

ShareInvest



Separately Managed Accounts Wrap

A Portfolio Management Service

Product Disclosure Statement

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ShareInvest Separately Managed Accounts

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Responsible Entity

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ShareInvest at a glance

General	
What is ShareInvest?	ShareInvest is a unique financial product that provides for discretionary management of Separately Managed Accounts and Managed Fund portfolios, and provides an administration and reporting service for non-actively managed direct equities and managed funds.
Who can invest?	Anyone receiving this PDS in Australia who is investing after first receiving advice from a licensed financial adviser.
Minimum initial deposit	\$25,000 (depending on Mandate chosen).
Minimum additional deposit	No minimum.
Minimum withdrawal	No minimum.
Investment Features	
Share & eligible managed funds transfers	Yes - shares and eligible managed funds may be transferred into or out of the Scheme without necessarily crystallising a gain or loss for capital gains tax purposes.
Regular savings plan	Yes - EasySave (see page 22).
Regular income plan	Yes - EasyIncome (see page 23).
Investment options	There is a wide choice of direct equity (' EquityPortfolio ') and managed fund (' AssetPortfolio ') Mandates. There is also an administration and reporting only Mandate (' AdminPortfolio ') for listed securities and eligible managed funds.
Exchange Traded Options	Yes - options strategies are used within some EquityPortfolio Mandates.
Gearing	ShareInvest Mandates are approved on a number of margin lending lists or can be combined with home equity loans.
Costs (inclusive of GST)	
Establishment Fee	Nil.
Contribution Fee	Nil unless otherwise agreed with your adviser.
Ongoing Fees	Varies according to the Mandate(s) chosen and the amount invested.
Transfer Fee	Nil on cash. A Transfer Fee applies on transfers of shares or eligible managed funds (see page 27).
Exit Fees	Nil.

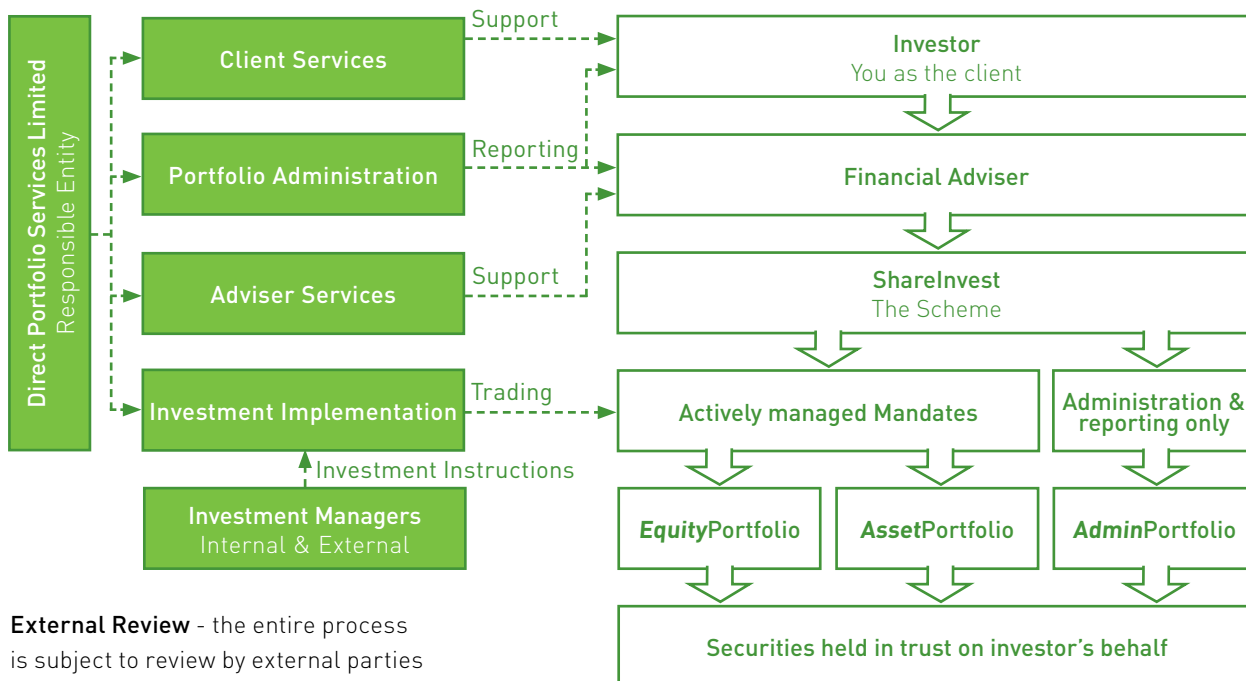
What is ShareInvest?

ShareInvest allows for the management of direct equity and managed fund portfolio(s) on a discretionary basis without the need for you to receive personal advice before every change. It also serves as an administration and reporting only service for non-actively managed direct equities and eligible managed funds.

Most managed funds are structured as unit trusts. Most portfolio administration services operate as an Investor Discretionary Portfolio Service (IDPS). Many discretionary portfolio services are operated as Managed Discretionary Accounts (MDA). ShareInvest is none of these.

ShareInvest is a Registered Managed Investment Scheme and is therefore a financial product managed fund. It is regulated by the same laws that govern unit trusts. Our external brokers deal with us as a pooled fund as investments are registered on a pooled basis. However, that is where the similarities with unit trusts end. All of your investments are beneficially owned by you (for tax purposes), so your investments are 'separately accounted' for in our investment administration system. Each investor receives a unique audited tax report. This type of managed fund has become known as a **'Separately Managed Account' (SMA)**.

Figure 1: How ShareInvest operates



External Review - the entire process is subject to review by external parties

⇓ Flow of invested funds
 ↓ Service relationships

The ShareInvest advantage

Experienced Responsible Entity

DP launched its first SMA in 1996 and is the most experienced SMA provider in Australia. Operating SMAs is DP's core business and it has extensive knowledge and experience in managing this type of scheme.

Investment options

ShareInvest provides a single point of access to a wide range of investment options. There are three broad types of investment '**Mandates**' to choose from:

- **EquityPortfolio Mandates**
There is a choice of several direct equity Mandates actively managed by professional investment managers.
- **AssetPortfolio Mandates**
There is a range of wholesale managed fund Mandates actively managed to a pre-determined investment strategy according to a risk profile.
- **AdminPortfolio Mandate**
Provides an administration and reporting only service for listed securities and eligible managed funds.

Through your adviser you can switch between Mandates at any time without charge (although there will be transaction costs and potential tax consequences of doing so).

Efficient investment structure

- **Implementation of investment decisions**
Investment instructions of a Mandate are provided directly to us by the underlying Investment Manager and automatically implemented for you. This avoids the inefficiency of you having to first respond to a new Statement of Advice provided by your adviser recommending a change, which causes a delay.
- **Virtual cash account**
We operate a virtual cash account for all investors. We can place new purchases at the same time as sales, rather than waiting until cleared funds are received. See page 19, 'Virtual cash account', for more information.
- **Detailed investment reporting system**
Our investment system incorporates both cash and accrual accounting. This means when any company or managed fund goes ex-distribution our system reports the distribution as accrued income in your portfolio until such time as it is received in cash.
- **Low transaction costs**
All direct equities are registered in a single CHESS HIN. This allows us to '**pool**' the buy and sell transactions and deal in the market as a single institutional client. Pooled dealing and '**netting**' of trades between investors creates tremendous efficiencies.
- **Reduced paperwork**
All the paperwork for any changes and corporate actions on your investments come to us (rather than to you or your adviser) and we (rather than you or your adviser) attend to it.
- **In-specie transfers**
Investors can usually transfer direct equities and eligible managed funds into or out of any of the ShareInvest Mandates without triggering a capital gains tax event (see page 21).

Simplified & consolidated reporting

You access consolidated reports whereas if you held the investments directly you would receive individual corporate actions and statements and you or your adviser would need to make sense of them.

Instead of receiving complicated and lengthy individual transaction reports, we provide a one page summarised activity report at the end of each quarter.

After the end of the financial year you receive a summary tax report containing all the information you need for a tax return. As the Scheme is audited, your tax adviser can rely on these summary reports for completion of the tax return.

We can provide special tax reports if your circumstances change during a year - for example if you retire and commence an allocated pension in your SMSF or you die!

See pages 29 - 31, 'Keeping you informed', for more information.

EasySave - convenient savings facility

Our regular savings facility '**EasySave**' enables you to nominate a fixed amount to be invested each month into a Mandate. This enables accumulation strategies with direct equities as well as managed funds (see page 22).

EasyIncome - simplified budgeting facility

For investors who rely on income from their portfolio to meet living expenses, distributions are quite sporadic. We do not pay out distributions. Instead '**EasyIncome**' allows you to nominate a monthly amount to be paid from your portfolio to meet living expenses. EasyIncome works like an annuity but with greater flexibility, making budgeting simple and convenient (see page 23).

Gearing facilities

EquityPortfolio and **Asset**Portfolio Mandates are recognised as collateral security by several margin lenders. **Admin**Portfolio Mandates may be geared on an ad-hoc basis.

Significant risks

Capital risk

Shares are a volatile investment and in the short-term have high capital risk. However, they have the potential to provide the highest return of any asset class over the medium to longer term.

There are various sources of capital risk. Some of these risks are unavoidable in the short-term. We do not guarantee the return of your capital or any particular rate of return on your investment.

The underlying assets of most Mandates will rise and fall in value. If you withdraw your investment after its value has fallen, you will lose some or all of your money. Capital risk varies depending on which type of Mandate you choose, and how long you invest.

Market risk

Market risk is the risk of a market as a whole falling in value. Sharemarkets or bond markets can trend downwards for months and sometimes years at a time. If you believe the short-term market risk is excessive, you can change your Mandate to 'Cash' temporarily (there may be tax consequences).

Market timing risk

Investing near a market high just before a prolonged fall in market prices is called market timing risk. As retail investors generally prefer to invest in a market after it has been rising for a period, this is a significant risk. Time reduces the effect of this risk; however, all too commonly, retail investors also react by taking their money out of a market near the lows before giving it an opportunity to rise again. A tolerance for market volatility is essential for successful sharemarket investment. A proper financial plan includes a tolerance factor for unfortunate market timing.

Security risk

The risk of losing money by holding shares that fall in value while the market as a whole is rising is called security risk. No one gets them all right, but selecting shares that have the characteristics of successful investments and holding a sufficient variety of them helps reduce this risk. One of the expected benefits of professional management is a reduction in security risks through stock selection and portfolio diversification.

Manager risk

Luck in stock selection and style differences play a part in diverging short-term performance of Investment Managers. You can diversify against manager risk by selecting more than one manager.

Capital drawdown risks

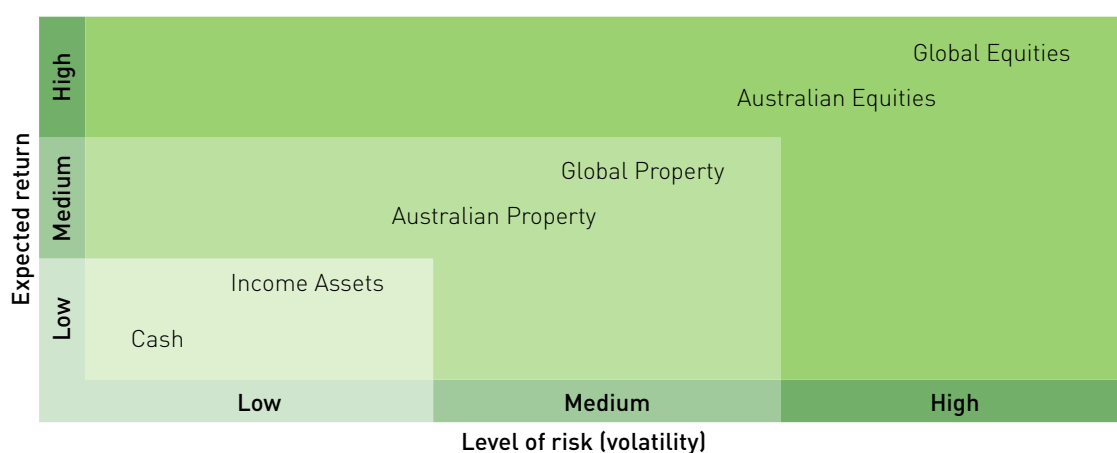
If you nominate an amount under the EasyIncome facility, you will need to monitor the effect of regular withdrawals on the overall performance of your Portfolio. If you are drawing out more in EasyIncome than the amount of distributions, option premium and capital growth of the portfolio, after fees, then you will cause a reduction in the value of your Portfolio. Drawing on a portfolio each month during sustained periods of falling market values or when a portfolio is otherwise performing adversely will accelerate the reduction in the value of the portfolio. This is an important risk factor to discuss with your adviser.

ADVISER STRATEGY NOTE

If capital drawdown risk is a significant potential risk factor for your client, you can help reduce this risk by splitting the investment into two Mandates, and drawing the EasyIncome payment from the more conservative Mandate. On review at some later date you can suggest switching money to top-up the conservative Mandate either when market conditions are favourable, or on a periodic basis.

Risk vs return

There is a relationship between the amount of risk associated with an Asset Class and its potential return. By 'risk', we mean the extent to which the actual return of an Asset Class may vary from its expected return. By 'return', we mean the total income and the increase or decrease in value of an Asset Class. The diagram below illustrates this relationship:



Mandate & style risk

Different styles of Mandates perform better at different times. The common comparison is between growth and value (or income) style portfolios. Value stocks tend to outperform growth stocks during periods of falling prices. Growth stocks tend to fare relatively better, but with greater price volatility, in periods of generally rising prices.

You can diversify style risk by selecting more than one Mandate.

Option risks

Options strategies may be used within some **Equity** Portfolio Mandates and form part of an investment strategy to either enter, exit or seek additional returns from a holding. Most option strategies we employ do not in themselves add to portfolio risk as no leveraged call writing is employed and the underlying shares may be sold as part of the strategy.

Holding period risk

The longer the period of time you retain exposure to shares and managed funds the less important, generally speaking, are market timing, style, manager and Mandate risks.

Simply put, you are less likely to lose money the longer you are invested. However, there is no certainty that you can avoid loss simply by holding investments for longer periods of time.

Gearing risks

Borrowing funds (gearing) to invest in the stockmarket whether through home equity loans or margin lending involves financial risks. ShareInvest, through its EasyIncome service, can be used to pay interest monthly to the bank or margin lender from out of the portfolio. Your financial adviser will be able to help you determine whether gearing is appropriate for you.

About **Equity**Portfolio

EquityPortfolio Mandates offer you access to professionally managed direct equity portfolios. The single HIN and beneficial tax ownership structure within ShareInvest enables a number of features:

- **Professional Investment Managers**
You gain access to professional investment managers that retail clients would not generally get access to.
- **No inheritance of other investor's capital gains**
We purchase a new portfolio for each new investor. This avoids inheritance of an existing tax position on entry, a recognised problem associated with traditional managed funds.
- **No effect from movements of other investors**
A withdrawal by one investor does not trigger a tax event for other investors.
- **Tax effective portfolio management**
As part of the tax management of portfolios, we can realise capital losses while allowing, where feasible, unrealised gains to remain unrealised each year.
- **Tax parcel optimisation**
Tax parcels are optimised to take advantage of any capital gains tax discount rules.

Choosing a Mandate or Mandates

Most Mandates are professionally managed in accordance with a Mandate Profile. Most are designed to achieve different investment objectives and a different balance between income, growth and tax effectiveness.

Each Investment Manager provides us with their initial and subsequent investment selections for their Mandates, together with the allocations by percentage in each. DP is responsible for the implementation of all Mandates.

Your adviser may suggest one or more Mandates to meet your own particular objectives as part of your overall financial plan.

Internally managed 'tax-aware' Mandates

Mandates managed by DP can be managed in a 'tax-aware' manner because the Investment Managers access our investment system to view the cost base and CGT date of acquisition of the underlying holdings of each client portfolio within a Mandate. Their timing of selection switches can be influenced by this information, where a potential tax benefit may be gained. For example, a sale may be deferred, or a delayed derivative based switch entered into, so that the gain is realised after a 12 month holding period for a majority of investors.

Externally managed Mandates

External investment Managers such as Ausbil, Renaissance and Lonsec make their investment decisions without any consideration of the tax parcels of the holdings. They have no access to the administration system and are only aware of the total amount invested in a Mandate, reflected in their fee received. The changes they provide are usually replicating those made within their equivalent wholesale pooled fund or model portfolios.

Owing to the inherent tax efficiency of an SMA, a more tax-efficient outcome is still to be expected compared with a similar wholesale fund.

Labour standards & environmental, social or ethical considerations

When making decisions about selecting, retaining or realising an investment, social, ethical and environmental considerations and labour standards are not taken into account by the Mandate Managers (except where this is specifically pointed out).

Treatment of income

DP automatically reinvests any dividend or other income received in relation to an **Equity**Portfolio Mandate.

Equity Portfolio Managers



Direct Portfolio Services Limited ('DP') - was formed in 1996 to provide specialist funds management of Separately Managed Accounts. In total DP is responsible for managing more than 1,500 separately managed accounts with assets exceeding \$225 million.



Above The Index Asset Management ('ATI') - was established in September 2004 as a boutique Australian equity manager, specialising in the manufacture of low-cost, value adding Australian equity portfolios. ATI's investment style is premised on a 'relative value' methodology, meaning that investments are generally purchased and held as long as they represent relatively good value. ATI focuses on selecting those companies whose share prices appear cheap relative to the universe of stocks and the GICS industry sector that they are in. The process is designed to outperform the relevant benchmark index in both rising and falling markets.



Ausbil Dexia Limited ('Ausbil') - is an Australian equities specialist investment manager established in 1997. They have expertise across the range of Australian equities sectors. Ausbil currently manage over \$8 billion and are Morningstar Fund Manager of the Year 2005 - Australia.



Lonsec Limited ('Lonsec') - Lonsec takes an active approach to investing and focuses on generating absolute returns, over the medium to long term, through concentrated portfolios. Lonsec employs a four-step investment process. Portfolios are heavily influenced by 'top-down' themes at the Portfolio Construction level. They then employ four stock filters (industry, company quality, valuation and risk) to select their stocks at the Stock Selection level. Risk is managed at both the Portfolio Construction level and the Stock Selection level. The final step involves managing the portfolios and regularly reviewing their top-down themes and stock selections.



Renaissance Property Securities ('Renaissance') - was established in 2003 by well known fund manager Carlos Cocaro and others as a specialist investment manager of listed property securities portfolios. Renaissance currently manages approximately \$360 million of listed property securities.

Equity Portfolio Mandates

Summary of DP Mandates

Mandate	Investment Manager	Code	Minimum Investment	Estimated Number of Securities ¹	Investment Fee % p.a. ²
'Tax-aware' Mandates					
Balanced Growth	Direct Portfolio Services Limited	BG	\$25,000	15-20	0.55
ShareInvest Imputation	Direct Portfolio Services Limited	SI	\$25,000	15-20	0.44
20 Leaders Index	Direct Portfolio Services Limited	TL	\$25,000	20	Nil
Managed Imputation	Direct Portfolio Services Limited	MM	\$25,000	15-20	0.33
Tax Exempt	Direct Portfolio Services Limited	TX	\$25,000	15-25	0.33
Income Plus	Direct Portfolio Services Limited	IP	\$25,000	10-20	0.33
Hybrid Income	Direct Portfolio Services Limited	HI	\$25,000	8-12	0.33
Other					
Cash Only	Direct Portfolio Services Limited	CA	\$25,000	n/a	Nil

1. This is an indicative figure subject to variation.

2. The Investment Fee is specific to the Mandate chosen and is inclusive of GST. Other fees also apply. Full details on fees can be found on pages 24 - 28 of this PDS.

Investment Objectives & Strategy

To provide returns primarily in the form of capital growth over the long term from managed exposure to securities predominantly drawn from the ASX 200 index. Managed on the assumption that underlying investors in this Mandate can utilise a discount on capital gains realised after a twelve-month holding period. Low turnover.

To earn returns primarily from dividends (with associated imputation credits) and some capital growth from a selection limited to companies within the ASX 100 index. A high percentage is held in banks and other domestic businesses such as retailing. Low turnover.

To broadly reflect the returns and volatility of the ASX 20 Leaders Index. For each new investor a new portfolio is established at the weightings of the ASX 20 Leaders index.

To earn returns primarily from dividends (with associated imputation credits) and some capital growth from managed exposure to companies predominantly within the ASX 200 index. Selections and activity assume the investor can utilise imputation credits. Switching between stocks allows for additional dividends and imputation credits over and above that achieved in a passive portfolio, while taking into account the 45 day rule.

To capitalise on the preferential tax treatment of Self Managed Super Funds running a pension for a retired member. Turnover may be high as the Mandate assumes the investor is not assessable for capital gains tax but can utilise imputation credits.

To provide relatively stable positive returns with a low risk of loss in any twelve month period through investing in a combination of dividend paying shares and income securities issued by companies in the ASX 200 index.

Invests in a range of high yielding listed securities with low risk of capital loss in any twelve month period.

To provide a temporary safe haven from perceived market risk. Funds earn interest on deposit until switched to one of the other Mandates.

Equity Portfolio Mandates

Summary of external Manager Mandates

Mandate	Investment Manager ¹	Code	Minimum Investment	Estimated Number of Shares ²	Investment Fee % p.a. ³
Australian Equities					
Deep Value	Above The Index Asset Management	DV	\$50,000	35	0.55
High Yield	Above The Index Asset Management	HY	\$50,000	35	0.55
Emerging Leaders	Ausbil Dexia Limited	AE	\$50,000	35	0.55
Active Equity	Ausbil Dexia Limited	AL	\$50,000	35	0.55
Core	Lonsec Limited	LC	\$25,000	Min 10	0.33% ⁴
Income	Lonsec Limited	LI	\$25,000	Min 7	0.33% ⁴
Property					
Property Securities	Renaissance Property Securities	RP	\$25,000	30	0.55

1. We may change investment managers from time to time, including adding new investment managers.

2. This is an indicative figure subject to variation.

3. The Investment Fee is specific to the Mandate chosen and is inclusive of GST. Other fees also apply. Full details on fees can be found on pages 24 - 28 of this PDS.

4. Lonsec may differentially charge a lower Investment Fee for its clients.

Investment Objectives & Strategy

Seeks to achieve total returns that exceed those on the S&P/ASX 300 Accumulation Index by 3% per annum over rolling three year periods.

Aims to maximise the generation of dividend and distribution income whilst maintaining and potentially increasing the value of the capital over the medium to long-term.

To provide managed exposure to securities within the ASX 300 index (but generally excluding those within the top 50) identified as offering superior return characteristics. Replicates the holdings of the equivalent wholesale fund offered by Ausbil.

To provide managed exposure to selected securities within the ASX 300 index identified as offering superior return characteristics. Replicates the equivalent wholesale fund offered by Ausbil.

To deliver strong absolute returns, over the medium to long term, through a diversified 'blue-chip' portfolio invested across a number of industries.

To deliver an attractive fully-franked income yield together with some capital growth, over the medium to long-term, through a focused income portfolio.

To provide managed exposure to property securities across retail, commercial and industrial property.

About **AssetPortfolio**

ShareInvest allows you, through your adviser, to establish and have actively managed on your behalf a pre-determined investment strategy for wholesale managed funds chosen according to a particular risk profile. We have called these collectively **AssetPortfolio**.

Who picks the managed funds?

The selection of the managed funds and their individual weightings in a Mandate is outsourced to professional experts in managed fund research, who have put together a preferred list of managed funds deemed appropriate for use in each Mandate risk profile from out of a much larger population of managed funds that they research.

Their selections are subject to regular review and from time to time we will receive a recommendation to change the weightings or constituent managed funds. These changes are implemented by us promptly on your behalf through our Rebalancing process, as described on page 20.

How do **AssetPortfolio** Mandates differ from 'Wrap' offerings?

AssetPortfolio Mandates are managed in a discretionary manner and the constituent managed funds may be changed without any notice to you or your adviser. As a consequence there is no requirement for your adviser to provide you with the current PDS for each underlying managed fund as there is within an IDPS. Nor will your adviser provide you with a Statement of Advice about any subsequent change to your **AssetPortfolio** Mandate. These will occur automatically.

Occasionally managed funds are closed to new business so no further purchases can be made. The managed fund researcher will substitute an alternate fund.

In these circumstances we may either switch, or first seek instructions from your adviser whether to '**Lock**' (i.e. retain and avoid crystallising a gain, see page 21) the existing managed fund ahead of the next Rebalancing.

Transactions in managed funds

If a completed and valid application is received before 11 am (EST) on a NSW business day, the implementation process usually commences the same day. One consolidated application is placed with each fund manager regardless of the number of new investors that day. The time it takes for each transaction to be completed and the price of the units determined varies enormously by fund. Administration capabilities vary, some funds such as alternative investment funds have liquidity constraints and just after June 30 is notoriously slow given the exact unit price takes time to quote. Unit bid/offer prices are determined by the fund manager and are usually quoted daily or weekly but alternative investment funds may quote only monthly or even quarterly. Unit prices at the time of placing a transaction are sometimes given only as a guide, especially in early July, and may change as the unit trust refines the actual distribution amount.

As each new buy transaction is placed with the managed fund, your Mandate cash account is debited with the amount placed. As we do not immediately know how many units will be issued, we operate a 'pending orders' account. Your reports will detail the holdings and the book cost.

There can be delays in realising investments in some managed funds. For example, a delay may occur where the managed fund is illiquid or has minimum transaction requirements.

As a Registered Scheme, we are able to operate a buyback account, which means we may elect to buy the illiquid fund holding in the buyback account to facilitate a speedier withdrawal for an investor.

Where on any given day different investors are buying and selling the same managed fund we are able to offset these buys and sells internally so that only one net application or withdrawal request is made to the fund manager (this is called 'netting'). The Responsible Entity is entitled to keep any buy/sell spread benefit arising from the netting process.

Lower investment costs

The managed funds within **AssetPortfolio** Mandates are predominantly wholesale managed funds. These managed funds generally have lower investment costs (MER) than retail managed funds and are not normally available for direct investment by retail investors. As we deal as a single institutional investor we expect to pay their wholesale fee rate. No additional Investment Fee is applied by ShareInvest.

Distribution reinvestment policy

Depending on the reinvestment policy of each fund manager, and their buy/sell spread policy, we may either elect to automatically reinvest distributions or not. Our preference is to elect to reinvest distributions. We process distributions as a cash distribution and then allocate any reinvested units as a new transaction.

Communication from fund managers

ShareInvest is registered as a single pooled holding in each wholesale managed fund, so you will not receive communications directly from the fund managers.

ADVISER STRATEGY NOTE:

How **AssetPortfolio** makes switching Mandates easy

An instruction from you to switch will cause a Rebalancing. IDPS Services that establish individual cash management accounts for each investor must first receive cleared funds from sales before placing the purchases. ShareInvest prefers to place all transactions simultaneously. This reduces the opportunity cost risk of being temporarily out of the market place. To the extent purchases are completed before sales, a client's cash account may temporarily go into shortfall. We can accommodate this because we operate a single pooled virtual cash account on behalf of all members. Our cash management process, designed to be fair to all Scheme members, is explained on page 19.

There is no minimum switch amount, although you must satisfy the minimum investment requirements of the new Mandate. A switch may incur buy/sell spreads and will probably have taxation implications. See the 'Fees & other costs' section on pages 24 to 28 for further information.

AssetPortfolio Mandates

The table below describes the Mandate names (listed in descending Risk Profile order) and the approximate split between Income and Growth assets. More details of each Mandate are contained in the Mandate Profiles which are regularly updated on our website at www.shareinvest.com.au within the 'Mandate Profiles' section.

Mandate Name	Minimum Investment	Income & Growth split	Mandate Description
High Growth	\$25,000	2% Income 98% Growth	A totally share and property based Mandate with no fixed interest exposure and just a small amount in cash for working capital purposes. The aim is to produce a minimal but tax effective income. Investors in this Mandate should expect high short term fluctuations in values and a higher chance of capital loss, as a trade-off for expecting a higher long term return (over more than 7 years).
Growth	\$25,000	20% Income 80% Growth	A small income exposure slightly reduces the short-term fluctuations in value. It is designed for long-term investors who can accept some capital risk over the longer term. The income stream will be tax effective and it has a high exposure to property and shares to provide expected long term capital growth.
Balanced	\$25,000	40% Income 60% Growth	Using a slightly higher exposure to growth assets than income assets, this Mandate aims to produce capital growth in the medium to long term with a balanced exposure to shares, property and fixed interest assets, while the income generated will be partially tax effective.
Conservative	\$25,000	60% Income 40% Growth	The investments generate income with some capital growth attached. It has a high exposure to fixed interest, but also includes exposure to shares and property markets. It may suit an investor with a medium term horizon seeking capital stability, but who also wants to protect assets from inflation. Some tax relief on income is available from franking credits. The fluctuation in value is moderate to low over the short to medium term.
Defensive	\$25,000	80% Income 20% Growth	This is an income portfolio that has a small exposure to capital growth assets. The main emphasis is on generating income, with some capital risk in order to achieve overall portfolio growth. It will have a low fluctuation in short term value, with some short term capital risk. The income generated will have a small tax benefit from some share dividend franking credits. It may suit an investor seeking a high level of income from managed funds or who has a short term investment time frame.
Secure	\$25,000	100% Income 0% Growth	This Mandate focuses entirely on investments with little risk of capital loss over a short time frame. As such, the return will be low and more consistent from year to year than the other Mandates. This Mandate is restricted in its ability to reduce taxable income or the tax effectiveness of that income. It is not an appropriate investment option for medium to long term investors seeking capital growth.

The table below shows the standard benchmark allocation of the major asset sectors as a percentage of each Risk Profile (Mandate). The asset sectors are ranked by historical volatility (more aggressive first).

Risk Profile by Asset Class

Asset Class	High Growth	Growth	Balanced	Conservative	Defensive	Secure
Traditional Asset Mandates						
Mandate Code	T1	T2	T3	T4	T5	T6
Global Equities	40	30	23	13	6	-
Australian Equities	50	40	27	17	9	-
Global Property	5	3	-	-	-	-
Australian Property	5	7	10	10	5	-
Income Assets	-	15	35	50	60	60
Cash	0 ¹	5	5	10	20	40
Defensive Assets	0¹	20	40	60	80	100
Growth Assets	100	80	60	40	20	0
Alternative Asset Mandates						
Mandate Code	A1	A2	A3	A4	A5	A6
Global Equities	40	30	23	13	6	-
Australian Equities	40	35	27	17	9	-
Property	10	10	10	10	5	-
Alternative Assets - Conservative	-	5	10	5	5	-
Alternative Assets - Aggressive	10	5	-	-	-	-
Income Assets	-	10	25	45	55	60
Cash	0 ¹	5	5	10	20	40
Defensive Assets	0¹	20	40	60	80	100
Growth Assets	100	80	60	40	20	0

1. In practice about 2% of the total is held in cash, so each Asset Class is slightly less than shown.

AdminPortfolio Mandate

As the name suggests, we merely administer whatever investments are transferred into **AdminPortfolio**.

In-specie transfers

You may transfer in almost any ASX listed security providing you can provide a completed capital gains history of each tax parcel and the transfer is approved by us.

You may also seek to transfer eligible managed funds providing they are on the Eligible Managed Funds List available from the ShareInvest website and you supply a completed capital gains history for each parcel.

We cannot guarantee the completion of managed fund transfer requests.

Transactions

AdminPortfolio Mandates do not participate in Rebalancing. All holdings remain Locked until we receive an instruction to deal in them.

You may also, through your adviser, purchase listed securities and eligible managed funds at any time by completing a Listed Security & Managed Fund Transaction Form (see STEP 3 of 'How to complete an Application' on page 35). Securities and units will be purchased using the cash available from your portfolio. All securities and units purchased will be automatically Locked.

If your **AdminPortfolio Mandate** develops a cash shortfall then you and your adviser will need to decide which parcels to unlock and sell to restore cash to a positive position. Alternatively you can make a cash contribution to cover the cash shortfall.

You can also through your adviser make occasional changes to a portfolio. Transaction Fees are usually applied for one-off transactions (see 'Fees & other costs' on pages 24 - 28).

We retain the right to make changes at our discretion if circumstances such as a persistent cash shortfall warrant it. However, in normal circumstances we are passing this discretion for making occasional changes back to you and your adviser. Under current law your adviser would normally provide you with a Statement of Advice each time a change is recommended.

Treatment of income & distributions

Any income or cash distributions received in relation to the listed securities or managed funds will remain in the cash account of the portfolio.

Therefore from time to time you will need to consider withdrawing cash or reinvesting excess cash.

Corporate Actions

From time to time, this PDS may change. From time to time we will inform you of certain events that affect your investments, such as when we receive information on a corporate action. Your adviser will assist you with providing us with instructions.

Virtual cash account

When you join ShareInvest, a cash account is automatically established for you. Your cash account is used to settle your managed fund and listed security investment transactions. It can be linked to a nominated external bank account so you can arrange regular monthly cash transfers in either direction (EasySave or EasyIncome).

Your cash is held in one or more underlying bank accounts maintained by the Responsible Entity.

Your cash account earns a competitive interest rate on daily balances. As a pooled account, we are able to place some of your cash at longer than 'at call' (and thus earn a higher interest rate) as there is always a predictable minimum amount of cash in the Scheme bank account. Interest on the cash account accrues daily on the average daily balance and is credited to your account monthly in arrears.

In the case of **Equity**Portfolio and **Asset**Portfolio Mandates, the Mandate targets a percentage in cash which varies according to the chosen Mandate (small for growth Mandates).

From time to time a Rebalancing process is used (see page 20) to restore the cash balance to the appropriate percentage.

Generally we seek to process cash withdrawals immediately as cleared funds to your external account rather than waiting for cleared funds from sales. We also automatically process fees and EasyIncome each month even if cleared funds are not available to process the payments. These actions may cause your cash balance to temporarily go into a shortfall. This represents internal gearing within a managed fund (ShareInvest) which is not a legal concern for Self-Managed Super Funds (which are otherwise not generally allowed to borrow to invest).

To be fair to all members, for any day your cash balance is in shortfall your account will accrue a negative interest at the same rate as the positive interest rate earned by other members.

Policy on withdrawals

For listed securities there is a highly predictable sale and settlement period so we can release funds immediately and await settlement proceeds.

Sales of managed funds can involve a prolonged settlement period. Where there is enough cash to cover a small withdrawal we process the withdrawal promptly. Where there is insufficient cash we may still choose to process the withdrawal immediately and leave a temporary cash shortfall if you require the funds urgently. As cleared funds from sales of managed funds can take considerable time, and the proceeds can be different to the original expectation, if you are making a one-off withdrawal in excess of the cash balance it may be prudent to realise and settle sales prior to receiving payment. The Responsible Entity may use its buyback account to facilitate immediate sales for you, but is not obliged to do so.

Policy on managed fund purchases

When we place firm orders to buy managed funds, we do not know exactly how many units will be issued nor how long it may take to settle. We transfer the cash subscribed to a 'pending orders' account. Once the transaction is settled any residual is transferred back to the cash account. This enables us to continue with Rebalancing the rest of the portfolio even though one or more firm orders are outstanding for sometimes weeks at a time.

Rebalancing

What is Rebalancing?

Just as a well-kept garden requires pruning to keep it in order, so a portfolio benefits from periodic Rebalancing.

Rebalancing is the process by which investment decisions regarding investment opportunities and asset selection are implemented for **Equity**Portfolio and **Asset**Portfolio Mandates.

Rebalancing involves comparing the market weights of the portfolio holdings with the portfolio construction weights as supplied by the Investment Manager and the Mandate's cash weighting.

The value of a portfolio moves on a daily basis with fluctuations in the market. By way of example, let's say an AMP share worth \$10 today represents 10% of your \$100,000 portfolio. Let's assume the weighting for AMP is fixed at 10%. If tomorrow your AMP share rises to \$12 and the market otherwise doesn't move, it will represent approximately 12% of your portfolio. The Investment Manager can either choose to adjust the Mandate weights to reflect market movements, or work on a fixed weight approach.

The cash component will also vary as dividends and net proceeds of sales are received. Rebalancing the portfolio would result in buying some additional shares in the other holdings and selling some AMP to reinstate an overall weighting of only 10% in AMP. The Rebalancing process is conducted regularly to reflect the Investment Manager's stock selection decisions or market movement.

The portfolio system calculates what needs to be bought and sold for each portfolio. It then '**pools**' all transaction details into one dealing sheet.

Some members are regularly adding (EasySave) while others are regularly withdrawing (EasyIncome).

Where possible 'buy' and 'sell' transactions between members in the same stock are first netted within the Scheme. '**Netting**' is the term we use to describe crossing stock between members internally within the Scheme. For example if AMP is \$7.85 - \$7.87 the buy and sell transactions are crossed at \$7.86. The residual 'buy' or 'sell' order is then executed through the ASX.

On receipt of the contract note, the portfolio system disaggregates each trade into the individual parcels for each investor. This enables us to invest in as little as one AMP share for an individual investor because we are buying on behalf of a multitude of investors.

Trading efficiency

As an example of the efficiency of Rebalancing we can invest \$400 each month for an individual investor using EasySave across 30 securities at a total brokerage cost of \$1.32. This equates to 4.4 cents per transaction (but is frequently at much less cost).

Treatment of 'Locked' holdings

'**Locked**' parcels of shares are excluded from the Rebalancing process. Locking is described on page 21.

Treatment of **Admin**Portfolio Mandates

Rebalancing is applied to **Equity**Portfolio and **Asset**Portfolio Mandates only. **Admin**Portfolio Mandates are excluded from Rebalancing.

Transfers & selections

In-specie transfers

Existing listed shares and unlisted managed funds can be transferred into ShareInvest as long as:

- the securities or managed funds are beneficially owned by the investor (which may include those held in custody names by other services);
- we receive appropriately signed Transfer Forms;
- we receive the capital gains history of each transferred parcel;
- we receive instructions on their '**Locking**' status; and
- the managed funds appear on our Eligible Managed Funds List (or we agree to add them to it) and the transfer is possible.

Transfers to active Mandates

You may transfer existing shares or managed funds into an **Equity**Portfolio or **Asset**Portfolio Mandate as Locked parcels. The Locked parcels attract only an Administration Fee, not the Investment Fee.

Any income thrown off by the Locked parcels is automatically reinvested across the active holdings, which is an attractive feature of using an active Mandate rather than an **Admin**Portfolio Mandate.

Transfers of Locked parcels

Each parcel must be Locked as '**L**' on the Capital Gains History & Locking Notification Form to avoid its immediate sale upon Rebalancing. The effect is:

- Our system recognises each Locked parcel and excludes it from Rebalancing.
- It remains Locked in our system until we receive an instruction to sell it, (except we reserve the right in special circumstances to cover a cash shortfall, see page 19).

- Our system also recognises the Locked parcel is not part of the active Mandate and does not apply an Investment Fee to it. Note that unlocked active parcels of the same security may co-exist with a Locked parcel in your portfolio.

Transfers of 'Unlocked' parcels

You may wish to transfer some investments as Unlocked parcels. This shifts the burden of selling unwanted holdings from you to us. In this instance the parcel will be incorporated into the Mandate if the investment coincidentally appears in the Mandate or, if not, it will be sold upon the next Rebalancing. We require unlocked parcels to be marked as '**N**' in the Capital Gains History & Locking Notification Form (see pages 34 -36, 'How to complete an Application') to protect against you unwittingly not Locking a parcel.

Transfers to AdminPortfolio

Alternatively you may transfer existing shares and/or managed funds into **Admin**Portfolio (see page 18).

Selections from the Eligible Managed Funds List

You may also customise any portfolio by selecting and Locking additional parcels. As the selection process is non-discretionary, your adviser should normally provide a Statement of Advice and a copy of a PDS of each selected managed fund.

Once purchased, the treatment is as for transfers above.

Transaction Fees apply for selected investments.

EasySave & other deposits

Additional once-off applications

Additional applications can be made by way of cash or in-specie transfers into an existing Mandate. There is generally no minimum amount for additional applications.

You can change the level of savings at any time. We action your written request as soon as practical.

The Rebalancing process is used to invest the cash across all the active holdings in your chosen active Mandate.

Additional applications via EasySave

EasySave enables you to arrange the transfer of a regular amount each month from your nominated bank account into your cash account of a chosen Mandate. Your regular amount will normally be deducted on or around the 20th of each month.

ADVISER STRATEGY NOTE

Dollar Cost Averaging with EasySave

A proven value technique for wealth accumulators is dollar cost averaging. This involves adding an identical amount each month to a portfolio regardless of whether the sharemarket is rising or falling. It avoids the common mistake of retail investors chasing market returns resulting in investing mainly at market peaks.

Dollar cost averaging through regular saving is a common strategy with managed funds but until now has been difficult to implement for direct shares because of transaction costs, the number of transactions involved, and the continuing complexity of SOA requirements.

EasySave and our automatic Rebalancing process, together with our ability to 'net' many trades between clients within the Scheme, allows you to very efficiently establish a dollar cost averaging strategy for direct shares.

Value Averaging with EasySave

A lesser known value-adding technique is value averaging. This involves topping up underperforming securities back to their construction weights by buying a small amount of each stock that has recently underperformed. Academic research suggests that, before dealing costs, value averaging outperforms dollar cost averaging the majority of the time. Our Rebalancing provides an automatic value averaging effect. By using EasySave, you can create a further value averaging effect because of our Rebalancing of new monies. By keeping dealing costs to a very low level, we are able to maximise the benefits of the value averaging effect for your clients.

EasyIncome & other withdrawals

Irregular withdrawals

You can request a withdrawal at any time in the following ways:

- cash withdrawal as a direct deposit to a nominated institution; or
- in-specie transfer out of listed securities and managed funds.

Withdrawals can be made by writing to us via email, fax or post and by providing the Mandate name, value to be withdrawn and the external account details.

Cash withdrawals are usually completed the same day as cleared funds deposited.

Regular withdrawals via EasyIncome

A share portfolio return has two components of return, income and growth. On average, capital growth has represented two-thirds of the total return in any 20 year period but private investors usually rely solely on the dividend income to fund their retirement as accessing the growth component is too expensive.

In addition, while it is possible to choose companies paying dividends at different times, most dividends are paid in just two months of the year, making monthly budgeting difficult.

Similarly 'high growth' equity wholesale funds generally pay little income and then distribute realised gains annually.

As a consequence, many retired investors opt for annuity style income streams which offer lower total returns than shares but pay income monthly.

ShareInvest can solve this regular income problem. We call our solution EasyIncome.

EasyIncome allows you to conveniently and cheaply receive a regular monthly amount. This is possible because of our Rebalancing process.

How EasyIncome works

We do not pay out dividends or distributions. All income is posted to the cash account of a portfolio. In the case of actively managed portfolios excess cash is invested as part of the Rebalancing process.

Payments are automatically credited to your nominated bank account as cleared funds on the 15th of each month (or the nearest earlier business day). Monthly payments are made from the cash balance of your portfolio. If there is insufficient cash in an active portfolio, EasyIncome is still paid and the portfolio is Rebalanced to restore a cash component.

Capital drawdown strategies

You can employ this common financial planning strategy using EasyIncome. The risk associated with it is discussed on page 6.

If EasyIncome payments reduce the cash balance then we will need to sell investments from your portfolio in order to meet your payments.

Changing your EasyIncome payments

You can change or cancel your monthly payment at any time. We prefer to receive notice by the 10th business day of the month if you wish the payment to be changed or cancelled in that month.

Terminations

To terminate your Account, you may:

- sell your holdings and transfer the funds into a nominated bank account; or
- transfer some or all holdings in-specie. A terminating portfolio receives a complete tax summary only after the end of each financial year, once the external auditors have completed their audit of the Scheme.

DP has the right to terminate a portfolio after 14 days notice without stating its reasons.

Fees & other costs

The way fees and costs are disclosed is subject to prescriptive regulations designed to assist comparison with alternative investment products.

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 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 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.

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 Scheme assets as a whole. The possible tax implications of investing in ShareInvest are disclosed on pages 32 - 33. You should read all of the information about fees and costs, as it is important to understand their impact on your investment.

Significant fees & other costs

Type of fee or cost	Amount ¹	How and when paid
Fees when your money moves in or out of ShareInvest		
Establishment Fee The fee to open your account.	Nil.	Not applicable.
Contribution Fee The fee on each amount contributed.	Nil, if your adviser is charging you direct, OR A dollar amount as a Fee for Service, OR The Scheme Constitution allows for a fixed percentage of up to 3.3%, as agreed with your adviser.	Deducted on application. Paid to your adviser's dealer group. This fee can be negotiated with your adviser.

1. Unless otherwise stated, fees and costs in this PDS are inclusive of GST, if applicable (i.e. inclusive of 10% GST). RITC is retained by DP. For further information on RITC refer to page 33.

Type of fee or cost	Amount	How and when paid
Fees when your money moves in or out of ShareInvest		
Withdrawal Fee The fee for each amount you take out of your account.	Nil.	Not applicable.
Termination Fee The fee to close your investment.	Nil.	Not applicable.
Management Costs²		
Administration costs Fees and costs relating to administration, audit, custodian and recoverable expenses.	Administration Fee (tiered) First \$250,000 0.495% p.a. Next \$250,000 0.385% p.a. Next \$1,500,000 0.330% p.a. Next \$3,000,000 0.220% p.a. Balance over \$5,000,000 0.110% p.a. Custodian Fee 0.055% p.a. Audit & Compliance Fee \$99 per Mandate p.a.	The Administration and Custodian Fees are deducted monthly. The Audit & Compliance Fee is paid annually or on termination by a client.
Investment costs Fees for managing your investments.	Equity Portfolio Nil to 0.55% p.a. varying with Mandate selected. Asset Portfolio Nil. Admin Portfolio Nil.	Deducted and paid monthly to the Investment Manager based on the end of month value of a portfolio.
Service Fees		
Switching Fee The fee for changing Mandates.	Nil.	Not applicable. However, you may incur a buy/sell spread if switching between Managed Funds.
Adviser Service Fee Charged by your financial adviser.	As agreed with your adviser as a percentage of your investment or a dollar amount, OR As an Ongoing Commission (see page 26).	Monthly to your adviser's dealer group (negotiable with your adviser).

2. Further details on Management Costs are set out on page 26.

Additional explanation of fees & costs

Contribution Fee

This fee is paid to your adviser's dealer group. If your adviser is charging you directly then no Contribution Fee is payable.

If your adviser agrees with you a dollar amount as a Fee for Service for us to deduct from your investment on their behalf, then this is charged with full GST and is treated as a tax deductible expense item.

If your adviser instead charges a fixed percentage of your investment, it is treated as a non-deductible commission.

Your adviser will provide you with a Statement of Advice (where personal advice is given) setting out the nature of their remuneration.

Management Costs

Management Costs include the Administration Fee, Investment Fee, Custodian Fee, Audit and Compliance Fee and any other recoverable expenses reclaimed.

a) Administration Fee

The Administration Fee is a tiered fee applied across all the Mandates of a particular client. A client may apply in the name of one or more entities.

b) Custodian Fee

A Custodian Fee is deducted each month at the rate of 0.055% per annum of the value of each portfolio.

c) Audit & Compliance Fee

An Audit & Compliance Fee of \$99 per Mandate is deducted each year at the conclusion of the external audit or upon termination of a Mandate (but not on a switch of Mandate).

d) Investment Fee

Investment Fees vary by **Equity** Portfolio Mandate, see pages 10 - 13. An Investment Fee is deducted monthly based on the end of month value of each portfolio. Investment Fees are not applied to Locked parcels.

e) Treatment of Recoverable Expenses

The Responsible Entity absorbs normal expenses it incurs on behalf of the Scheme, which are otherwise recoverable from the Scheme, out of the fees it receives. It reserves the right to charge abnormal expenses (see page 28).

Adviser Service Fee

The way in which advisers are remunerated varies by dealer group and by adviser within groups.

Your adviser will set out the basis of their remuneration in a Statement of Advice to you when giving personal financial advice. Your adviser can select one of three ways:

1. If your adviser charges you directly on a Fee for Service basis they will indicate 'Nil' in the Application Form and no deduction will be made from your investment in respect of an Adviser Service Fee;
2. If your adviser prefers us to collect a Fee for Service for them, they will specify a percentage of your investment or a dollar amount in the Application Form to be deducted each month from your investment as an Adviser Service Fee. This is a 'dial-up' type of fee and is negotiable with your adviser;

OR

3. If your adviser prefers us to deduct and pay a standard Adviser Service Fee, we will do so at the rate of 0.55% p.a. of the value of each portfolio in ShareInvest, calculated each month.

Transfer Fee

Should you choose to transfer shares or managed funds out of ShareInvest, we charge \$27.50 per sponsor you transfer your shares or managed funds to. Stamp duty on managed funds transfer may also apply.

Differential Fees

We may individually negotiate our fees with certain wholesale and professional investors as the law or ASIC policy allows.

Alternative Remuneration Register

Any partial fees or rebates of fees negotiated with wholesale investors or professional licensed dealer groups are recorded in an Alternative Remuneration Register. This register can be viewed at our head office.

Variation of fees

Under the constitution we may vary the fees specified. If the variation results in increased fees or charges, we will give you at least 30 days advanced written notice.

Other transaction costs

Transaction costs are an additional cost to the investor. The Responsible Entity deals as a professional investor, with no minimum brokerage. Where the Responsible Entity or its related entities directly implement transactions, it may earn brokerage. The quantum of this over a full year is about 0.10% of the value of average funds under management.

For transactions instigated by your adviser the brokerage charge is as agreed with your adviser's dealer group. Your adviser may direct brokerage through a particular broker and receive a rebate. If so, they should normally disclose this to you separately. Refer to your adviser.

Within ShareInvest, brokerage forms part of the net price paid or received for the asset and is not separately disclosed in our reports.

A buy/sell spread may be incurred when managed investments are bought or sold. The spread reflects the brokerage and other transaction costs incurred by the Investment Manager. The buy/sell spread currently ranges from 0% to 0.8% depending on the managed fund. Therefore, you will incur a buy/sell spread from \$0 to \$8 per \$1,000 on entry and/or exit. This fee is not charged to you separately. Rather, it is reflected in the unit price of the relevant managed investment. Information relating to the buy/sell spread is included in the offer document for each managed fund.

The Responsible Entity or its agents may 'net' trades between members and retain the buy/sell benefit. We are presently unable to estimate how many transactions will be netted in this way and therefore the quantum.

A Transaction Fee of \$27.50 applies for any purchases or sales of managed funds undertaken as a one-off request. There may also be buy/sell spreads costs. A minimum brokerage of \$27.50 applies for one-off transactions in listed securities.

Note: no Transaction Fee applies for normal Rebalancing of active portfolios.

Special Request Fee

Where you make special administrative requests to the Scheme we reserve the right to negotiate a special fee deductible to your account.

Shelf Fee

ShareInvest does not charge fund managers shelf space fees, being a fee for placing their investments on our menu.

Abnormal expenses

In addition to 'normal' expenses of the Scheme, the Responsible Entity may reclaim 'abnormal' expenses incurred. By their nature these are unpredictable. Under the Constitution they include changes to the Constitution resulting from regulatory law changes, and the cost of defending legal proceedings.

Example of annual fees and costs for an Ausbil 'Emerging Leaders' Mandate

This table gives an example of how the fees and costs for the 'Emerging Leaders' EquityPortfolio Mandate can affect your investment over a 1 year period. You should use this table to compare this Mandate with other investment products.

Please note that this is an example. In practice the actual investment balance of an investor's portfolio will vary and the actual fees and costs charged are based on the value of the portfolio which also fluctuates.

EXAMPLE - Emerging Leaders Mandate		Balance of \$50,000 with a contribution of \$5,000 during the year
Contribution Fee	0 - 3.3%	For every additional \$5,000 you put in, you will be charged between \$0 - \$165
PLUS		AND
Management Costs	1.1% p.a. plus \$99 p.a.	for every \$50,000 you have, you will be charged Management costs of \$550 each year.
EQUALS		
Cost of Emerging Leaders Mandate		If you have an investment of \$50,000 at the beginning of the year and you put in an additional \$5,000 during that year, you would be charged fees from: \$649 to \$704¹ What it costs you will depend on the investment Mandate(s) you choose and the fees you negotiate with the Scheme or your financial adviser.

1. Additional fees may apply.

Keeping you informed

Welcome kit

We confirm receipt of your application by email to your adviser. Once your application process is completed we will send you a Welcome Kit containing the reports referred to in the table on pages 30 and 31.

Internet reporting - iPortfolio

DP gives you access to ShareInvest reporting for each of your portfolios via iPortfolio 24 hours a day, 7 days a week at www.shareinvest.com.au. A Usercode and Password is supplied to you once the application process is completed. Your adviser will also have access to iPortfolio via their own Usercode and Password. Online reports available are listed in the table on pages 30 and 31.

Hard copy reporting

For those members who do not have reliable Internet access and so prefer hard copy reports we will provide reports via post for each portfolio calendar quarterly and annually. See the table on pages 30 and 31 for further details.

Each financial year we prepare an annual report and summary of your Portfolio and transactions called the Taxation Summary report. Trustees of SMSFs should also view the Portfolio Movements report to obtain the 'marked to market' portfolio valuations.

When supplied to your SMSF administrator it should significantly reduce your SMSF administration costs.

Changes to the service

We will let you know in a timely manner and in accordance with the law of any important changes to the service.

Transactions implemented via your adviser

To change any of the holdings in an **Admin**Portfolio Mandate, or a Locked holding within one of the other Mandates, you will need to provide us with written notification via your adviser. We confirm the transaction completion by email to your adviser but do not issue a Contract Note as the change is recorded within the Scheme for tax purposes.

Complaints resolution

If you have a concern or a complaint, first contact your adviser. Most concerns can be resolved over the phone. If your concern is about the Scheme (rather than the advice given) and it is not resolved, please write to the Client Relationship Manager, Direct Portfolio Services Limited, PO Box R1926 Royal Exchange NSW 1225, setting out the precise nature of your complaint. We will:

- acknowledge the complaint;
- investigate the complaint; and then
- respond to you in writing within 30 days advising you of our decision and informing you of any avenue of appeal to an independent complaints resolution service. DP is a member of the Financial Industry Complaints Service (FICS).

Privacy statement

We collect sufficient private information to manage and administer portfolios. We disclose client information when dealing with some external parties, such as margin lenders. We may copy information to the adviser nominated by you.

Internet access is secured by password. We rely on written authorisations to make changes to private details. You are taken to agree to the collection, use and disclosure of your personal information when you apply to invest in ShareInvest.

Keeping you informed

Report	Availability	Frequency	Purpose
Purchase Date of Shares	Welcome Kit (Transferred shares only)	At application only	To confirm the loaded capital book cost and purchase date of each parcel of shares or managed funds in each initial portfolio and any Locking status of transferred assets.
Portfolio Cash Transactions	Welcome Kit	At application only	Shows any cash amount invested and the fees and expenses that have been incurred in the set up of an account.
Asset Allocation	Internet	Monthly	Displays the Asset Class break up through market value and percentage. It also displays the information as a graph. You can select to view this report at an individual portfolio level or as a total of all your portfolios.
Equity Sector Breakdown	Internet	Monthly	Displays the industry sector break up through market value and percentage. It also displays the information as a graph. You can select to view this report at an individual portfolio level or as a total of all your portfolios.
Portfolio Valuation	Welcome Kit Internet ¹ Mail	Daily ² Monthly Quarterly	To provide a snapshot valuation of the make-up of each portfolio on a given date. It shows all securities held, their average cost, market price and current market value together with residual cash and accrued distributions.
Portfolio Movements	Internet Mail	Quarterly	Summarises a portfolio's activity over a specified report period. It shows any additional investments or withdrawals, fees and expenses incurred.

1. Month end Portfolio Valuation and quarterly and annual reports are subject to compliance review prior to release.
2. Daily valuations are available via the Internet only. The accuracy of daily Internet valuations rely on externally sourced electronic share, option and managed fund pricing data. They are not subject to exhaustive compliance checking before release and option and managed fund prices are often theoretical estimates. Occasionally a daily valuation will be inaccurate.

Report	Availability	Frequency	Purpose
IAS Statement	Only upon request Internet Mail	Quarterly	To assist you in completing quarterly IAS statements. You can request this report on the Application Form or in writing to DP. It shows the total gross cash received from dividends and interest. It also outlines capital gains that are eligible or ineligible for discount.
ShareInvest News	Welcome Kit Internet Mail	Quarterly	This quarterly newsletter reviews the performance of the markets and Mandates over the quarter and also gives you views on the future outlook for the markets.
Performance/ Growth	Internet	Date range	Allows you to display your performance/growth over a period of time by selecting your required date range. The report contains your opening and closing market values, your deposits and withdrawals and your rate of return over the period. The report also includes a graph to view the results.
Taxation Summary	Internet Mail	Annually (or upon adviser request for tax planning meetings)	Shows you all items needed for preparing an income tax return including dividends, imputation credits, interest, deductible expenses and a breakdown of realised gains into those eligible for a discount, those ineligible for a discount and realised losses for the year. The Scheme's independent auditors audit the accounting system and the controls applied to produce this summary.
Annual Audit Statement	Internet Mail	Annually	To provide an external auditor's report on the accounting systems and controls applied.

Taxation

Taxation within the Scheme

The taxation implications of investing in ShareInvest vary for each investor and between each type of portfolio Mandate.

An investor is absolutely entitled to any income, capital gains, bonus issues, rights issues or any product of their investments. Accordingly, the income tax law dealing with trusts is not applicable to ShareInvest.

Investors are taxed directly on income and gains from investments in ShareInvest less allowable deductions.

Generally, expenses incurred by investors in deriving assessable income are treated as allowable tax deductions. Brokerage incurred on the acquisition or disposal of shares is included in the cost base of shares and thereby in the capital gain or loss arising on disposal. Administration, Investment and Custodian Fees are treated as deductible expenses.

Transfer treatments

Transfers of direct equities or managed funds to or from ShareInvest do not crystallise an unrealised gain or loss on that security or fund unless there is also a change in beneficial ownership (i.e. if you change investing entity). The capital gains history of each parcel transferred is recorded within the Scheme. Stamp duty may be payable on transfers of managed funds.

All subsequent capital gains history is maintained electronically as transactions occur. On transfer out, an unrealised capital gains/loss report for each parcel is provided.

EasyIncome

EasyIncome is treated as a capital withdrawal. Do NOT include EasyIncome amounts in your tax return.

Managed funds

All net taxable income is usually distributed to investors (whether paid or reinvested) so the underlying funds are not subject to tax. The assessable portion of your distribution is your proportionate share of the fund's net taxable income each year. As unit trusts, the unit price may include inherited unrealised gains at the time of purchase. Investors may also be liable for tax on gains realised on the disposal of units in a fund.

Taxation of options

Option activity gives rise to either a realised capital gain or loss when the position is closed. Since options generally have a life of less than twelve months, gains are not usually subject to any discount.

Tax report

Each portfolio receives a separate unique tax report containing the amount assessable to income tax, deductible expenses, and a summary of realised capital gains (showing both those eligible for a discount and those ineligible for a discount) plus realised losses for the financial year. This information is relevant for the preparation of an investor's tax return for that financial year. The Scheme's independent auditors audit the accounting system and the controls applied to produce that summary. The audit report is provided with the Taxation Summary Report each year. Tax reports are normally issued by the 31st August however if a Portfolio contains property trusts or managed funds we have to wait for the tax report from the underlying fund(s) which can delay its dispatch until September.

The Taxation Summary Report is prepared on the assumption that underlying members have a tax status as an investor subject to the capital gains tax rules (including exempt investors) rather than as traders.

Taxation management

DP will generally seek to crystallise losses each year while allowing, where practical, and within our interpretation of tax laws, gains to remain unrealised. This is often called tax harvesting. Any realised losses are reported in your Taxation Summary Report if not utilised within your Portfolio. Tax harvesting is conducted only within active Mandates. During persistent bull markets, tax harvesting opportunities may be limited. At all times, our emphasis is on earning income and capital growth returns, rather than minimising tax.

If you cannot utilise the realised loss in a financial year you can carry the loss forward indefinitely in your tax return until death.

It is always tax efficient for taxable investors to realise losses with one exception; if you die within a financial year realised losses die with you. In this circumstance, it is better to leave losses unrealised so they pass to your beneficiaries. If you know you are going to die within a financial year, you should let us know so we can seek to maintain your losses unrealised!

Tax-aware **Equity** Portfolio Mandates which take into account particular tax considerations such as capital gains discounts or imputation credits benefit only those types of investors who can utilise these features.

For investors in the Tax Exempt Mandate (normally pension members of a SMSF) DP periodically realises capital gains (on the assumption that they will not pay CGT) to protect those members who may die without leaving a reversionary pensioner. This is because the portfolio on death may revert to a taxable position (in which case any unrealised gains become subject to CGT on disposal).

IAS Statement

If you need quarterly tax information you can request it by ticking the IAS Statement box in the Application Form.

GST

GST is payable on most fees and expenses. Unless otherwise stated, all fees and expenses in this PDS are quoted inclusive of GST at the rate of 1/11th of the total fee.

Reduced Input Tax Credit (RITC)

The Responsible Entity of a Registered Managed Investment Scheme may reclaim 75% of the GST paid by the Scheme. This is called a RITC.

Unlike a unit trust, members beneficially own the securities in the Scheme. GST on brokerage is included in the capital gains book cost of members. If members subsequently transfer out these securities, this remains their capital gains book cost position. If the Responsible Entity reimbursed RITC, we would be obliged to retrospectively adjust the capital gains book cost of every parcel by up to 0.007% (being the maximum rebate). RITC is also received several months after the GST is incurred. As making an immediate rebate is impractical, the Responsible Entity has adopted the policy of retaining RITC. The Responsible Entity no longer recovers 'normal' Scheme expenses incurred by DP on behalf of the Scheme that is otherwise recoverable.

WARNING: Taxation law subject to change

The comments set out above are based on our understanding of taxation law as at the date of this PDS. Investors should be aware that laws and interpretations may change at any time.

How to complete an Application

To help you complete an Application to invest, the following is a step-by-step guide:

To invest, complete the Application Form (and relevant transfer forms, if applicable) that accompanies this PDS in accordance with the following instructions. There is a minimum initial application of \$25,000 depending on the Mandate chosen and no minimum additional application value. We reserve the right to accept lesser amounts for initial applications at our absolute discretion.

Applications can be made in the form of:

- a cheque;
 - a cash deposit directly into the Scheme's account using the name of the applying entity as a reference and by faxing a completed Application Form (with original sent via post);
- AND/OR**
- an in-specie transfer of existing listed securities and managed funds.

An application to invest must be made using the Application Form. The following Additional Forms and Documents may be required and are available on our website at www.shareinvest.com.au within the 'Downloads' section:

- Eligible Managed Funds List
- EasySave Request Form
- Capital Gains History & Locking Notification Form
- Share Transfer Request Form (Broker Sponsored Holdings)
- Share Transfer Request Form (Issuer Sponsored Holdings)
- Australian Standard Transfer Form

Also available on the ShareInvest website:

- Mandate Profiles
- Links to margin lenders

Cooling-off period

Retail investors can change their mind within a 14-day period of their initial investment. The 14-day period commences 5 business days from the date DP accepts your investment. Any Contribution Fee and the realised market value of the portfolio will be refunded.

The proceeds received may be less or greater than the amount invested, since the portfolio is subject to market risk from the moment it is invested. This cooling-off right does not apply to certain additional investments, EasySave, managed funds or Indirect Investors.

STEP 1 - Read the PDS

Before investing read and understand the PDS. Your financial adviser will discuss the suitability of ShareInvest for you and help to structure your investment and complete the necessary paperwork.

STEP 2 - Filling out the Application Form

If you are applying in the name of more than one legal entity, first copy the Application Form.

2.1 Account details

If you are making an additional investment, it is important to indicate you are an existing client especially if you first invested in another entity name.

Fill out all the relevant fields under section 1. If you are investing on behalf of more than one person, fill out the details for both investors.

2.2 Providing banking details for EasyIncome

If you wish to receive EasyIncome payments from your ShareInvest account, simply fill out the details of the banking account that you would like the payments to be made to.

2.3 Account operating instructions

Nominate in section 3 who will be the signatory or signatories on the account.

Unless operating instructions are specified, all signatories must sign. Multiple signatories who elect to have either signatory operate the account, will bind the signatory or signatories to all future applications, withdrawals and requests for changes. If signing under a Power of Attorney, please provide a certified copy with this Application.

2.4 Providing the investment details

In section 4 of the Application Form you will need to specify your chosen Mandate(s).

Nominate your choice(s) by filling out the cash value and/or **estimated** in-specie transfer value in the relevant column cells.

If you intend margin lending into ShareInvest, nominate the value of the loan under the Margin Loan column alongside the specified Mandate(s). Your adviser will ask you to sign additional agreements provided by the Margin Lender.

If you wish to receive EasyIncome payments specify the Mandate by nominating an amount to be withdrawn each month under the EasyIncome column.

If you wish to make EasySave deposits specify the Mandate by nominating an amount to be invested each month under the EasySave column and complete an **EasySave Request Form**.

2.5 Specifying adviser remuneration

Contribution Fee

Your adviser will set out the basis of their remuneration in this section. Normally this is also set out in a Statement of Advice to you. This fee is negotiable.

Adviser Service Fee

Your adviser will set out the basis for their recurring remuneration in their Statement of Advice to you. They can charge you directly (and select 'Nil'), or specify a Fee for Service as an annual percentage rate or dollar amount to be deducted each month, or nominate to receive a standard ongoing commission. See page 26.

2.6 Acknowledgements & signatures

Individual or joint applications

Forms must be signed by Investor 1. If a joint application is made, both investors must sign.

Company/trust

If the Investor is a company, the forms must be signed by two directors or a director and company secretary or by the sole director (if applicable).

STEP 3 - Purchasing listed securities & managed funds

You may purchase listed securities and/or eligible managed funds using cash available from your application.

To purchase listed securities and/or managed funds, simply complete the **Listed Security & Managed Fund Transaction Form** to specify the securities and/or managed fund units you would like to purchase. See the list of selectable funds available from the **Eligible Managed Funds List**.

All listed securities and managed funds purchased will be automatically Locked.

Additional Forms required:

- **Listed Security & Managed Fund Transaction Form**

STEP 4 - In-specie transfers

You can make in-specie transfers of shares and managed funds, provided the managed funds are on our Eligible Managed Funds List.

4.1 Providing the capital gains tax (CGT) history details & Locking notification

We can only accept shares and managed funds for which you can provide the cost base and purchase date history for every parcel you are transferring and your chosen Locking status. We can assist to 'fill in gaps' if you do not have the details for Dividend Reinvestment Plans (DRP's) and bonus issues.

Alternatively, email an electronic spreadsheet containing the equivalent information. If you are transferring from an IDPS, we can accept electronic records from them. Ensure you include the Locking status for each parcel within the spreadsheet.

In-specie transfers into an **Admin**Portfolio Mandate will be automatically Locked.

If you are transferring shares or managed funds into an **Equity**Portfolio or **Asset**Portfolio Mandate you will need to provide the Locking status. See page 21 for more information on Locking.

Additional Forms required:

- **Capital Gains History & Locking Notification Form**

4.2 Complete transfer forms

For Broker Sponsored shares complete a **Share Transfer Request Form - Broker Sponsored Holdings** for each broker sponsor. Ideally attach a copy of the latest Sponsored Holding statement for each.

For Issuer Sponsored shares complete the **Share Transfer Request Form - Issuer Sponsored Holdings** for each issuer sponsor.

For managed funds, complete an **Australian Standard Transfer Form**. You will need to complete a separate form for each individual managed fund even if they are with the same fund manager.

Each form must have an original signature.

Additional Forms required:

- **Share Transfer Request Form (Broker Sponsored Holdings)**
- **Share Transfer Request Form (Issuer Sponsored Holdings)**
- **Australian Standard Transfer Form**

STEP 5 - Lodging your Application

Cash applications can be made by cheque or direct deposit. Details are as follows:

- Cheques must be made payable to **'SHAREINVEST'**
- Direct deposit details:
Account Name: **ShareInvest**
Bank: **Citibank**
BSB: **243-000**
Account number: **206431008**

Completed Applications, including all completed forms and cheque, should be mailed to:

ShareInvest Applications
PO Box R1926
ROYAL EXCHANGE NSW 1225

Application Form



Direct Portfolio Services Limited
ABN 18 072 262 312 AFSL 245525

ShareInvest Separately Managed Accounts
ARSN 112 517 656

Product Disclosure Statement dated 18 December 2006.

1. Account details

Existing Client:

No Yes If yes, Client Code

Investor 1

Title Given Names

Surname

Date of Birth

Tax File Number

If an exemption is to be quoted, please complete the box below.

Reason for Exemption

Investor 2

Title Given Names

Surname

Date of Birth

Tax File Number

If an exemption is to be quoted, please complete the box below.

Reason for Exemption

OR

Company/Trustee/Partnership Name

Fund/Trust Name (if applicable)

Contact name

ABN/ACN/ARBN

Instalment Activity Statement (IAS) required (tick)

Address Details

Postal Address

Town or Suburb State

Postcode Country (if not Australia)

Phone Numbers

Home
()

Business
()

Mobile

Facsimile
()

Email

2. Banking details

Complete this section if you wish to receive EasyIncome payments from your portfolio.

Bank/Institution

Account Name

BSB Account Number

3. Account operating instructions

Indicate the number of signatories on the account.

Either to sign

Both to sign

Power of Attorney

4. Investment details

Indicate the amount you would like invested in each Mandate (estimate the value of in-specie transfers). Note a minimum of \$25,000 to \$50,000 per Mandate applies depending on the Mandate chosen.

If purchasing listed securities and managed funds for inclusion in a Mandate, complete a Listed Security & Managed Fund Transaction Form. Please ensure there are sufficient funds available to purchase the securities or managed funds.

Equity Portfolio Mandates (see pages 8 to 13)

Mandate	Code	Cash	Transfers ¹	Margin Loan ²	TOTAL	EasyIncome	EasySave
Direct Portfolio Services Limited							
Balanced Growth	BG	\$	\$	\$	\$	\$	\$
ShareInvest Imputation	SI	\$	\$	\$	\$	\$	\$
20 Leaders	TL	\$	\$	\$	\$	\$	\$
Managed Imputation	MM	\$	\$	\$	\$	\$	\$
Tax Exempt	TX	\$	\$	\$	\$	\$	\$
Income Plus	IP	\$	\$	\$	\$	\$	\$
Hybrid Income	HI	\$	\$	\$	\$	\$	\$
Cash Only	CA	\$			\$	\$	\$
Above the Index Asset Management							
Deep Value	DV	\$	\$	\$	\$	\$	\$
High Yield	HY	\$	\$	\$	\$	\$	\$
Ausbil Dexia							
Emerging Leaders	AE	\$	\$	\$	\$	\$	\$
Active Equity	AL	\$	\$	\$	\$	\$	\$
Lonsec							
Core	LC	\$	\$	\$	\$	\$	\$
Income	LI	\$	\$	\$	\$	\$	\$
Renaissance							
Property Securities	RP	\$	\$	\$	\$	\$	\$

4. Investment details (continued)

AssetPortfolio Mandates (see pages 14 to 17)

Mandate	Code	Cash	Transfers ¹	Margin Loan ²	TOTAL	EasyIncome	EasySave
Traditional Asset Mandates							
High Growth	T1	\$	\$	\$	\$	\$	\$
Growth	T2	\$	\$	\$	\$	\$	\$
Balanced	T3	\$	\$	\$	\$	\$	\$
Conservative	T4	\$	\$	\$	\$	\$	\$
Defensive	T5	\$	\$	\$	\$	\$	\$
Secure	T6	\$	\$	\$	\$	\$	\$
Alternative Asset Mandates							
High Growth	A1	\$	\$	\$	\$	\$	\$
Growth	A2	\$	\$	\$	\$	\$	\$
Balanced	A3	\$	\$	\$	\$	\$	\$
Conservative	A4	\$	\$	\$	\$	\$	\$
Defensive	A5	\$	\$	\$	\$	\$	\$
Secure	A6	\$	\$	\$	\$	\$	\$

AdminPortfolio Mandate (see page 18)

Mandate	Code	Cash	Transfers ¹	Margin Loan ²	TOTAL	EasyIncome
AdminPortfolio	A0	\$	\$	\$	\$	\$

1. Additional forms are required for in-specie transfers (see page 36).

2. Specify the value of your margin loan in this column alongside the relevant Mandate. Information regarding approved Margin Lenders can be obtained by contacting your financial adviser.

5. Adviser remuneration (refer page 26)

Contribution Fee Type

Percentage Rate % (GST incl.)

OR

Dollar Amount \$

GST \$

Total \$

Ongoing Fee Type

Nil

OR

Fee for Service (charged by us and paid to your adviser)

Percentage % (GST incl.)

OR

Dollar Amount* \$

GST \$

Total \$

* A dollar amount is allocated pro-rata across the Mandates selected at our discretion, or after consultation with your adviser. You and your adviser may vary this periodically.

OR

Standard Ongoing Commission (0.55%)

6. Adviser details

Adviser Name

Office

Adviser Code

Dealer Stamp

7. Acknowledgements

I/We declare that I/We

- have read and understand, in the context of my objectives, needs and financial situation, the PDS to which this Application applies and agree to the offer contained in it and to be bound by the provisions of the Constitution governing ShareInvest;
- have received the PDS personally or a printout of it, accompanied by or attached to the Application form before making an Application for ShareInvest;
- have legal power to invest in accordance with this PDS and have received and accepted this contribution in Australia;
- have agreed to the terms of the Adviser remuneration including any Adviser Service Fee as specified.

Investor 1 - Signature

Name

Date

Investor 2 - Signature

Name

Date

Company Seal

