover.	Not applicable.
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.	
	Exit Fee			
	Standard Entry Fee Option	Deferred Entry Fee Option	Standard Entry Fee Option	Deferred Entry Fee Option
Nil.	Up to 4% of the value of your initial rollover. 20% of the value of your initial rollover becomes exit fee free on each anniversary of the original rollover amount so that where it has remained in the Fund for more than 5 years at the time of withdrawal, no Exit Fee is applicable on that amount.	Not applicable.	Deducted from your Cash Account prior to payment of any withdrawal which attracts an Exit Fee.	
Termination Fee The fee to close your investment.	Nil.		Not applicable.	
Management Costs				

11 Buy/sell spreads – when you move money in or out of IOOF Portfolio Service Term Allocated Pension or when you make a switch, you may also incur a buy/sell spread which is included in the unit price of the managed fund you choose. See 'Transaction costs – managed funds' on page 25 and the product disclosure statement for the particular managed fund for details.

12 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.

13 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 2010, this indirect management cost was 0.60 per cent pa. We may change the investment of the Cash Account at any time.

The fees and costs for managing your investment.

Administration Fee¹²

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 balance¹⁴.

The Additional Administration Fee is calculated based on the value of your initial rollover.

Both fees are charged monthly in arrears and are deducted from your Cash Account at the beginning of each month.

plus where an account is established under the **Deferred Entry Fee Option**, an additional charge of up to 0.98% pa applies for the first 5 years following that.

Monthly Member Fee

\$7 per month for accounts with a balance less than \$150,000.

The Monthly Member Fee is calculated daily on your account balance.

Where your account balances exceeds \$150,000, this fee does not apply.

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 funds and can range from 0.22% to 2.12% pa¹⁵ (\$2.20 to \$21.20 pa per \$1,000 invested).

Generally calculated daily as a percentage of the amount that you have invested in each managed fund. It is not deducted directly from your account but is generally incorporated into the unit price of the managed fund and generally charged monthly or quarterly in arrears. Please refer to the product disclosure statement for the applicable managed fund.

No Investment Management Cost applies to annuity funds and term deposits.

Service Fees¹⁶

Investment Switching Fee¹¹

The fee for changing investment options in your account.

Nil.

Not applicable.

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

15 Investment Management Costs (excluding any performance-based fee) applied by each investment manager – This fee range is an estimate only and is based on the information provided by each investment manager as at the date of this PDS (for further information refer to **IPS fact sheet 2: IOOF Portfolio Service investment options menu**). 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 investment manager for a particular managed fund can be obtained from **IPS fact sheet 2**.

16 Adviser service fee – we will acquire and pay for the services of a financial adviser selected by you. You may negotiate the amount of this fee up to a limit set by us. This fee is deducted from your account (see 'Financial adviser remuneration' under 'Additional explanation of fees and costs'). We do not charge this fee if you have not selected a financial adviser.

The nuts and bolts (continued)



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.

In certain circumstances, your fees may be different from those described in this PDS. This can apply for various historical reasons, including where you joined 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.

Often in these circumstances, the Trustee of the Fund agrees to adopt the same fees as the old super fund or product. This allows the Trustee to transfer the super benefits as a whole, while protecting existing rights of transferring members. If this

is the case, your fees may be more or less than those described in 'The nuts and bolts' section on pages 19 to 27. In all cases, any different fees will be those that have been agreed between you and your financial adviser, or your employer and the adviser of your employer plan.

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			
	Standard Entry Fee Option To pay contribution fees upfront		Deferred Entry Fee Option To pay contribution fees later	
Contribution Fees	0 – 4.10%	Nil ¹⁷ .	Nil.	Not applicable.
Plus Management Costs	2% ¹⁸ pa plus \$84 pa (\$7 per month)	And , for every \$50,000 you have in the Fund you will be charged \$1,000 plus \$84 pa.	2% ¹⁸ pa plus \$84 pa (\$7 per month) and 0 – 0.98% pa is applied to your initial rollover amount for the first five years.	And , for every \$50,000 you have in the Fund, you will be charged \$1,000 plus \$84 pa and, assuming an initial rollover amount of \$50,000 which has been in the Fund for less than five years, you will be charged between \$0 and \$490 pa for each of the first five years.
Equals Cost of Fund ¹⁹	If your balance was \$50,000, then for that year you will be charged fees of \$1,084. ^{21,22} What it costs you will depend on the investment option you choose and the fees you negotiate with your financial adviser.		If your balance was \$50,000, then for that year you will be charged fees of between \$1,084 and \$1,574. ^{22,23} What it costs you will depend on the investment option you choose and the fees you negotiate with your financial adviser.	

- 17 On the assumption that you rolled over \$50,000, a Contribution Fee of between nil and 4.10 per cent would have applied (between \$0 and \$2,050). In addition, a buy spread of 0.22 per cent (\$110) would apply. This amount is an additional cost to you but is included in the unit price and not separately charged.
- 18 The Management Costs comprise the Administration Fee of 1.35 per cent pa and the Investment Management Cost applied by IOOF Multi Series Balanced Trust of 0.65 per cent pa. The Investment Management Cost applied by IOOF Multi Series Balanced Trust was based on the fees and other costs attributed to this investment option for the financial year ending 30 June 2010. For account balances of \$100,000 and above, the sliding scale on page 21 will apply in relation to the Administration Fee and the amount you pay will be reduced accordingly.
- 19 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.
- 20 The example assumes a constant account balance of \$50,000 for the entire year. Please note you cannot make additional rollovers to your existing account once your pension has commenced. However, you can set up a new pension account at any time provided you meet the conditions described on page 6.
- 21 If you leave the Fund, you will be charged a Benefit Payment Fee of \$77.95.
- 22 The example assumes a constant account balance of \$50,000 for the entire year and includes the amount that may be payable during the first five years of the investment. Please note you cannot make additional rollovers to your existing account once your pension has commenced. However, you can set up a new pension account at any time provided you meet the conditions described on page 6.
- 23 If you leave the Fund, you will be charged a Benefit Payment Fee of \$77.95 and you may also pay an Exit Fee. For the first five years in respect of your initial rollover, an Exit Fee of between nil and 4 per cent of the initial amount rolled over would apply. Using the previous assumption that the \$50,000 has remained in the account for one year, the Exit Fee incurred in the second year would be between \$0 and \$1,600. See 'Exit Fee and Additional Administration Fee' on page 24 for a detailed explanation on how this is calculated.

Additional fees may apply

There may be an exit fee for members who have transferred from another Fund product.

- For this product, you may not negotiate directly with the Fund. You may negotiate with a financial adviser with regard to their financial adviser remuneration.
- No withdrawals have been taken into account with this example.
- 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.

Additional explanation of fees and costs

This section explains the fees and costs set out in the fee table (pages 20 to 21) 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 adviser service fee (outlined in the following pages) and the fees and costs charged by the investment managers for each managed fund (the Investment Management Cost, any Buy/Sell Spread and any performance-based fee). For further information, see **IPS fact sheet 2: IOOF Portfolio Service investment options menu**.

The Administration Fee is inclusive of GST. A reduced input tax credit (RITC) at the rate of 75 per cent can be claimed against the GST incurred in the Administration Fee. Therefore, the GST in relation to the cost of the Administration Fee charged against your account is reduced by the amount of the RITC.

Performance-based fees

We do not charge any performance-based fees. However, an investment manager may charge a performance-based fee for a particular managed fund when the investment return generated by the managed fund 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 fund. The fee is generally deducted on a monthly, quarterly or annual basis. Please refer to the product disclosure statement for the relevant managed fund.

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

The investment managers that can charge a performance-based fee are outlined in **IPS fact sheet 2: IOOF Portfolio Service investment options menu**.

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 Investments, 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 IOOF Portfolio Service products
- any account(s) in IOOF Portfolio Service Investments 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.

The nuts and bolts (continued)



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

A fee aggregation arrangement has no impact upon the Monthly Member Fee (where applicable), any adviser service fee or the Additional Administration Fee of up to 0.98 per cent pa payable on the Deferred Entry Fee Option.

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).
- An account in IOOF Portfolio Service Personal Superannuation linked to any Employer Superannuation arrangement with IOOF will not be eligible to participate in fee aggregation.
- 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.

Exit Fee and Additional Administration Fee

Standard Entry Fee option – Contribution Fee paid upfront

There is no Exit Fee payable on the Standard Entry Fee Option.

Deferred Entry Fee option – Contribution Fee paid later

An Exit Fee may be payable under the Deferred Entry Fee Option, depending on when your initial rollover is made to the Fund.

Under the Deferred Entry Fee Option, for the first five years in respect of your initial rollover amount, an Exit Fee of up to four per cent of the rollover amount applies. If you withdraw that amount within the first year the maximum applies. However, for each completed year that the rollover amount is retained in the Fund, 20 per cent of the initial amount rolled over can be withdrawn free of any Exit Fee. So, after year five, no Exit Fees are payable in respect of that rollover.

Exit Fees do not apply when moving money from your Cash Account to investment options within the Fund.

Exit Fees do not apply to income distributions credited to your Cash Account. To minimise the impact of Exit Fees, distribution amounts are used in the first instance to pay any withdrawals from the Fund, before using amounts that attract Exit Fees.

For example

John invests \$50,000 into an IOOF Portfolio Service Term Allocated Pension under a Deferred Entry Fee Option. Over the next five years, we will deduct the Additional Administration Fee of up to 0.98% per annum (\$490 per annum) of his initial rollover amount in addition to the Administration Fee.

During the first year, the maximum Exit Fee payable is four per cent of the initial rollover (\$50,000 by four per cent equates to \$2,000). However, for each completed year, 20 per cent of the rollover value can be withdrawn free of any Exit Fee. The Exit Fee and outstanding Additional Administration Fee of 0.98 per cent per annum applicable at the beginning of each year is displayed in the table on page 25.

Fees payable if you

	Leave the Fund ^{24,25}	Stay in the Fund	
Year	Exit Fee applicable to the initial rollover amount of \$50,000 when exiting the Product (in addition to the Benefit Payment Fee).	Additional Administration Fee of 0.98% pa (payable for the first five years of the initial rollover).	If John stays in the Fund, no Exit fee is incurred and the outstanding Additional Administration Fee of up to 0.98% pa of the initial rollover amount is payable for the first five years.
1	\$2,000 (\$50,000 by 4%)	\$490	
2	\$1,600 (\$50,000 less 20% by 4%)	\$490	
3	\$1,200 (\$50,000 less 40% by 4%)	\$490	
4	\$800 (\$50,000 less 60% by 4%)	\$490	
5	\$400 (\$50,000 less 80% by 4%)	\$490	
6	\$0	\$0	

Transaction costs – managed funds

Some managed funds 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 investment manager of the particular managed fund.

The buy/sell spread (if applicable) is incurred when you purchase or redeem units in a managed fund (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 fund. The buy/sell spread that applies to each managed fund 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 investment manager for the particular managed fund which are available on our website (www.ioof.com.au).

Transaction costs – listed securities

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

Financial adviser remuneration

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

- adviser initial commission
- adviser ongoing commission
- adviser service fee.

24 An Exit Fee may apply to a partial withdrawal. Exit fees do not apply to income distributions credited to your Cash Account. To minimise the impact of Exit Fees, distribution amounts are used in the first instance to pay any withdrawals from the Fund, before using amounts that attract Exit Fees.

25 Commonwealth Government regulations impose restrictions on when you can access your benefit.

Section heading (continued)



Adviser initial commission

Standard Entry Fee Option

The Contribution Fee is paid to the financial adviser as initial commission.

You can agree with the financial adviser on the amount of this fee up to a maximum of 4.40 per cent (inclusive of GST) of your initial rollover made to an IOOF Portfolio Service Term Allocated Pension. The net cost we charge to your account can be up to a maximum of 4.10 per cent (which reflects the effect of RITCs) of your initial rollover. For example, on an initial rollover of \$50,000, we would pay the financial adviser up to a maximum of \$2,200. The net cost charged to your account would be up to \$2,050.

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

This fee is not applied to:

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

Deferred Entry Fee Option

Where the Deferred Entry Fee Option has been selected, and you have agreed, a payment up to a maximum of 3.30 per cent (inclusive of GST) of your initial rollover made to an IOOF Portfolio Service Term Allocated Pension may be paid to the financial adviser. This payment is made by us and recouped from your account over time through the Additional Administration Fee and Exit Fee as applicable.

Adviser ongoing commission

The Administration Fee detailed on page 21 contains a component which is paid to the 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 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 27 for more information).

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

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

Adviser service fee

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 until you instruct us to cease payment. You can agree with the financial adviser on the amount of this fee which can be either:

- up to a maximum of 2.0% pa (inclusive of GST) of your account balance (calculated daily). The net cost to you can be up to a maximum of 1.864% pa (which reflects the effect of RITCs) of your account balance (calculated daily); or
- up to a maximum of \$1,500 per month (inclusive of GST). The net cost to you can be up to a maximum of \$1,397.73 per month (which reflects the effect of RITCs).

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 \$1,000 pa (based on an adviser service fee of 2.0 per cent pa) (inclusive of GST). The fee charged to your account would be up to \$931.82 pa (which reflects the effect of RITCs).

Where you change the nominated financial adviser, the adviser service fee you agreed with the former financial adviser will continue with the new financial adviser.

The nuts and bolts (continued)



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 Term Allocated Pensions. 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 Term Allocated Pensions.

GST and taxes

The fees quoted in this section are inclusive of GST and net of any applicable RITCs. See the 'Tax and social security information' section on page 28 for more information on tax.

Netting

We often buy and sell units in a managed fund 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 investment managers of certain investment options for administration and investment related services. This fee (up to 0.30 per cent pa plus GST, with a minimum annual dollar amount of \$5,000 plus GST, as at the date of this PDS) is generally based on the total amount of funds we have invested in each investment option and is paid to us from the investment manager's own resources. The fee is retained by us and is not an additional cost to you.

Alternative Remuneration Register

We maintain an Alternative Remuneration Register in accordance with the FSC/FPA Industry Code of Practice, which outlines the alternative forms of remuneration that are paid and received by us. You can see a copy of this register at IOOF's offices (Level 6, 161 Collins St, Melbourne VIC 3000) at any time between 9 am and 5 pm on a business day.

Alteration to fees

We are able to alter any of the fees and costs applied to your pension account, but you will receive 30 days notice of any change. We also have the right to introduce new fees. There are no maximum fees specified in the Trust Deed for IOOF Portfolio Service Term Allocated Pensions.

Under the Trust Deed, we might decide to recover the costs and expenses incurred as a result of operating the product. As at the date of this PDS, we will not recover these amounts directly from your pension account. However, the Fund has a historical reserve, which we use to pay certain regulatory costs, professional fees and other expenses authorised under the Trust Deed. No amounts are paid into this historical reserve, which means there is no effect on your returns.

We may also impose reasonable fees and pass on any expenses we incur, where your account is affected by requirements under the *Family Law Act 1975* or related legislation. These may include fees for providing information to an eligible person, implementing the splitting of, or the application of a payment flag on your pension account. You will be notified of any fees and expenses that may be charged.

The nuts and bolts (continued)



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 Term 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 Term 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.

For further information on these risks and others, see **IPS fact sheet 104: More about risks**.

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 investment managers. This process is called 'diversification'. It is designed to help you achieve more consistent investment returns over time.

IOOF Portfolio Service 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 more appropriate for your specific requirements considering your risk tolerance and risk/return investment objectives.

Tax and social security information

This section provides you with some general information about the tax implications of investing in an IOOF Portfolio Service Term 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.

Rollovers into your Term Allocated Pension

No tax is payable on the rollover of benefits into your IOOF Portfolio Service Term Allocated Pension.

Tax on pension earnings

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.

Your pension account may be entitled to a tax refund due to franking credits. A franking credit is a tax credit available to the Fund for the tax that has already been paid by the issuing company on dividends received by a managed fund.

Tax on pension payments

If you are aged 60 or over, or at the date of death the primary beneficiary was aged 60 or over, all pension payments from your IOOF Portfolio Service Term Allocated Pension account will be tax-free.

If you are under age 60, and at the date of death the primary beneficiary was under age 60, pension payments from your account are split into a tax-free component and a taxable component. The taxable component is included in your assessable income; however, a 15 per cent tax offset applies to this component.

PAYG tax (if any) will be deducted from the taxable component prior to each pension payment. At the end of the financial year you will be sent a PAYG payment summary. When you reach age 60, your pension payments will be received tax-free.

Death Benefits

If the payment is made directly to your death benefits dependants it will be tax-free. If the benefit is paid to your legal personal representative and is to be distributed to your death benefits dependants via your estate, the benefit will also be received tax-free.

If the lump sum benefit is to be paid direct to a beneficiary who is not a death benefits dependant or paid to your legal personal representative and the ultimate beneficiaries of your estate are not death benefits dependants, the taxable component of the death benefit will be taxed at the rate of 15 per cent (plus Medicare Levy).

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 (Form A) located in the IOOF Portfolio Service Term Allocated Pension Forms Booklet. If we already hold your TFN (for example, if you are transferring from another term allocated pension within the Fund), you do not have to submit it again.

If you are under age 60

You need to complete a 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 tax information for 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. In determining your eligibility for a pension or allowance, Centrelink or DVA will use the test which gives you the lower rate of payment.

1. Assets test

If you are rolling over the whole amount from a term allocated pension that commenced before 20 September 2007, only 50 per cent of the value of an IOOF Portfolio Service Term Allocated Pension account is counted as an asset. This also applies if you were the spouse of the deceased primary beneficiary and you are receiving this pension as a Reversionary Beneficiary (even if this occurred after 19 September 2007).

If you are rolling over from another complying income stream that is not a term allocated pension that commenced before 20 September 2007, the whole account balance of your new IOOF Portfolio Service Term Allocated Pension is counted as an asset under the assets test.

2. Income test

Under the income test, only part of the annual pension is counted as income. The amount excluded from the calculation is the original purchase price (less any later lump sum withdrawals from the pension²⁶) divided by the fixed term that you select on commencement of the pension.

If the pension is reversionary the fixed term will continue to be used to determine your assessable income.

26 Commonwealth Government regulations impose restrictions on when you can make lump sum (cash) withdrawals from a term allocated pension (refer to page 18).

General information

Cooling-off period

To ensure that you are happy with your pension account in the IOOF Portfolio Service Term Allocated Pension, you have a 14 day cooling-off period to check that it meets your needs. The 14 day period starts from the earlier of the date you receive your confirmation letter (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) up to the date we receive your notification. We will not refund taxes and reasonable transaction or administration costs incurred by us in issuing your investment (excluding the payment of any adviser service fee or similar fee). As a result, the amount received may be more or less than the amount of your initial rollover.

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

As you have transferred from another complying income stream, we cannot repay your initial rollover amount directly to you. You must nominate another complying income stream to roll it over to.

If you do not make a nomination within one month after notifying us of your intention to seek the return of your initial rollover or your nominated provider does not accept the transfer, we will retain your initial rollover 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 (changing your name by marriage, for example) 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 **IPS fact sheet 306: Dependant nominations for term allocated pensions**, 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 a 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 Term Allocated Pension in **IPS fact sheet 109: Other pension information you may find useful.**

General information (continued)



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 Term Allocated Pension, normally within seven business days of joining.
- Your Statement of Membership which confirms your pension account details and initial Investment Instructions.
- On receipt of your rollover amount to commence your pension, we will also send a Centrelink/Department of Veterans' Affairs schedule.

Member Statement and Annual Pension Pack

- Provides a summary of all transactions during the financial year including:
 - your initial rollover 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.
- You will also 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.
- A Member Statement is provided within six months of the end of each financial year and following the closure of your account.

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 Trustee's Annual 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.
- Contact our **client services team** on **1800 062 963**.

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 fund 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 super account details, including the value of your investment options.
- You can register for access to Portfolio Online at 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 Member 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 (Form A) 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

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.

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 ('online instructions') using Portfolio Online.

To authorise a financial adviser simply complete the Financial Adviser Authority form which is available on our website (www.ioof.com.au)

What if you have a complaint?

If you have a complaint about your IOOF Portfolio Service Term 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

General information (continued)



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, but 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 in 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 and Counter Terrorism Financing legislation (AML/CTF Law)

We are required to carry out 'proof of identity' procedures before establishing a pension. These requirements arise under the 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 (Form A) and any other relevant forms in the IOOF Portfolio Service Term 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**.



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 Victoria 3000