



Diversified Investment Strategies

Product Disclosure Statement (PDS)



Dated: 1 April 2011

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contents

To create a memorable meal a great chef combines fresh produce, like tomatoes, with their flair and skill. In a similar way, ipac draws on its expertise, intuition and experience to build quality multi-manager portfolios to achieve investment outcomes.

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The **ipac** Specialist Investment Strategy Australian Cash Strategy No. 1 and the ipac Diversified Investment Strategies (collectively referred to as “the Strategies”) offered in this Product Disclosure Statement are registered managed investment schemes under the Corporations Act (Cth) 2001 (“the Corporations Act”):

Australian Cash Strategy No. 1	ARSN 090 775 689
Diversified Investment Strategy No. 1	ARSN 093 031 791
Diversified Investment Strategy No. 2	ARSN 093 031 479
Diversified Investment Strategy No. 3	ARSN 093 031 344
Diversified Investment Strategy No. 4	ARSN 093 031 111
Diversified Investment Strategy No. 5	ARSN 113 946 633

This Product Disclosure Statement (PDS) is dated 1 April 2011.

ipac asset management limited ABN 22 003 257 225 Australian Financial Services Licence Number 234655 (ipac or the Responsible Entity) is the issuer of this Product Disclosure Statement and is solely responsible for its contents. ipac is the Responsible Entity of each of the Strategies.

ipac portfolio management limited ABN 51 071 315 618 Australian Financial Services Licence Number 234658 (“the Portfolio Manager”) will provide certain asset management and consulting services, such as objective setting, asset allocation advice and associated technology, as well as assistance in investment manager research, selection and evaluation.

References to “we”, “us”, “our” and “ipac” throughout this document refer to ipac asset management limited.

ipac group consists of ipac, the Portfolio Manager and ipac Securities Limited.

Investors who access or wish to access the Strategies through a master trust or wrap account which has entered into an appropriate agreement with us are authorised to use this PDS. References to “direct investors”

throughout this document refer to wholesale investors who fall within one of the exceptions contained in the Corporations Act so that an offer can be made to the applicant without requiring a disclosure document under part 7.9 of the Corporations Act. Direct investors who wish to invest by completing the attached Application Form are also authorised to use this PDS.

The Strategies may have a number of different classes of units. Units of the same class within a Strategy have identical fee structures and rights associated with them. However, a class of units within a Strategy may have different fee structures and rights to a different class of units within the same Strategy.

An investment in the Strategies is subject to investment risk, including possible delays in repayment and loss of income and capital invested. Neither the Responsible Entity, nor any associated companies, nor any investment manager guarantees the repayment of capital, payment of income or the performance of the Strategies.

Nothing in this PDS is to be taken as personal or general financial product advice. The Responsible Entity has not taken any investor’s investment objectives, financial situation or particular needs into account when preparing this PDS. Investors should seek quality financial advice before investing.

The offer made in this PDS is only available to investors receiving it (electronically or otherwise) in Australia.

The Responsible Entity reserves the right to change the terms and conditions of the PDS. If the change is an increase in fees then notice will be provided 30 days before the change takes place. Otherwise notice of material changes will be provided before or as soon as practicable after the change occurs. This PDS is up-to-date at the time of preparation. From time to time we may change information in this PDS. To view this updated information please go to www.ipac.com.au/pdsinformation

introduction

about the ipac group

The ipac group is a financial advice and investment group that has been helping clients achieve their financial goals and chosen lifestyles since its formation in 1983. The ipac group combines the benefits of boutique size with the security of large scale backing.

From offices across Australia, the ipac group helps clients make the right financial choices. The ipac group is also one of Australia's largest operators of multi-manager portfolios, managing around \$14 billion (as at 1 January 2011) for clients from individuals to large superannuation funds. The ipac group has been at the forefront of portfolio management innovations in the Australian market.

Diversified Investment Strategies

The Diversified Investment Strategies are a range of diversified investment vehicles. Each diversified Strategy invests in a different combination of asset classes and has a different long-term expected return and associated risk profile.

In addition to these diversified strategies, the Australian Cash Strategy No. 1 is also offered in this PDS.

The Diversified Investment Strategies invest into a combination of underlying managed investment schemes, and offer efficient access to leading investment managers. As part of the ipac multi-manager approach, we select specialist investment managers in each asset class to carry out the day-to-day investment of assets. Where appropriate in an asset class, managers are blended into portfolios

designed to deliver consistent and competitive long-term returns whilst closely managing risk. Thorough research and analysis goes into the selection, combination and ongoing monitoring of the investment managers utilised in the Diversified Investment Strategies. These investment managers may change over time.

As well as providing an efficient gateway to a wide range of investments, the Strategies give you benefits of:

- ~ access to some managers and investment opportunities that may not normally be available, including alternative assets;
- ~ ongoing and intensive monitoring and supervision of each manager;
- ~ ability to move swiftly to switch managers, if required;
- ~ tight management of costs, through close control and reporting;
- ~ investment reporting and Strategy information;
- ~ the ease of not having to deal with extensive custody arrangements, legal contracts and other administrative complexities;
- ~ on-going compliance checking and monitoring;
- ~ discipline to achieve the objectives of the Strategies; and
- ~ regular rebalancing of the Strategies.

Further information on the Diversified Investment Strategies is included on pages 4-8.

investment detail

Australian Cash Strategy No. 1

Strategy Information¹

Investment Objective	To provide investors with a return through a portfolio comprised primarily of money market securities including, but not limited to, commercial paper, negotiable certificates of deposit and floating rate notes.
Strategic Investment Mix	100% Cash
Risk Profile	Low (compared to the risk profile of the other Strategies)
Commencement Date	18 January 2000
Investment Manager Fee²	0.055% per annum
Benchmark	UBSA Bank Bill Index

1 The information in this table is correct as at the date of this PDS. ipac retains the right to add asset classes or vary the strategic investment mix to ensure they remain appropriate in light of any changes to the medium to long term risk and return expectations for each asset class. These reviews may lead to changes in the strategic investment mix, which the Responsible Entity may implement without notice to investors. The Responsible Entity will not employ tactical asset allocation and is unlikely to make changes to the target asset allocations based solely on short term expectations.

2 Will be invoiced to the investor and can be paid by cheque, electronic funds transfer or redemption of units from the Strategy. Amount includes GST.

investment detail

Diversified Investment Strategy No. 1

Strategy Information¹

Investment Objective	Aims to provide investors with modest investment returns, with reasonably limited fluctuations in the value of their investment from year to year.		
Investment Strategy	The Strategy will primarily invest in a diversified mix of defensive (70%) and growth (30%) assets as described below.		
Strategic Investment Mix²	Asset Class	Current Target %	Range %³
	Australian Cash	20.0	0 - 50
	Fixed Interest	47.0	5 - 70
	Alternative Defensive	3.0	0 - 10
	DEFENSIVE ASSETS	70.0	
	Australian Listed Property	2.0	0 - 11
	Global Listed Property	2.0	0 - 11
	Australian Shares	12.0	5 - 19
	Global Shares ⁴	10.0	3 - 17
	Alternative Growth	4.0	0 - 7
	GROWTH ASSETS	30.0	
	TOTAL ASSETS	100.0	
Risk Profile	Low to moderate (compared to the risk of the other Diversified Investment Strategies)		
Commencement Date	28 May 2001		

1 The information in this table is correct as at the date of this PDS. ipac retains the right to add asset classes or vary the target allocation and range for each asset class to ensure they remain appropriate in light of any changes to the medium to long term risk and return expectations for each asset class. These reviews may lead to changes in the target allocations, which ipac may implement without notice to investors. ipac will not employ tactical asset allocation and is unlikely to make changes to the target asset allocations based solely on short term expectations.

2 Refers to the expected long-term asset allocation of each Strategy which may vary. The overall foreign currency exposure of the Strategy may be partially hedged back to the Australian dollar. Unlisted securities, forwards, options, futures and other derivative contracts, instruments and agreements on shares, property securities, international securities, foreign listed company shares, currency and fixed interest securities may be used in the management of the Strategy.

3 In certain circumstances, actual allocations may fall outside of the asset allocation range. Such circumstances would include, but are not limited to, where one of the investment options or underlying funds is closed for new investments, during changes to the product structure, asset allocation or manager line up, or in certain market conditions.

4 Includes International Shares, Global Emerging Markets and Global Smaller Companies asset classes.

investment detail

Diversified Investment Strategy No. 2

Strategy Information¹

Investment Objective	Aims to provide investors with moderate long-term investment returns with the likelihood of fluctuations in the value of their investment from year to year.		
Investment Strategy	The Strategy will primarily invest in a diversified mix of defensive (30%) and growth (70%) assets as described below.		
Strategic Investment Mix²	Asset Class	Current Target %	Range %³
	Australian Cash	2.0	0 - 30
	Fixed Interest	24.0	0 - 40
	Alternative Defensive	4.0	0 - 10
	DEFENSIVE ASSETS	30.0	
	Australian Listed Property	3.0	0 - 12
	Global Listed Property	2.0	0 - 12
	Australian Shares	30.0	25 - 39
	Global Shares ⁴	29.0	21 - 35
	Alternative Growth	6.0	0 - 10
	GROWTH ASSETS	70.0	
	TOTAL ASSETS	100.0	
Risk Profile	Moderate (compared to the risk of the other Diversified Investment Strategies)		
Commencement Date	3 July 2000		

1 The information in this table is correct as at the date of this PDS. ipac retains the right to add asset classes or vary the target allocation and range for each asset class to ensure they remain appropriate in light of any changes to the medium to long term risk and return expectations for each asset class. These reviews may lead to changes in the target allocations, which ipac may implement without notice to investors. ipac will not employ tactical asset allocation and is unlikely to make changes to the target asset allocations based solely on short term expectations.

2 Refers to the expected long-term asset allocation of each Strategy which may vary. The overall foreign currency exposure of the Strategy may be partially hedged back to the Australian dollar. Unlisted securities, forwards, options, futures and other derivative contracts, instruments and agreements on shares, property securities, international securities, foreign listed company shares, currency and fixed interest securities may be used in the management of the Strategy.

3 In certain circumstances, actual allocations may fall outside of the asset allocation range. Such circumstances would include, but are not limited to, where one of the investment options or underlying funds is closed for new investments, during changes to the product structure, asset allocation or manager line up, or in certain market conditions.

4 Includes International Shares, Global Emerging Markets and Global Smaller Companies asset classes.

investment detail

Diversified Investment Strategy No. 3

Strategy Information¹

Investment Objective	Aims to provide investors with moderate to high long-term investment returns with the likelihood of significant fluctuations in the value of their investment from year to year.		
Investment Strategy	The Strategy will primarily invest in a diversified mix of defensive (15%) and growth (85%) assets as described below.		
Strategic Investment Mix²	Asset Class	Current Target %	Range %³
	Australian Cash	1.5	0 - 20
	Fixed Interest	9.0	0 - 20
	Alternative Defensive	4.5	0 - 10
	DEFENSIVE ASSETS	15.0	
	Australian Listed Property	3.0	0 - 12
	Global Listed Property	3.0	0 - 12
	Australian Shares	36.0	31 - 45
	Global Shares ⁴	37.0	30 - 44
	Alternative Growth	6.0	0 - 10
	GROWTH ASSETS	85.0	
	TOTAL ASSETS	100.0	
Risk Profile	High (compared to the risk of the other Diversified Investment Strategies)		
Commencement Date	14 July 2000		

1 The information in this table is correct as at the date of this PDS. ipac retains the right to add asset classes or vary the target allocation and range for each asset class to ensure they remain appropriate in light of any changes to the medium to long term risk and return expectations for each asset class. These reviews may lead to changes in the target allocations, which ipac may implement without notice to investors. ipac will not employ tactical asset allocation and is unlikely to make changes to the target asset allocations based solely on short term expectations.

2 Refers to the expected long-term asset allocation of each Strategy which may vary. The overall foreign currency exposure of the Strategy may be partially hedged back to the Australian dollar. Unlisted securities, forwards, options, futures and other derivative contracts, instruments and agreements on shares, property securities, international securities, foreign listed company shares, currency and fixed interest securities may be used in the management of the Strategy.

3 In certain circumstances, actual allocations may fall outside of the asset allocation range. Such circumstances would include, but are not limited to, where one of the investment options or underlying funds is closed for new investments, during changes to the product structure, asset allocation or manager line up, or in certain market conditions.

4 Includes International Shares, Global Emerging Markets and Global Smaller Companies asset classes.

investment detail

Diversified Investment Strategy No. 4

Strategy Information¹

Investment Objective	Aims to provide investors with high long-term investment returns with the likelihood of significant fluctuations in the value of their investment from year to year.		
Investment Strategy	The Strategy will primarily invest in a diversified mix of growth (99%) assets as described below, with the balance in defensive assets.		
Strategic Investment Mix²	Asset Class	Current Target %	Range %³
	Australian Cash	1.0	0 - 10
	Fixed Interest	0.0	0 - 10
	Alternative Defensive	0.0	0 - 10
	DEFENSIVE ASSETS	1.0	
	Australian Listed Property	2.0	0 - 9
	Global Listed Property	2.0	0 - 10
	Australian Shares	41.0	36 - 50
	Global Shares ⁴	47.0	40 - 54
	Alternative Growth	7.0	0 - 10
	GROWTH ASSETS	99.0	
	TOTAL ASSETS	100.0	
Risk Profile	High (compared to the risk of the other Diversified Investment Strategies)		
Commencement Date	28 May 2001		

1 The information in this table is correct as at the date of this PDS. ipac retains the right to add asset classes or vary the target allocation and range for each asset class to ensure they remain appropriate in light of any changes to the medium to long term risk and return expectations for each asset class. These reviews may lead to changes in the target allocations, which ipac may implement without notice to investors. ipac will not employ tactical asset allocation and is unlikely to make changes to the target asset allocations based solely on short term expectations.

2 Refers to the expected long-term asset allocation of each Strategy which may vary. The overall foreign currency exposure of the Strategy may be partially hedged back to the Australian dollar. Unlisted securities, forwards, options, futures and other derivative contracts, instruments and agreements on shares, property securities, international securities, foreign listed company shares, currency and fixed interest securities may be used in the management of the Strategy.

3 In certain circumstances, actual allocations may fall outside of the asset allocation range. Such circumstances would include, but are not limited to, where one of the investment options or underlying funds is closed for new investments, during changes to the product structure, asset allocation or manager line up, or in certain market conditions.

4 Includes International Shares, Global Emerging Markets and Global Smaller Companies asset classes.

investment detail

Diversified Investment Strategy No. 5

Strategy Information¹

Investment Objective	Aims to provide investors with moderate long-term investment returns but with less exposure to the volatility of conventional markets.		
Investment Strategy	The Strategy will primarily invest in a diversified mix of defensive (44%) and growth (56%) assets as described below.		
Strategic Investment Mix²	Asset Class	Current Target %	Range %³
	Australian Cash	1.6	0 - 20
	Fixed Interest	19.2	0 - 44
	Alternative Defensive	23.2	10 - 40
	DEFENSIVE ASSETS	44.0	
	Australian Listed Property	2.4	0 - 12
	Global Listed Property	1.6	0 - 12
	Australian Shares	24.0	19 - 33
	Global Shares ⁴	23.2	15 - 30
	Alternative Growth	4.8	0 - 10
	GROWTH ASSETS	56.0	
	TOTAL ASSETS	100.0	
Risk Profile	Moderate (compared to the risk of the other Diversified Investment Strategies)		
Commencement Date	8 August 2005		

1 The information in this table is correct as at the date of this PDS. ipac retains the right to add asset classes or vary the target allocation and range for each asset class to ensure they remain appropriate in light of any changes to the medium to long term risk and return expectations for each asset class. These reviews may lead to changes in the target allocations, which ipac may implement without notice to investors. ipac will not employ tactical asset allocation and is unlikely to make changes to the target asset allocations based solely on short term expectations.

2 Refers to the expected long-term asset allocation of each Strategy which may vary. The overall foreign currency exposure of the Strategy may be partially hedged back to the Australian dollar. Unlisted securities, forwards, options, futures and other derivative contracts, instruments and agreements on shares, property securities, international securities, foreign listed company shares, currency and fixed interest securities may be used in the management of the Strategy.

3 In certain circumstances, actual allocations may fall outside of the asset allocation range. Such circumstances would include, but are not limited to, where one of the investment options or underlying funds is closed for new investments, during changes to the product structure, asset allocation or manager line up, or in certain market conditions.

4 Includes International Shares, Global Emerging Markets and Global Smaller Companies asset classes.

nature of the strategies on offer

The table below shows the key features common to all of the Strategies offered in this PDS.

Key Features

Minimum initial investment^{# +}	\$500,000
Minimum additional investment^{# +}	\$100,000
Minimum redemption amount[#]	\$100,000
Minimum balance[#]	\$500,000
Valuation frequency	Daily (each Sydney business day). Please refer to page 12 for more information
Unit price	Variable
Transaction costs (Buy/Sell spreads)	The buy/sell spreads reflect ipac's estimates of transaction costs. This cost is incurred each time you transact meaning it is incurred for each sale of units and again for each purchase of units. Buy/sell spreads are subject to change at any time.
Management costs	See pages 15-18
Year end	30 June
Distributions*	Half Yearly - December and June (paid into a bank account or reinvested).
Equity	Net capital gains caused by an investor redemption can, at the discretion of ipac, be distributed to the redeeming investor. ipac may also distribute capital in other circumstances at its discretion.
In-specie applications and redemptions	Allowed at ipac's discretion.

[#] Per Strategy. ipac reserves the right to vary this minimum.

⁺ Units will only be issued to "wholesale investors" including "professional investors".

* Under the Constitutions ipac is only required to make a distribution yearly, and can make distributions at any time.

investor information

investment risks

Investments involve varying degrees of risk and the value of the assets in the Strategies can fall as well as rise. Many factors affect the value and possible investment returns of these assets. Generally, the higher the potential returns the higher the potential risks associated with that investment.

Some of the main risks of investing in the Strategies include:

- ~ **Market risk:** The risk of a fall in the price of assets within a particular market. Movements in interest and inflation rates, changes in government policy, taxation, legislation and market sentiment can affect the value of assets in the Strategies. Some markets such as those in emerging economies can be more volatile due to risks associated with global or local political, economic and social policies.
- ~ **Currency risk:** The risk that movements in foreign currencies will reduce the returns from unhedged international investments, including income. Currency risk is greater for those Strategies with a higher exposure to unhedged international securities.
- ~ **Counterparty risk:** Entry into some financial transactions, such as swaps, creates counterparty risk. Substantial losses could be incurred if a counterparty failed to deliver on its contractual obligations, or experienced financial difficulties. For this reason, the Strategies only engage with approved counterparties and have processes

in place to reduce the risk exposure to these counterparties.

- ~ **Liquidity risk:** The risk that an investment may not be easily converted into cash with little or no loss of capital and minimum delay, because of inadequate market depth or disruptions in the marketplace.
- ~ **Investment specific risk:** The risk of a fall in the price of an individual investment within a Strategy. Examples may include the unforeseen entry of a new competitor into the market or increase in the cost of raw materials affecting the value of individual investments.
- ~ **International risk:** Risks such as political and economic instability of overseas countries, different accounting and reporting standards resulting in reduced disclosure, limited availability of reliable company financial information and international fund flow restrictions are all examples of potential risks when investing in international assets. This risk is greater for those Strategies with a higher exposure to international assets.
- ~ **Debt and leverage:** Some of the underlying securities managers may use leverage or borrowings. This increases the opportunities for higher investment returns, but also increases the risk of loss.
- ~ **Trust risk:** Risks particular to the Strategies include that any or all of the Strategies could terminate, the fees and expenses could change, or the Portfolio Manager or its investment team could change.

There is also a risk that investing in the Strategies may give different results than investing individually because of income or capital gains accrued in the Strategies and the consequences of investment and withdrawal by other investors.

While the Responsible Entity invests cash collateral with the aim of generating positive returns, there may be periods where the returns are negative.

No assurance can be given by the Responsible Entity that the operations of the Responsible Entity or the Trust will not be adversely affected by the risks outlined above.

use of derivatives

The underlying investment managers and the Strategies may use derivatives such as options, futures, or forward exchange rate agreements with the aim of protecting against risks such as unfavourable changes in an investment's price brought about by changes in interest rates, commodity prices or currencies, and/or enhancing returns by taking advantage of favourable mispricings within a market or as a cost-effective alternative to purchasing physical assets.

Derivatives can cause losses, however the use of derivatives is closely monitored by ipac.

investing in the Strategies

You can invest in the Strategies as a direct investor by sending in a completed Application Form accompanying this PDS, or through a master trust (eg a

superannuation fund), wrap account, investor directed portfolio service, or nominee or custody service. In this document we refer to these services as master trusts or wrap accounts and refer to people who invest through them as indirect investors.

Indirect investors do not invest directly in the Strategies. Instead, it is generally the trustee of the master trust or operator of the wrap account that invests directly on your behalf and has the rights of a direct investor. They exercise these rights in accordance with their arrangements with you.

To invest in the Strategies through a master trust or wrap account, please complete the application form provided by your master trust or wrap account operator. It is important to ensure you have fully read and understood the disclosure document applicable to the master trust or wrap account prior to investing. This document includes important information on how to invest and withdraw funds, your rights as an investor and information on fees.

Note that alternative investments can comprise of funds that accept applications infrequently, for example once per month instead of daily. When this is the case, application monies will be allocated to alternative investments in line with their application frequency.

We may accept or refuse (without reason) any application.

You should seek independent financial advice about the implications of being a direct or an indirect investor.

applications

Applications to the Strategies can be made via your master trust or wrap account.

If ipac accepts the application request from the master trust or wrap account operator by 11.00am (Sydney time) on a Sydney business day, it is generally deemed to be received that day. The effective unit price of that day will be used to calculate the number of units issued. This unit price is generally issued within 2 business days after the effective date. If the application request is received after 11.00am (Sydney time) on a Sydney business day, or on a non business day, it is generally deemed to be received the next business day.

If you are a direct investor, initial and subsequent investments can be made by completing the Application Form that accompanies this PDS and sending it to the address shown on the form and depositing application monies into the specified bank account.

For further information about investing in the Strategies as a direct investor, please refer to page 24.

redemptions

If you are investing through a master trust or wrap account, the timing for processing and pricing your redemption by the master trust or wrap account operator will be dependent on the requirements of the master trust or wrap account.

If you are a direct investor you can withdraw part or all of your investment at any time by sending a fax or

mailing a redemption request to ipac. The minimum amount you can withdraw from each Strategy is \$100,000[#]. You need to have at least \$500,000[#] remaining in each of your Strategies after your withdrawal. If the balance falls below \$500,000[#], we have the right to withdraw the remaining balance and forward the proceeds to you.

If ipac accepts the redemption request directly from you or from the master trust or wrap account operator by 11.00am (Sydney time) on a Sydney business day, it is generally deemed to be received that day. The effective unit price of that day will be used to calculate the number of units redeemed. This unit price is generally issued within 2 business days after the effective date. If the redemption request is received after 11.00am (Sydney time) on a Sydney business day, or on a non business day, it is generally deemed to be received the next business day.

Redemption requests will normally be processed within three business days on receipt of the request, although the Constitutions allow up to 30 days, or a longer period if ipac is unable to realise assets within that time due to circumstances beyond our control.

Investors should note that some alternative investments have limited liquidity. If these alternative investments have to be realised to fund a redemption, payment of redemption proceeds may take longer than usual.

If at least 80% of the value of assets of a Strategy no longer consist of cash and other assets that may

[#] ipac reserves the right to vary this minimum.

investor information

be converted to cash within the time specified in the Constitutions, the Corporations Act will classify the Strategy as “not liquid”. If this happens, unitholders will be unable to redeem unless the Responsible Entity chooses to make a redemption offer under the Corporations Act and the Constitution. The Responsible Entity expects the Strategies to remain liquid in normal circumstances.

in-specie redemptions

For direct investors, upon request a redemption may be satisfied by the transfer to an investor of assets of equal value to the withdrawal proceeds, rather than cash. This would only occur at ipac’s discretion.

unit price

The Responsible Entity generally calculates unit prices for each Strategy or unit class at least once each Sydney business day, although it may do so more or less often.

Generally alternative investments provide a unit price once a month, and some funds may also provide an estimated price more frequently. The daily value of alternative investments in the Strategy will be calculated using the last price provided by the underlying investment manager and may be adjusted via an accrual, based on an appropriate index determined by the Responsible Entity that is added for each subsequent day, or using the estimated price provided by the underlying investment manager to Responsible Entity. The daily value may also take into account any currency movements between prices where appropriate.

The application price and redemption price of a unit is calculated based on the net asset value of the Strategy or unit class divided by the number of units on issue adjusted for an allowance for transaction costs (see page 16).

The net asset value of a Strategy or unit class includes the value of the investments of that Strategy or unit class and any accumulated income and profits, less amounts required to meet the actual or contingent liabilities of the Strategy or unit class and any accrued charges.

The Responsible Entity may delay the calculation of the unit price if it is appropriate, for example, in the case of closure of, or trading restrictions on, a securities exchange or an emergency or moratorium.

Provisions in the Constitutions give the Responsible Entity the ability to exercise discretion in relation to the calculation of application and redemption unit prices. The Responsible Entity has a policy that details how and when we exercise this discretion. We will provide you with a copy of the policy free of charge at your request.

income distributions

payment of distributions

The Strategies will normally distribute income half yearly, after the periods ending 30 June and 31 December. Income distributions are generally paid within 30 days of the end of the period and must be paid within three months. ipac is only required under the Constitutions to make a distribution within three months of the end of the financial year, but

can make additional distributions at any time. Investors should note that payment of distributions from each of the Strategies may be delayed due to delayed payments of distributions from underlying investment funds.

For direct investors, income distributions can be credited to a nominated bank account or, if applicable, invested in additional units in the relevant Strategy, by completing the appropriate section on the Application Form. A distribution statement will be issued following a payment of a distribution.

Indirect investors should refer to their master trust or wrap operator for information about how distributions are treated.

calculation of distributions

Each Strategy or unit class can earn income from its investments. It may also earn net realised capital gains. The amount to be distributed is calculated by deducting all expenses and fees incurred in respect of each Strategy or unit class from the income and realised gains. We may include a return of capital in the distribution.

The distribution amount for each Strategy or unit class is divided by the number of units on issue on the last day of the distribution period to provide a cents per unit distribution amount.

The amount investors will receive is calculated by multiplying the cents per unit distribution amount by the number of units they hold at the end of the last day of the distribution period. Each unit for a particular Strategy or unit class receives the same distribution amount regardless of how long it has been held.

The distribution amount will vary at each distribution. The total distributions for a financial year will be no less than the net income of the Strategies or unit classes for tax purposes. Distributions are not guaranteed. Unit prices normally fall immediately after a distribution has been declared, because the net assets of the Strategies or unit classes have been reduced by the amount of the distribution.

reinvestment

For direct investors, ipac offers a reinvestment facility. This means you can apply to have your income distributions reinvested (section 3 of the Application Form). If your application is accepted we will subscribe on your behalf for additional units in the same Strategy or unit class at the end of each distribution period. The additional units will be issued on the first day after the end of the distribution period. The price at which the additional units will be issued will be the ex-price quoted for the last business day of the distribution period to which that distribution relates. You will receive details of the number and issue price of units in the Strategies or unit classes issued in this way. ipac can withdraw or modify this facility at any time.

transfers

ipac may refuse to register any transfer at our absolute discretion.

notice to investors in master trusts or wrap accounts

Indirect investors in any master trust or wrap accounts which are

authorised by ipac to use this PDS may rely on the information in this PDS (as varied by this paragraph) for purposes of any application to invest in the Strategies and also any direction or instruction given by the investor to invest in the Strategies during the currency of this PDS. We will not accept an application by an indirect investor for investment in the Strategies if the relevant master trust or wrap account is not authorised to use this PDS.

Indirect investors do not become unitholders, nor do they acquire the rights of a unit holder. The operator of the master trust or wrap account holds units in the Strategies on behalf of investors, and is the unit holder. This means some of the provisions of the Constitutions will not be relevant for indirect investors. It is up to the master trust or wrap operator to determine whether it will exercise its rights as a unit holder in the Strategies on behalf of the indirect investor. This will depend on the arrangements between the indirect investor and the master trust or wrap operator. For example, indirect investors cannot attend meetings or transfer units. Please refer to your master trust or wrap account disclosure document for more details.

fees and costs

CONSUMER ADVISORY WARNING

DID YOU KNOW

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

For example, total annual fees and costs of 2% of your fund 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, the Australian Securities and Investments Commission (ASIC) website (www.fido.asic.gov.au) has a managed investment fee calculator to help you check out different fee options.

what fees apply?

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

Taxation information is on page 23. All fees are inclusive of GST, less any reduced input tax credits (RITC).

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

Further information about fees is available on pages 16 to 18.

If you are accessing the Strategies through a master trust or wrap account, please refer to the relevant disclosure document for the additional fees associated with that service.

example of fees and costs

type of fee or cost	amount	how and when paid
establishment fee The fee to open your investment	nil	Not applicable
contribution fee The fee on each amount contributed to your investment - either by you, your employer or anyone on your behalf	nil	Not applicable
withdrawal fee The fee on each amount you take out of your investment	nil	Not applicable
termination fee The fee to close your investment	nil	Not applicable The fee is not permitted by the Constitutions of the Strategies.
management costs The fees and costs for managing your investment ¹ The amount you pay for specific investment options is shown in the management costs table on page 17.	Estimated range of 0.08% pa to 0.97% pa (management costs) In addition, a performance fee may be charged. The performance fee is calculated as: 0-30% of outperformance above a certain performance hurdle for each applicable underlying investment manager.	Calculated as a percentage of the amount you have invested in each investment option and included in the unit price of that option. The actual fees charged may increase or decrease over time. The performance fee is a fee payable to the underlying investment managers when their performance exceeds its performance hurdle. The performance fee is reflected in the unit price in each applicable Strategy.
service fees		
investment switching fee The fee for changing investment options	nil	Not applicable

¹ Excluding transaction costs. For further information on transaction costs, refer to page 16 under "Additional Explanation of Fees and Costs".

additional explanation of fees and costs

management costs

This is an estimate of the total costs incurred by investors in each Strategy and is shown for each Strategy within the management costs table on page 17. It is based on actual past costs and expenses incurred and is deducted from the earnings before the unit price is calculated. It is based on information at the date of publication and is subject to change.

The management costs include the following:

management fee paid to the Responsible Entity

ipac is paid a management fee. The management fee varies depending on the construction (including asset allocation and underlying investment manager allocation) of each Strategy and may vary over time. The fee will not exceed 2.2% per annum of the asset value of Diversified Investment Strategy No. 1-4 and 5.5% per annum of the asset value of Diversified Investment Strategy No. 5. These are the maximum management fees the Responsible Entity is currently permitted to charge under the Constitutions. The management fee is reflected in the unit price for each Strategy.

Out of the management fee it receives, ipac pays for the services provided by the Portfolio Manager.

The Portfolio Manager uses this fee to pay for the fees charged by underlying investment managers.

The management fee does not apply to investments in the Australian Cash Strategy No. 1. In the case of the

Australian Cash Strategy No. 1, the Portfolio Manager issues an invoice for underlying investment manager fees to investors on a quarterly basis. These invoices can be paid via an automatic redemption of units from the Strategy in favour of the Portfolio Manager, or directly by cheque or electronic funds transfer.

reimbursable expenses

The Constitutions provide for ipac to be reimbursed from the Strategies for all expenses incurred in relation to the proper performances of its duties in connection with the Strategies. Expenses include (but are not limited to) custodial and insurance costs, compliance committee costs, accounting and audit expenses, printing and postage expenses, unit registry costs and costs associated with the preparation of the PDS. These expenses will be paid by the Strategies.

performance fees

As well as the management fee, some underlying investment managers may also receive a performance fee when their performance exceeds its performance hurdle. The performance hurdle could be a certain index or an agreed target rate of return, and may differ for each underlying investment manager. The performance fee is calculated on the value by which the underlying investment manager outperforms their respective performance hurdle, and is reflected in the unit price in each applicable Strategy.

Please note:

~ Applicable investment managers will only charge a performance fee when their performance

exceeds its performance hurdle. Outperformance may not incorporate recognition of previous periods of underperformance.

- ~ Performance fees are charged by certain underlying investment managers in certain Strategies.
- ~ From time to time, additional underlying investment managers may be added that charge higher rates of performance fees or performance fees calculated using different methodologies than described above.
- ~ Performance fees are not included in the management costs table on page 17 of the PDS.

transaction costs

buy/sell spreads

This is the difference between the purchase unit price and the sell unit price and is the Portfolio Managers' estimate of the costs of buying and selling investments of the Strategy as a consequence of amounts being invested in and paid from the Strategy. For example, these costs may include brokerage fees, custody settlement, government taxes and charges. This amount is an additional charge to the investor reflected in the unit price and is not charged separately.

Buy/sell spreads are intended to ensure that investors who transact infrequently do not bear the costs generated by investors who transact more frequently.

In some cases costs may not actually be incurred. For example, where new investments are made at the same time as other investments are

withdrawn. However to treat investors in a consistent manner generally the buy/sell spread is applied to all applications and withdrawals. These costs are not paid to ipac, they are retained in the Strategy.

The buy/sell spread estimates for each Strategy are shown in the management costs table below. The estimated buy/sell spreads are based on information at the date of publication and are subject to change. The most up to date buy/sell spreads can be obtained from www.ipac.com.au/pdsinformation or by contacting us on 1800 624 542.

goods and services tax (GST)

All fees in this PDS are inclusive of GST and any associated reduced input tax credits. Should there be a change in the GST rate, all fees and commissions will vary accordingly.

fees permitted under the Constitutions

The Constitutions permit the Responsible Entity to charge the following fees: a switching fee of up to 2.2%, an entry fee of up to 2.2%, and an exit fee of up to 2.2%. These fees will not apply for the duration of this PDS.

For updated information on fees and other costs please visit www.ipac.com.au/pdsinformation or contact us on 1800 624 542.

management costs table

	estimated management costs (pa) ¹	buy/sell spreads ²	
		on buy estimated buy spread	on sell estimated sell spread
Australian Cash Strategy No. 1	0.08% ³	n/a	n/a
Diversified Investment Strategy No. 1	0.74%	0.12%	0.17%
Diversified Investment Strategy No. 2	0.83%	0.24%	0.26%
Diversified Investment Strategy No. 3	0.93%	0.27%	0.28%
Diversified Investment Strategy No. 4	0.97%	0.30%	0.30%
Diversified Investment Strategy No. 5	0.83%	0.21%	0.24%

1 Performance fees are not included in the estimated management costs. Certain underlying investment managers may earn a performance fee when their performance exceeds its performance hurdle. If applicable, this fee is reflected in the unit price in each applicable Strategy. For further information in relation to performance fees and the circumstances when they apply, please refer to page 16.

2 The buy/sell spread is payable when an application or redemption is made. The estimated buy/sell spreads in the table above are based on information at the date of publication and are subject to change. Please refer to page 16 for additional information on buy/sell spreads.

3 This amount includes all management costs including the investment manager fee. As at the date of this PDS, the investment manager fee (see page 3) of the Strategy is not charged within this unit price. This fee is invoiced to the investor and can be paid by cheque, electronic funds transfer, or redemption of units from the Strategy.

additional explanation of fees and costs

example of annual fees and costs

This table gives an example of how the fees and costs in the Diversified Investment Strategy No. 2 can affect your investment over a one year period. You should use this table to compare this product with other managed investment products. The table below shows how you can be charged for each fund expense.

Example - Diversified Investment Strategies No. 2 the Balanced investment option		Balance of \$500,000 with total contributions of \$100,000 during the year
contribution fees	0.00%	You will not be charged a contribution fee
PLUS management costs	0.83%	And, for every \$500,000 you have in this fund you will be charged \$4,150.
EQUALS cost of fund		If you had an investment of \$500,000 at the beginning of the year and you put in an additional \$100,000 during that year you would be charged a fee of \$4,150 over the period.

Note: The management costs amount assumes a constant investment of \$500,000 throughout the year with a \$100,000 contribution made on the last business day of the period. Any applicable performance fees have not been included. Management costs are also applied to any additional contributions that you make during the year.

general information

up-to-date information

The information in this PDS is current as at the date of this PDS, however, the information is subject to change. Any changes to the information in this PDS that are not material may be updated from time to time. Please visit www.ipac.com.au/pdsinformation, contact your financial adviser or contact us on 1800 624 542 for this updated information. A paper copy of any updated information will be provided to you on request without charge.

investment performance

Past performance information is continually updated. To obtain the most up-to-date performance figures for each of the Strategies, please contact your financial adviser or ipac on 1800 624 542. A paper copy of the most up-to-date performance figures will be provided on request without charge.

Past performance should not be taken as an indication of future performance.

International Financial Reporting Standards

Terminology used in this PDS such as market value, net asset value, may not necessarily be consistent with terminology in the Australian accounting standards equivalent to International Financial Reporting Standards. The accounting standards relate to financial statements. This PDS uses terminology commonly accepted in the financial services industry when referring to the calculation of fees and unit prices which may differ to that used in the Strategies' financial statements.

the Constitutions

The Constitution for each Strategy provides the framework for the operation of that Strategy. The Constitutions are regulated by the Corporations Act and set out the Responsible Entity's legal relationship with unitholders. The Constitutions allow ipac to:

- ~ Pay redemptions in cash or through transfer of Strategy assets.
- ~ Deduct from redemption proceeds any unpaid money owed by a unitholder to ipac.
- ~ Arrange reinvestment.
- ~ Delay payment of redemptions where, due to circumstances beyond ipac's control, it is not possible to realise assets to pay the redemption.
- ~ Vary minimum investment and unit holding amounts.
- ~ Appoint agents to exercise delegated power.
- ~ Vary distribution periods, make special distributions and return capital to unitholders.
- ~ Terminate the Strategies. In this situation, we will sell all of the assets and distribute net proceeds to unitholders in proportion to the units held, after taking account of expenses and liabilities.
- ~ Hold meetings of unitholders.
- ~ Amend the Constitutions. If an amendment will adversely affect a unit holder's rights, it must be approved by special resolution of the unitholders.
- ~ Refuse applications or transfers.

~ Retire as permitted or required by law.

~ Issue separate classes of units within the Strategies.

The Constitutions have been lodged with ASIC and may be read by prospective unitholders. They are also available free of charge by contacting ipac.

investments of the Strategies

The types of investments undertaken by the Strategies will be dependent upon the objective of the Strategy and the investment strategy adopted. Under the Constitutions ipac has the discretion to vary the types of investments of the Strategies, and has delegated this function to the Portfolio Manager.

borrowings

The Constitutions allow ipac to borrow on behalf of a Strategy. The current intention is that borrowing only be undertaken for short-term needs, for example to fund redemptions, and that borrowing will not exceed 50% of the gross value of the Strategy at the time the borrowings are incurred.

Investors should note that this restriction does not take into account leverage positions within alternative investment funds.

reports

We will provide an annual tax statement to investors, shortly after the end of each financial year, and an Annual Report for the Strategies within three months of the end of the financial year.

general information

compliance

In accordance with the Corporations Act (Cth) 2001 a compliance plan has been prepared for each Strategy and lodged with ASIC. The compliance plan, among other things, sets out the measures ipac will apply to ensure that each Strategy is operating in accordance with the Corporations Act and the Constitutions.

A compliance committee, with a majority of external members, has been established with the principal role of monitoring our adherence to each Strategy's compliance plan, Constitution, and the Corporations Act as applicable to each Strategy. An external auditor will audit the compliance plan annually and report its findings to ipac.

custodian

ipac has engaged the services of State Street Australia Limited (SSAL) as custodian of the assets of the Strategies on offer in this PDS. In addition, we have engaged SSAL to provide certain administration services for the Strategies.

auditor

The auditor of the Strategies as at the date of this PDS is Deloitte Touche Tohmatsu, who receive professional fees for acting as auditor.

rights of an investor

Each unit confers an equal and undivided interest in the assets of the relevant Strategy, subject to the liabilities of that Strategy. Identical rights are attached to all units of a Strategy. In addition to other rights

described in this PDS, unit holders are entitled to exercise, or decline to exercise, their rights as a unit holder, including:

- ~ attending and voting at meetings of unit holders
- ~ sharing in income and capital distributions
- ~ participating in the winding up of a Strategy

A meeting must be arranged in relation to a Strategy to vote on a proposed special or extraordinary resolution if members of the Strategy with at least 5% of the votes that may be cast on the resolution or at least 100 members of the Strategy who are entitled to vote on the resolution request ipac to do so. The quorum for a meeting is generally two investors present in person or in proxy together holding at least 10% of units in that Strategy.

investors' liability

Investors' liability is limited by the terms of the Constitutions to any unpaid subscription amount in relation to their units. However, provisions of that nature have yet to be fully tested by the courts.

Responsible Entity

As Responsible Entity for the Strategies, ipac must ensure that it complies with the duties of a Responsible Entity under the Corporations Act, the Constitutions and the compliance plans. These duties include maintaining a licence to operate registered schemes, acting honestly, exercising due care, skill

and diligence, and acting in the best interest of investors.

liability of the Responsible Entity

The Responsible Entity is not liable to unit holders for any loss suffered in any way relating to the Strategies except to the extent that it is imposed under Corporations Act (Cth) 2001. The liability of the Responsible Entity to any person other than a unit holder is limited to the Responsible Entity's ability to be indemnified from the assets of the Strategies. The Responsible Entity is entitled to be indemnified out of the assets of the Strategies for any liability incurred by it in properly performing or exercising any of its powers or duties in relation to the Strategies.

right to redeem

If at least 80% of the value of the assets of a Strategy no longer consist of cash and other assets that may be realised within the period allowed for funding redemption requests under the Constitutions, the Corporations Act will classify the Strategy as "not liquid". If this happens, investors will be unable to redeem units unless ipac chooses to make a redemption offer under the Corporations Act and the Constitution. We expect the Strategies will remain liquid in normal circumstances.

financial position of the Strategies

The financial statements of the Strategies will be made available free of charge upon request. Please contact the Responsible Entity should you require a copy.

complaints resolution

Investors can register a complaint by contacting ipac by telephone on 1800 624 542 or by writing to us at our business address. Under the Constitutions we must acknowledge an investor's complaint within 14 days and provide a response within 45 days.

ipac is a member of the Financial Ombudsman Service (FOS) - an approved independent complaints handling body whose decisions are binding on us.

If a complaint is not satisfied within a reasonable time, or the investor is not satisfied with the resolution, either party may refer the complaint to FOS at the following address:

Financial Ombudsman Service
GPO Box 3
Melbourne VIC 3001

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

ipac is required to comply with the Anti-Money Laundering and Counter-Terrorism Financing (AML/CTF) Act. This means before ipac can accept a direct investor certain identification information and verification documentation needs to be provided. We may also need additional customer identification information and verification from investors as they undertake further transactions in relation to their investment.

We will need to identify and verify:

- ~ the investor prior to the purchase of units in the Strategy. We can not issue units in the Strategy until

all relevant information has been received and the investor's identity has been satisfactorily verified.

- ~ the investor's estate - if an investor dies whilst holding units in the Strategy, we will need to identify and verify their legal personal representative prior to transferring the ownership of their units.
- ~ anyone acting on the investor's behalf. If an investor nominates a representative to act on their behalf, we will need to identify and verify the nominated representative prior to authorising them as an added signatory to the investor's account.

The customer identification requirements form part of the application for a direct investment. Direct investors need to ensure they complete and attach any necessary supporting documentation to the application to ensure the successful and timely processing of their application.

In some circumstances, in accordance with the AML/CTF legislation, we may need to re-verify information or require additional information from investors.

By applying to invest in the Strategy, investors acknowledge that we may decide to delay or refuse any request or transaction in our absolute discretion. This could include delaying the issue or sale of units if we deem that the request or transaction may breach our obligations, or cause us to commit or participate in an offence, under the AML/CTF legislation, and we will incur no liability to investors if we do so.

privacy

Investors in the Strategies authorise ipac to collect, use and maintain

personal information relating to them and provided by them. This information will be used in order to process your application, issue communications and certificates to you and administer your investment in the Strategies, and may be used to market additional products or securities to you. We also ask you for some personal details so that we can keep in touch with you and tell you about our other products and services that could be useful to you. If you do not want your personal information to be used in this way, please advise ipac by telephone or in writing.

You may choose not to provide us your personal information. However, ipac may not be able to process an application without this information. ipac may also provide information about you to an agent, contractor or third party service provider that provides financial, administrative or other services in connection with the operation of the business under a duty of confidentiality to ipac. Such agents, contractors and service providers may only use that information for the purpose for which it was disclosed to them. ipac will also disclose your information if the law requires or you consent.

Investors are entitled at any time to request access to information held by ipac about them, and to correct this information. You may contact ipac by telephone or in writing (see the inside back cover of this PDS for our contact details). No fee will be charged for an access request but any reasonable costs of providing copies of any information held about you are payable by you.

general information

directors

From time to time the directors of ipac may hold investments in the Strategies. These investments are made at arm's length.

The directors of ipac asset management limited have authorised the issue of this PDS.

related party transactions

We may use the services of other companies associated with ipac, including to manage the assets of the Trusts. The association may involve a common ownership interest of a parent entity in both ipac and the company providing services to ipac. Notwithstanding this, these transactions will be made on an arm's length basis and ipac and these entities operate independently of each other within the associated group of companies.

offers limited to Australia

This document can only be used by investors receiving it (electronically or otherwise) in Australia.

labour standards and environmental, social and ethical considerations

The investment decisions made for the Strategies do not generally consider labour standards or environmental, social or ethical issues.

taxation

The tax and social security implications of investing, and dealing with investments, can be complex and will depend on an investor's individual circumstances. It is important that prospective investors seek professional advice before making or dealing with an investment in the Strategies, because in this PDS it is only possible to make some general observations about investing in unit trusts.

liability for tax

The Strategies are generally not liable to pay tax as all taxable income is distributed to investors. Instead, investors will generally have to pay tax on their distributions each year (even if they have been reinvested). Some distributions may not need to be included in an investor's tax return but will sometimes reduce the cost base of their units for Capital Gains Tax (CGT) purposes. The Responsible Entity will report to each investor after 30 June on the type of distributions and any credits or rebates that may have been received through the Strategies.

Capital Gains Tax (CGT)

CGT may apply when an investor withdraws from the Strategies. Under the CGT rules, tax is assessed on the amount by which the redemption price for the units exceeds their cost base. Depending on the kind of taxpayer an investor is, and how long they have held their units, they may be entitled to the CGT concession which can reduce the gain by up to one half. Certain investors (for example, those who carry on a business of investing in trusts) may be taxed on their redemption price as ordinary income.

When the fund disposes of assets it may make a capital gain, which will generally be distributed to investors. Depending on the kind of taxpayer an investor is, they may be entitled to the CGT concession for the gain distributed to them. It is particularly important that investors obtain advice about the availability of the concession.

tax effectiveness

Distributions may include dividends paid by Australian companies. Depending on the application of certain holding rules, dividends may have franking credits attached, which may entitle certain investors to claim a rebate of tax. Where franking credits are available the investor needs to include the amount of the franking credit in their assessable income and can then claim a rebate. Some taxpayers may be entitled to a refund of excess credits.

Distributions may include foreign income. Sometimes tax will have been paid on this income in the foreign country. Where this has happened, investors generally need to include in their assessable income the amount distributed to them as well as the amount of foreign tax that was paid. Investors may be entitled to claim a credit for the amount of the foreign tax paid (or, if the Australian tax payable would have been less, the amount of Australian tax that would have been payable).

The foreign investment fund rules impose tax on Australian investors who invest in foreign companies and trusts. Broadly, they include in the assessable income each year unrealised gains in the value of an

investment in the foreign entity. There are exceptions to the rules. The Responsible Entity will seek to minimise the effect of the foreign investment fund rules on the Strategies.

non-resident investors

If you are not an Australian resident, tax will normally be deducted from distributions before they are paid to you. The tax rate will depend on the nature of the distribution and the country in which you reside.

how to invest

investing in the Strategies directly

For direct investors, to invest in the Strategies you will need to complete and sign the attached Application Form.

- ~ If you are already an investor in the Diversified Investment Strategies or the Specialist Investment Strategies, please provide your investor number.
- ~ Supply of Tax File Numbers (TFN) is discretionary. It is not an offence if you decide not to supply us with your TFN. If you do not supply us with your TFN, however, tax will be deducted from your income earned at the highest marginal tax rate (plus medicare levy) and forwarded to the Australian Taxation Office. These deductions will appear on your statements. A form is attached for your convenience.
- ~ Joint applications must be signed by all applicants. Joint investments will be deemed to be held as Joint Tenants.
- ~ Applications under Power of Attorney must be accompanied by a certified copy of the Power of Attorney or the original.
- ~ Applications by companies may be executed under seal. Affix the company seal, if used, in the box on the Application Form.

Application monies should be received by 11.00am (EST) on the day of application by electronic transfer (Real Time Gross Settlement) to:

State Street Bank and Trust Co
BSB: 913 001
Account number: 9582131

NB: Cash & cheques will not be accepted.

Application forms and monies received before 11.00 am (Sydney time) on a Sydney business day will receive the unit price that is calculated for that day. Generally this unit price will be available on the following day.

Please send completed Application Forms to:

ipac asset management limited
c/- investment services
Locked Bag No. 15
Grosvenor Place NSW 1220

investing in the Strategies through a master trust or wrap account

If you are an indirect investor, you can invest in the Strategies through a master trust or wrap account that has entered into an appropriate agreement with us. It is important to ensure you have fully read and understood the disclosure document applicable to the master trust or wrap account prior to investing. That document includes important information on how to invest and withdraw funds, your rights as an investor and information on fees. **Indirect investors do not need to complete the Application Form attached to this PDS.**

regular information

Following acceptance of your application, we will send you an application advice. You should check the details on the advice carefully and contact ipac if you have any questions.

additional investment

Additional investments can be made using the Application Form on page 25.

if you have any questions...

If you have any questions about any matter relating to the Strategies, please telephone ipac on 1800 624 542.



Application Form

FOR DIRECT INVESTORS ONLY

Please send the completed form to
ipac asset management limited
c/- ipac investment services
Locked Bag No. 15
Grosvenor Place NSW 1220
ABN 22 003 257 225 AFS Licence No. 234655

Please also fax the completed form to
ipac asset management limited
c/- ipac investment services
Fax No: (02) 9373 7166
Phone: 1800 624 542

The applicant should read the PDS before completing this application form.

Please complete the form in BLOCK LETTERS. If the applicant makes a mistake, cross it out and initial it - do not use correction fluid.

1 Investor Details

Investor No.*

* Investor No. will be allocated after receipt of first investment

Investor Name

ABN

Contact Name

Postal Address

Please note: individual investors must provide a residential address

State Postcode

Telephone Business () Facsimile ()

Email

2 Strategy

Australian Cash Strategy No. 1	\$
Diversified Investment Strategy No. 1	\$
Diversified Investment Strategy No. 2	\$
Diversified Investment Strategy No. 3	\$
Diversified Investment Strategy No. 4	\$
Diversified Investment Strategy No. 5	\$
Total	\$

3 Distribution of Income

Please tick relevant box (if no election is made reinvestment will be assumed)

	Reinvest in the Strategy (✓)	Direct to Bank (✓)
Australian Cash Strategy No. 1	<input type="checkbox"/>	<input type="checkbox"/>
Diversified Investment Strategy No. 1	<input type="checkbox"/>	<input type="checkbox"/>
Diversified Investment Strategy No. 2	<input type="checkbox"/>	<input type="checkbox"/>
Diversified Investment Strategy No. 3	<input type="checkbox"/>	<input type="checkbox"/>
Diversified Investment Strategy No. 4	<input type="checkbox"/>	<input type="checkbox"/>
Diversified Investment Strategy No. 5	<input type="checkbox"/>	<input type="checkbox"/>

4 Banking Details

Bank

Branch

Account Name

BSB No.

Account No.

5 Payment method of management fee for the Australian Cash Strategy

The applicant agrees to pay the fund manager fee for the Australian Cash Strategy described in the PDS. The applicant will be invoiced on a quarterly basis for each quarter ending 31 March, 30 June, 30 September and 31 December. Where the applicant requests a full redemption the applicant will be invoiced for an accrued pro-rated fee.

This fee will normally be paid via an automatic redemption of units in the Strategy.*

If the applicant would prefer to pay directly upon invoice (by cheque or EFT) then place a tick in the box provided.**

* The applicant requests ipac asset management limited to redeem units in the Australian Cash Strategy to yield redemption proceeds of not less than the fund manager fee which has been invoiced to the applicant and to pay that fee to the fund manager for the Australian Cash Strategy out of those redemption proceeds and pay any balance of those redemption proceeds to the applicant. Generally ipac asset management limited will arrange for such redemptions to occur when the invoice for each quarter is issued. The applicant agrees that the signing of this application form is sufficient to constitute a request for the purposes of the Constitution of the Australian Cash Strategy. If redemption proceeds are not sufficient, the applicant must pay ipac portfolio management limited any shortfall within 7 days of demand.

**Where the applicant elects to pay directly by cheque or EFT the following conditions apply:

1. Cheques must be made payable to ipac portfolio management limited, and EFT payments must be made into the bank account nominated by ipac portfolio management limited.
2. The applicable fee must be paid within 7 days from the date on which each quarterly invoice is issued.

6 Declaration

The applicant represents and warrants that the applicant is a wholesale investor and falls within one of the exceptions contained in the Corporations Act so that an offer can be made to the applicant without requiring a disclosure document under part 7.9 of the Corporations Act.

The applicant has received the PDS at the same time and by the same means as the applicant received this application form. The applicant has read and agrees to be bound by, the PDS dated 1 April 2011, to which this application relates and the relevant Constitutions. The applicant acknowledges that ipac does not guarantee the performance of any of the Strategies or the repayment of capital.

The applicant is empowered to make this application. The applicant has received and accepted this offer in Australia.

The applicant consents to the use of their personal information as set out in the privacy clauses on page 21 for the purposes set out in that clause.

Signature

Name (print)

Position/Title

Date

Signature

Name (print)

Position/Title

Date

Common Seal

*Under Common Seal
if applicable*

7 Investor identification procedure

Signature

I confirm that I have attached certified investor ID documents as requested.

Date

Investor identification checklist

You must attach the following certified documents to this form. Refer to 'Who can certify investor ID documents?', at the end of this section, to find out who can certify investor ID documents.

Australian companies

Provide the following:

An original or certified copy of a certificate of registration issued by ASIC.

Trusts

For a registered managed investment scheme, regulated trust (eg self-managed super fund), or government superannuation fund, please provide one of the following:

- Evidence of a search of the ASIC, ATO or relevant regulator's website.
- A copy or relevant extract of the legislation establishing the government superannuation fund that has been sourced from a government website.

For other trusts, please provide one of the following:

- An original, certified copy or certified extract of the trust deed confirming the full name of the trust (front page, recitals and signing page will suffice).
- A notice (such as a notice of assessment) issued by the Australian Taxation Office within the last 12 months.
- A letter from a solicitor or qualified accountant that confirms the name of the trust.

And also provide:

Relevant ID documents for the identified trustee (individual or company).

Partnerships

Provide one of the following:

- An original, certified copy or extract of the partnership agreement.
- A certified copy or certified extract of the minutes from a partnership meeting.
- An original current membership certificate (or equivalent) of a professional association.
- Membership details independently sourced from the relevant professional association.
- A notice (such as a notice of assessment) issued by the Australian Taxation Office within the last 12 months.
- An original or certified copy of a certificate of registration of business name issued by a government or government agency in Australia.

And also provide:

Relevant ID documents for the identified partner (individual).

Individuals

Part i – Provide one of the following:

- Current driver licence/permit issued by a State or Territory containing a photograph of the person.
- Australian passport (a passport that has expired within the preceding two years is acceptable).
- Card issued under a State or Territory for the purpose of providing a person's age containing a photograph of the person (eg proof of age card).
- Current foreign driver's licence, passport or similar travel document containing the photograph and the signature of the person in whose name the document was issued*.
- National identity card issued by a foreign government containing a photograph of the person in whose name the card was issued*.

If you cannot provide a document listed above, please provide a document for each client from Part ii (a) AND Part ii (b) below.

Part ii (a) – Provide one of the following:

- Birth certificate or birth extract*.
- Citizenship certificate issued by the Commonwealth.
- Citizenship certificate issued by a foreign government*.
- Pension card issued by Centrelink.
- Health card issued by Centrelink.

* Documents that are written in a language that is not English must be accompanied by an English translation prepared by an accredited translator.

Section 7 continued...

Part ii (b) – and also provide one of the following:

- A notice issued by the Commonwealth or a State or Territory within the preceding 12 months that records the provision of financial benefits to the individual and contains the individual's name and residential address.
- A notice issued by the Australian Taxation Office within the preceding 12 months that records a debt payable by the individual to the Commonwealth (or by the Commonwealth to the individual), which contains the individual's name and residential address.
- A notice issued by a local government body or utilities provider within the preceding three months, which records the provision of services to that address or to that person (the document must contain the individual's name and residential address).

Who can certify investor ID documents?

Under the AML/CTF requirements the following 'authorised individuals' are able to certify proof of ID documents:

- 1 a person who is enrolled on the roll of the Supreme Court of a State or Territory, or the High Court of Australia, as a legal practitioner (however described)
- 2 a judge of a court
- 3 a magistrate
- 4 a chief executive officer of a Commonwealth court
- 5 a registrar or deputy registrar of a court
- 6 a Justice of the Peace
- 7 a notary public (for the purposes of the Statutory Declarations Regulations 1993)
- 8 a police officer
- 9 an agent of the Australian Postal Corporation who is in charge of an office supplying postal services to the public
- 10 a permanent employee of the Australian Postal Corporation with two or more years of continuous service who is employed in an office supplying postal services to the public
- 11 an Australian consular officer or an Australian diplomatic officer (within the meaning of the Consular Fees Act 1955)
- 12 an officer with two or more continuous years of service with one or more financial institutions (for the purposes of the Statutory Declaration Regulations 1993)
- 13 a finance company officer with two or more continuous years of service with one or more finance companies (for the purposes of the Statutory Declaration Regulations 1993)
- 14 an officer with, or authorised representative of, a holder of an Australian Financial Services licence, having two or more continuous years of service with one or more licensees, and
- 15 a member of the Institute of Chartered Accountants in Australia, CPA Australia or the National Institute of Accountants with two or more years of continuous membership.

When certifying documents, the following process must be followed:

- ~ All copied pages of original proof of ID documents must be certified.
- ~ The authorised individual must ensure that the original and the copy are identical; then write or stamp on the copied document 'certified true copy'. This must be followed by the date and signature, printed name and qualification of the authorised individual.
- ~ In cases where an extract of a document is photocopied to verify investor ID, the authorised individual should write or stamp 'certified true extract'.

N.B. Please also complete the required information on the following pages.



Tax File Number (TFN) - Notification

Please send the completed form to
ipac asset management limited
 c/- ipac investment services
 Locked Bag No. 15
 Grosvenor Place NSW 1220
 ABN 22 003 257 225 AFS Licence No. 234655

Please also fax the completed form to
ipac asset management limited
 c/- ipac investment services
 Fax No: (02) 9373 7166
 Phone: 1800 624 542

Investor Details

Investor No.*
 * Investor No. will be allocated after receipt of first investment

Investor Name

Contact Name

Postal Address

State Postcode

Telephone Business () Facsimile ()

Email

A Tax File Number (TFN)

*If claiming an exemption refer to Section B below.
 Please tick the appropriate box below and complete the details beside it.*

I Personal Name TFN -

J Joint Investments Name TFN -

Name TFN -

P Partnership Name TFN -

T Trust Accounts Name TFN -

NB The TFN should be entered. If the Trust does not lodge a Tax return the Trustee's TFN should be entered in either the personal or company sections.

C Company Name TFN -

B Exemption Reason

Exempt Reason * Please insert reason for exemption

Signature

Name (print)

Date

It is not an offence if the applicant does not supply us with their TFN. If the applicant does not supply us with their TFN, tax will be deducted from income earned at the highest marginal tax rate plus Medicare levy and forwarded to the Australian Taxation Office. These deductions will appear on the applicant's statements.

If the applicant is exempt from quoting their TFN the applicant must indicate this or the tax will be deducted from the applicant's income. This TFN information will be applied automatically to all future investments unless the applicant gives us written notification to the contrary.



Redemption Request Form

Please send the completed form to
ipac asset management limited
 c/- ipac investment services
 Locked Bag No. 15
 Grosvenor Place NSW 1220
 ABN 22 003 257 225 AFS Licence No. 234655

Please also fax the completed form to
ipac asset management limited
 c/- ipac investment services
 Fax No: (02) 9373 7166
 Phone: 1800 624 542

1 Investor Details

Investor No. (if known)

Investor Name

2 Withdrawal Details

Australian Cash Strategy No. 1	\$
Diversified Investment Strategy No. 1	\$
Diversified Investment Strategy No. 2	\$
Diversified Investment Strategy No. 3	\$
Diversified Investment Strategy No. 4	\$
Diversified Investment Strategy No. 5	\$
Total	\$

3 Payment Instructions

Deposit directly to bank account on file

Deposit to other bank account

Please complete the following banking details

Bank

Branch

Account Name

BSB No.

Account No.

3 Authorised Signatories

The applicant agrees to be bound by the Constitutions, as amended.

Signature

Name (print)

Position/Title

Date



Additional Authorised Signatories

Investor No.*

* Investor No. will be allocated after receipt of first investment

Investor Name

ANY of the following:

Signature

Name (print)

Position/Title

Date

Signature

Name (print)

Position/Title

Date

Signature

Name (print)

Position/Title

Date

Signature

Name (print)

Position/Title

Date

Signature

Name (print)

Position/Title

Date

Signature

Name (print)

Position/Title

Date

directory

business address

Level 31 Grosvenor Place
225 George Street
Sydney NSW 2000
Telephone: (02) 9373 7000 or 1800 624 542 (toll free)
Facsimile: (02) 9373 7166
www.ipac.com.au

registered address of ipac

750 Collins Street
Docklands VIC 3008

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The logo for ipac features a stylized orange star above the letter 'i', which is also orange. The letters 'p', 'a', and 'c' are in a dark blue serif font.