IOOF

Dated: 30 November 2019

IOOF Balanced Investor Trust

Reference Guide

Contents

The information in this Reference Guide forms part of the Product Disclosure Statement (PDS) for the IOOF Balanced Investor Trust (Trust) issued by IOOF Investment Services Ltd (the Responsible Entity) dated 30 November 2019.

You should read this Reference Guide together with the PDS before making a decision to invest in the Trust.

The information provided in this Reference Guide is general only and does not take into account your objectives, financial situation or needs. You should consider obtaining financial advice that is tailored to your personal circumstances from a licensed financial adviser.

If you would like to request a printed copy of this Reference Guide, please call Investor Services on 1800 002 217.

Contact details

Responsible Entity and Issuer
IOOF Investment Services Ltd

Telephone 1800 002 217
Fax 1800 558 539
Email investorservicesemails@ioof.com.au
Website www.ioof.com.au

Registered office
Level 6
161 Collins Street
Melbourne VIC 3000

Postal address
GPO Box 264
Melbourne VIC 3001

1. Investing and withdrawing

Important notice to indirect investors

Investors and prospective investors accessing the Trust indirectly through an Investor Directed Portfolio Service (IDPS) or master trust may use the PDS and Reference Guide for Trust disclosure purposes.

If you invest in the Trust through an IDPS or master trust, you are an indirect investor. As an indirect investor you are not entitled to a direct interest in the Trust. Your rights and liabilities will be governed by the terms and conditions of the relevant IDPS offer document or master trust PDS, which you must read carefully together with this PDS prior to directing the relevant IDPS operator or master trust trustee to invest in the Trust.

This means indirect investors do not acquire the rights of a unitholder in the Trust. Rather, it is the operator of the IDPS or trustee of the master trust (as the direct investor) that holds the registered interest in the Trust and therefore acquires the right of the unitholder in the Trust.

Indirect investors may be subject to different conditions than those in the PDS and should refer to their IDPS offer document or master trust PDS for applicable information, particularly in relation to:

- how to transact on your investment and what minimums apply
- cooling-off provisions (note, cooling-off rights do not apply to any investments in the Trust acquired through an IDPS or master trust)
- enquiries and complaints processes (enquiries should be made directly to the operator/trustee of the IDPS/ master trust)
- timing of distributions, withdrawals, cut off times and the processing of transactions (determined by the IDPS or master trust)
- Trust reporting and other documentation (reports on your investment will be distributed by the operator of the IDPS or trustee of the master trust)
- fees and other costs (additional fees and expenses may be charged by the IDPS or master trust).

Initial investments

Unless otherwise agreed, an application for units in the Trust must be made by completing the IOOF Balanced Investor Trust application form and accompanied by a cheque made payable to 'IOOF Applications Trust Account - Applicant(s) Name' marked 'Not Negotiable'.

If you are a new investor to the IOOF group, you will also be required to provide proof of identification information and supporting documentation. Please see the application form for more details.

The application form and cheque should be sent to:

IOOF Balanced Investor Trust
Reply Paid 264
Melbourne VIC 8060

Additional investments and withdrawals

Additional investments can be made at any time by completing the application form or by providing your request in writing to IOOF using the address above and accompanied by a cheque made payable to 'IOOF Applications Trust Account - Applicant(s) Name' marked 'Not Negotiable'.

Withdrawals can be requested at any time (ensuring the minimum balance is maintained) by providing your request in writing to IOOF using the address above.

A request in writing for an additional investment or withdrawal should include:

- your name and contact details (as registered investor(s) in the Trust)
- your IOOF account number
- the amount (in dollars or units) you wish to invest or withdraw
- your signature(s) as investor(s) or authorised signatory(ies).

Processing your instructions

If a valid application for an investment (initial or additional) or withdrawal request (collectively referred to as a 'request') is received at our head office before 2:00 pm on a business day, we will process the transaction using that day's unit price. Requests received on or after the cut-off time of 2:00 pm on a business day, or on a non-business day, will generally be treated as having been received before the cut-off time on the next business day.

The Responsible Entity has absolute discretion to accept or reject a request. For a request to be valid it must be correctly completed, be appropriately signed by the investor(s) and supporting identification and documents must be provided. If a withdrawal request results in a holding in the Trust falling below the required minimum holding, we may redeem your entire holding in the Trust. If we increase the required minimum holding, we may, after giving 30 days' prior written notice, redeem holdings below that amount at our discretion. We may also compulsorily redeem any of your holdings in the Trust, at any time at our discretion, subject to the Corporations Act.

Restrictions on withdrawals

The constitution usually allows us up to 60 days to make payment on a withdrawal request, however, we will not satisfy a withdrawal request if the Trust becomes illiquid (as defined in the Corporations Act). Under the Corporations Act, a fund is illiquid if it has less than 80 per cent liquid assets (generally cash and marketable securities).

Under the constitution we may suspend withdrawal requests at any time for such period as we consider appropriate in the circumstances. However, we can only do this if we believe this is desirable and is in the best interests of the Trust or unitholders of the Trust. For instance, we may suspend withdrawal requests where it is impracticable to value the Trust because of an emergency or trading restriction in a country that the Trust invests in, or if the stock exchange on which the investment of the Trust is listed closes, or if we believe it is not in the interests of the Trust to realise assets at that time.

The constitution also provides that when the Trust is illiquid, an investor may withdraw from the Trust in accordance with any withdrawal offer made by us, compliant with the Corporations Act. If there is not a withdrawal offer open at the time, an investor cannot withdraw from the Trust while it is illiquid.

Fax or electronic instructions

Existing investors can provide us with instructions via fax or electronic means.

To comply with AML/CTF legislation and proof of identity requirements, new applications cannot be processed without accompanying application documentation and applicable proof of identification, with authorised signatures.

Please be aware that fraudulent or unauthorised instructions or requests can be made by persons who have access to your name, email address, investor or account number and a copy of your signature. Accordingly, you agree to accept full responsibility and release and indemnify us or any other related body corporate within the IOOF group and the IOOF Balanced Investor Trust, against all claims and demands for any loss arising as a result of us acting upon a faxed or electronic instruction which appears to bear your signature(s).

Investing just before the end of a distribution period

After an income distribution is paid, the unit price usually falls by an amount similar to that of the income distribution per unit. This means that if you invest just before a distribution, the unit price may already include attributable income at the distribution date. Consequently, by investing just before a distribution period, you may have some of your capital returned as income. This could affect your taxation position and therefore we recommend you seek professional taxation advice.

2. How we keep you informed

Annual transaction statements

After the end of the financial year, you will receive a transaction statement. The transaction statement will outline the total value of the investment as at the end of that period, including any withdrawals and additional investments made and income distributions received.

Annual taxation statements

You will receive an annual taxation statement called an Attribution Managed Investment Trust Member Annual (AMMA) statement after 30 June each year, detailing your share of the taxable components of the income attributed to you.

Distribution statements

A distribution statement will be sent to you in the month following the end of a distribution period, detailing the distribution and current balance.

Financial report

A financial report can be downloaded from our website after 30 September each year detailing the financial position of the Trust for the financial year ending 30 June.

Reports under an IDPS or master trust

If you are investing through an IDPS or master trust, then reports on your investment will be distributed by the operator of the IDPS or trustee of the master trust.

3. Benchmarks

The term 'benchmark' usually refers to a recognised market index that the performance of a fund is measured against. Market indices or benchmarks are different for each asset class and are used to assess the relative risk and performance comparisons of an investment portfolio. Diversified funds, such as the Trust, spread investments across a combination of asset classes and generally have an allocation range and target allocation for each underlying asset class. The benchmark therefore comprises the performance of the market index for each asset class weighted against the Trust's target allocation position.

The benchmarks used for each asset class are as follows:

Asset class	Benchmark
Cash and short-term securities	Bloomberg AusBond Bank Bill Index
Diversified fixed interest	**Australian fixed interest:** Bloomberg AusBond Composite 0+ Yr Index **International fixed interest:** Bloomberg Barclays Global Aggregate Total Return Index Value Hedged AUD
Property	**Direct property:** Morningstar Asset Weighted Australian Unlisted Property Index **Australian listed property securities:** S&P/ASX 300 A-REIT Accumulation Index **International listed property securities:** FTSE EPRA/NAREIT Developed Net Total Return Index in AUD
Australian shares	S&P/ASX 300 Accumulation Index
International shares	MSCI All Country World ex Australia Index ($A)^
Alternatives*	FTSE Developed Core Infrastructure 50/50 Net Total Return Index Bloomberg AusBond Bank Bill Index

^ A combination of MSCI World ex Australia Index ($A) Hedged, MSCI World ex Australia Index ($A) and MSCI Emerging Markets Index may be used from time to time, depending on the strategic hedging ratio applied to the international shares portfolio.

* As new alternative strategies are introduced, this benchmark will change according to the underlying strategies' benchmark.

4. Additional explanation of fees and costs

This section shows current fees and other costs that you may be charged. The fees and costs may be deducted from your money, from the returns on your investment or from the Trust's assets as a whole.

IOOF Balanced Investor Trust		
Type of fee or cost	**Amount**	**How and when paid**
Fees when your money moves in or out of the Trust[1]		
Establishment fee The fee to open your investment.	Nil	Not applicable
Contribution fee The fee on each amount contributed to your investment.	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
Management costs[2]		
The fees and costs for managing your investment.	The current estimated management cost is 0.50% pa[3].	This amount is not deducted from your account directly but from the assets of the Trust. This amount is calculated on the net asset value of the Trust. It is accrued daily and paid monthly, and the accrued amount is incorporated into the daily unit price of the Trust.
Service fees		
Switching fee The fee for changing investment options.	Nil	Not applicable

1 When money moves into or out of the Trust, you may incur transaction costs (such as a buy-sell spread) which are included in the entry and exit price of the Trust. For more information on estimated transaction costs, please refer to page 7 of the PDS.

2 Please refer to page 6, 'Differential fees' for circumstances in which the management cost may be negotiated. The management cost is a reasonable estimate only. The estimated management cost includes the investment management fee and indirect costs (excluding any unusual or non-recurrent expenses). The actual management cost may vary from the estimated management cost listed above, depending on changes to the Trust's underlying assets, changes to underlying investment managers and their fees, where any unusual or non-recurrent expenses are incurred or any changes to GST related expenses.

3 For more information, please refer to the 'Management costs' section on page 5.

The fees above are quoted inclusive of goods and services tax (GST) and after taking into account any expected reduced input tax credits (RITCs). Where fees have been quoted to two decimal places, the actual fee may have been rounded.

Management costs

The estimated management cost includes the investment management fee, which is the fee charged by the Responsible Entity for overseeing and managing the assets of the Trust, and the indirect costs.

Out of this fee will be paid all ongoing administration, Responsible Entity fees, underlying investment manager fees and other fees that would normally be payable by the Trust. It excludes transaction costs and other abnormal expenses.

From time to time, the Trust may incur fees charged directly by underlying investment managers. These directly incurred underlying manager fees will form part of the investment management fee for the Trust.

Currently, we do not recover day-to-day expenses from the Trust separately. Instead, we bear those expenses at no additional cost to you. However, any unusual or non-recurrent expenses incurred by IISL in relation to the Trust (such as for unit holder meetings, acquisition and disposal or other dealings with any investments, or abnormal operating expenses) would be directly recoverable from the Trust as an additional cost to you for administering your investments.

In addition, the estimated management cost may vary due to changes to the Trust's underlying assets, investment managers and their fees.

Indirect costs

As an investor in the Trust, you will incur indirect costs which are not charged directly to the Trust, but included as part of management cost referred to in the PDS. Indirect costs have the effect of reducing your overall return on investment. These indirect costs may be incurred through investment in underlying unit trusts.

Transaction costs

Certain transaction costs may be incurred in managing the underlying investments of the Trust. Transaction costs generally arise when the assets of a Trust are changed in connection with day-to-day trading or when there are applications or redemptions which cause net cash flows into or out of the Trust.

These transaction costs may include brokerage, settlement costs, clearing costs, stamp duty, custody transaction costs and government charges incurred by changes in the Trust's investment portfolios. The costs of trading in over the counter (OTC) derivatives may also give rise to transaction costs. Transaction costs are an additional charge to you.

The total transaction costs of a Trust, include other transaction costs and the buy-sell spread recovery.

Other transaction costs

These are transaction costs incurred from changing the Trust's underlying assets or investment portfolio exposures, which are generally paid out of the Trust's assets and reflected in its unit price. They are an implicit cost to you and not a fee paid to the Responsible Entity.

Other transaction costs reflect the total transaction costs less the buy-sell spread recovery.

The indicative estimated transaction costs for the Trust (based on the 30 June 2019 financial year) are detailed in the table below.

Total estimated transaction costs (% pa)[4]	Minus Buy-sell spread recovery (% pa)[1, 5]	Equals Other transaction costs (% pa)[6]
0.19	0.01	0.18

You can determine the dollar value of these costs by multiplying the other transaction cost rate with your average account balance. For example, the other transaction costs on an average balance of $50,000 in the IOOF Balanced Investor Trust, is estimated at $90 pa (i.e. $50,000 x 0.18% pa), however it is important to note that such costs for future years may differ.

4 Presented as a percentage of the average Trust size and based on the financial year ending 30 June 2019.

5 The buy-sell spread is incurred by those investors trading (buying and selling investments) in the Trust.

6 This is the estimated percentage by which the Trust's investment return has been reduced by transaction costs.

Buy-sell spread

The difference between the entry price and exit price is known as a buy-sell spread. It is an adjustment determined by the Responsible Entity to take into consideration the costs incurred when buying and selling the underlying securities in the Trust.

The estimated buy-sell spread that applies to the Trust as at the date of the PDS is 0.07%-0.07% on investments and withdrawals made to the Trust.

The actual buy-sell spread is subject to change from time to time depending on changes to the Trusts' underlying assets and exposure to various investment managers. Where transaction costs are lower or higher than the estimated buy-sell spread listed, the actual costs may apply. Therefore, the buy-sell spreads are subject to change without notice, to ensure that non transacting investors are not adversely affected by applications or withdrawals made by other investors.

The buy-sell spread is an additional cost. As it is included in the unit price of each Trust, it is not charged to you separately. It is not a fee paid to the Responsible Entity or an underlying investment manager. Reinvestment of distributions do not incur the buy spread.

Performance-related fees

The Trust itself does not charge performance fees. In addition, there are currently, no performance-related investment management fee arrangements in place with any of the underlying investment managers of the Trust.

Differential fees

The management costs may be negotiated with persons who qualify as wholesale investors within the meaning of section 761G of the *Corporations Act 2001* (Cth) (Corporations Act), such as sophisticated and professional investors. In negotiating such fees, we will take into consideration our obligations under the Corporations Act. There is no set method for negotiating fees. Any negotiated management costs are borne by IISL. The cost of any waiver of fees does not increase the management costs paid by any other unitholder in the Trust. Please contact Investor Services on 1800 002 217 for further details.

Notice to IDPS and master trust investors

Investors and potential investors accessing the Trust indirectly through an IDPS or master trust may be charged additional product related fees and costs on top of the fees and charges described on page 4 of this Reference Guide. Please refer to the offer document for the IDPS or the master trust PDS for more information.

Interfunding

Where the Trust invests in other unit trusts, including IOOF group unit trusts, we ensure there is no doubling-up of management costs.

Other fees and costs

Government fees, duties and bank charges may also apply to investments and withdrawals.

5. Taxation

Investing in a registered managed investment scheme is likely to have tax consequences. You are strongly advised to seek professional tax advice. The taxation information provided below is of a general nature only.

The taxation implications from an investment in a managed investment scheme (MIS) can be complex and will depend on a number of factors, such as your tax residency, the taxation regime the Responsible Entity has entered into and other factors.

Attribution Managed Investment Trust (AMIT) regime

The Federal Government enacted legislation which established a tax regime for managed investment trusts (MITs), such as the Trust, known as the Attribution Managed Investment Trust (AMIT) regime. REs can choose to apply AMIT legislation, or Division 6, to MITs from the relevant income tax assessment acts when calculating income for unit holders. The RE has elected to apply the AMIT regime to the Trust.

Under the AMIT regime, the Responsible Entity will allocate trust income components to unitholders on a fair and reasonable basis via an attribution system. This means the Responsible Entity may stream income components in certain limited circumstances. The regime also allows for trust income to be 'attributed' to unitholders without actually paying a cash distribution for that income. You may be subject to tax on the attributed income (as if you had derived those components in your own right) even though you may not have received a cash distribution for that income. Reduced, or nil cash distributions, will result in an adjustment to the cost base of your units for capital gains tax purposes. Tax File Number (TFN) withholding and non-resident withholding tax may also apply to attributed income, in certain circumstances.

The Trust

The Trust may derive assessable income as a result of its investment activities. The assessable income of the Trust may include realised capital gains.

The Responsible Entity will generally attribute all taxable income to unitholders each financial year to ensure that the Trust itself will not be subject to Australian income tax.

Resident individual unitholders

As a unitholder, you will be assessed for tax purposes on the income that has been attributed to you, which may include capital gains generated by the Trust. In normal circumstances, you may expect that some income (and/or capital gains) will be generated each year.

We will provide you with an annual taxation statement called an AMIT Member Annual (AMMA) statement after 30 June each year. The AMMA statement will detail the amounts characterised as assessable income, tax-exempt income, non-assessable non-exempt income and tax offsets that are attributed to you for each 12-month period to 30 June.

Your share of the taxable components of the attributed income should be included in your assessable income for the year to which it relates, even though you may have reinvested the attributed income in additional units, or may not have been physically paid a cash distribution. The impact of the attributed income on your tax position depends on the type of income components attributed to you, amongst other factors.

For example:

Franked distributions and franking credits

The share of the Trust's taxable income which is attributed to you each year may include a franked distribution which has an entitlement to franking credits. You may be entitled to a tax offset (and in certain circumstances a refund of excess credits) for any franking credits received, depending on your particular circumstances.

Foreign-sourced income and foreign income tax offsets

Income received by the Trust from sources outside Australia may be subject to taxation in the country of source. Resident unitholders may be entitled to claim a foreign income tax offset in respect of their share of foreign taxes paid against their Australian tax liability on this foreign-sourced income.

Capital gains

Realised capital gains derived by the Trust which are attributed to you may form part of your assessable income or be used to offset against any of your capital losses. You may also incur capital gains on the sale of your units in the Trust. Unitholders that hold their units for at least 12 months may be entitled to a CGT discount on capital gains derived from the sale of their units.

Non-assessable income

The Trust may distribute amounts (such as tax-deferred, tax-exempt income and non-assessable non-exempt income) which are not immediately assessable for tax purposes. However, the receipt of such non-assessable income from the Trust may result in reducing the cost base of your units in the Trust for capital gains tax purposes.

Other gains

Gains on disposal of certain assets held by the Trust and/ or assets held by the underlying portfolios in which the Trust invests (including foreign exchange gains) may be characterised as assessable other Australian income rather than realised capital gains for taxation purposes.

Taxation of Financial Arrangements (TOFA) regime

Certain financial arrangements may be taxed under the TOFA regime. The TOFA provisions aim to align the taxation recognition of gains and losses on financial arrangements with commercial recognition of such gains and losses. Under TOFA, the gains and losses on financial arrangements are recognised on accruals basis rather than on realisation basis. In some cases, amounts may be recognised for taxation purposes before the relevant gains or losses are realised by the Trust.

Non-resident individual unitholders

If you are a non-resident unitholder, it is important you seek independent professional taxation advice before investing, taking into account your particular circumstances and the provisions of the relevant Double Tax Agreement between Australia and your country of residence. The Trust may be required to withhold tax on part or all of the income distributed and/or attributed to non-resident unitholders.

Goods and services tax (GST)

GST will not apply to applications or withdrawals from the Trust. Certain expenses incurred by the Trust may be subject to GST (currently at a rate of 10 per cent). The Trust may be able to claim a reduced input tax credit (RITC) in relation to those expenses subject to GST. Unless otherwise stated, the fees quoted in the PDS and the Reference Guide take into account the expected net impact of GST (ie net of available RITCs).

Tax File Numbers and Australian Business Numbers

You are not required to quote your tax file number (TFN), or Australian business number (ABN)[7] (if applicable), nor claim an exemption from providing a TFN. However, if a TFN or ABN is not provided or an exemption is not claimed, the Responsible Entity is required by law to withhold tax from distributions at the top marginal tax rate plus the Medicare Levy. If you are making this investment on behalf of a business or enterprise you carry on, you may quote your ABN instead of a TFN.

7 Under AML/CTF legislation, disclosure of an ABN is required for those individual investors who are a sole trader.

6. Foreign Account Tax Compliance Act and the Common Reporting Standard

The United States' (US) Foreign Account Tax Compliance Act (FATCA), and the Organisation for Economic Co-operation and Development (OECD) Common Reporting Standard (CRS) regimes require financial institutions, including IISL, to identify and report certain information relating to investors who are, or who may appear to be, a resident of any foreign jurisdiction(s) for tax purposes. This information is required to be reported to the Australian Taxation Office (ATO) who may exchange this with other countries that have implemented these regimes. We are required by law to ask investors to provide additional information to us and/or to report investors meeting certain criteria.

7. Your privacy

We are committed to protecting your privacy. Any personal information we collect about you will be handled in accordance with our privacy policy, which outlines how we manage your personal information, how you may access or correct your personal information, and how you may complain about a breach of your privacy. To obtain a copy of the IOOF group privacy policy, please contact Investor Services on 1800 002 217 or visit our website, www.ioof.com.au/privacy

We collect your personal information from the application form you complete when applying for this product for the purpose of providing you with the products and services that you request and for related purposes, including providing you with financial advice and ongoing services in relation to your account with us, or providing information about other products and services that may be of interest to you. If you do not provide all the information requested in your application form, we may not be able to process your application.

To verify your identity for Know Your Customer (KYC) purposes, we may also solicit personal information about you from reliable identity verification service providers.

For the purpose of providing you with the products and services that you have requested, we may disclose your personal information to our related bodies corporate or external parties, including your financial adviser or employer, banks or other financial institutions, medical professionals, insurers, legal or accounting firms, auditors, mail houses, or when required or authorised to do so by law. It is generally unlikely that we will disclose your personal information overseas, however any overseas disclosure does not affect our commitment to safeguarding your personal information and we will take reasonable steps to ensure any overseas recipient complies with Australian privacy laws.

PLA-15721 (50534) 1019