

Ibbotson **High Conviction Trusts**

Product Disclosure Statement

15 April 2010

-
- ▶ **Multi-manager**
 - ▶ **Access to specialist investment managers**
 - ▶ **High conviction Australian and international shares**
-

The issuer and Responsible Entity is:
IOOF Global One Limited
ABN 54 093 415 251 AFS Licence No. 234432

Important notes:

This Product Disclosure Statement (PDS) is an important document that should be read before making a decision to invest in the Ibbotson High Conviction Trusts (Trusts). In particular, you should read this PDS carefully and:

- ▶ assess whether the investment is appropriate for you before making a decision to acquire units in the Trusts;
- ▶ evaluate the taxation implications of investing in the Trusts; and
- ▶ consider talking to financial and tax advisers before making an investment decision.

The information contained in this PDS is general information only and is not intended to take into account your own personal objectives, financial situation or particular needs. You should read this PDS in its entirety carefully and assess whether the product is appropriate for you and discuss this with your financial adviser before you make an investment decision. In any event, the information in this PDS is not intended to contain any recommendations, statements of opinion or advice. It has been prepared to assist you to compare this product to others you may consider.

This PDS and the offer of units in the Trusts are available only to Australian resident investors receiving this PDS (including electronically) in Australia. Applications from outside Australia will not be accepted.

If you are printing an electronic copy of this PDS you must print all pages including the application form and any supplementary documents (if applicable). If you make this PDS available to another person, you must give them the entire electronic file or printout, including the application form and any supplementary documents (if applicable). You can obtain a paper copy of this PDS (and any supplementary documents if applicable) free of charge by contacting Ibbotson Associates Australia Limited (Ibbotson).

Units in the Trusts can only be issued if you use an application form attached to either a paper or electronic copy of this PDS or for additional investments, another method agreed with us.

If you are selecting one or more of the Trusts through an Investor Directed Portfolio Service (IDPS), please refer to your IDPS operator or your financial adviser for information on how to invest in the Trusts. Please also refer to page 4 for information for Indirect Investors. The Responsible Entity consents to the use of this PDS by IDPS Operators who include the Trusts on their investment menus.

The value of your investment may rise and fall, and at times your returns may be negative. Neither Ibbotson, Morningstar, the Responsible Entity, nor any of their related companies, directors, officers, any of their service providers or the investment managers appointed by the Responsible Entity, guarantee that your investment will appreciate in value or retain its value, guarantee the repayment of capital or guarantee the performance of any of the Trusts. Investments in the Trusts are subject to investment risk including possible delays in repayment and loss of income or of capital invested.

The issue of this PDS is authorised solely by the Responsible Entity. Apart from the Responsible Entity, no other person or company (whether or not related to the Responsible Entity) is responsible for any statement or information contained in this PDS.

IOOF Global One Limited is the Responsible Entity of the Trusts. As the Responsible Entity it is, amongst other things, responsible for complying with the Corporations Act 2001, the Constitutions and the compliance plans (see page 23), and for acting in the best interests of unitholders. The Responsible Entity may also use the services of related and third parties to perform its duties.

The Responsible Entity has entered into an investment management agreement with Ibbotson under which the Responsible Entity delegates the day to day investment management and operation of the Trusts to Ibbotson.

Ibbotson is the Investment Manager of the Trusts (and agent for the Responsible Entity) and has consented to being referred to throughout this PDS. Ibbotson Associates Australia Limited was formerly known as Intech Fiduciaries Limited. Morningstar has consented to being referred to throughout this PDS.

Ibbotson is entitled, under the investment management agreement, to require IOOF Global One Limited to retire as Responsible Entity of any of the Trusts. In that case, a meeting of unitholders in the relevant Trust(s) would be called in accordance with the Corporations Act 2001 to vote on the issue and appoint a replacement responsible entity.

A custodian has been appointed to hold and maintain certain Trust assets as agent of the Responsible Entity. The Responsible Entity reserves the right to change the custodian.

Information set out in this PDS is subject to change from time to time. Information not materially adverse to investors in the Trusts may be amended without issuing an updated or supplementary PDS. You can find this updated information on Ibbotson's website at www.ibbotson.com.au. You will be provided with a paper copy of any updated information free of charge, on request. You can also find some further information on Ibbotson's website in relation to terms used in this PDS which is incorporated by reference into this document. Unless stated otherwise, all fees are inclusive of GST after taking into account any expected reduced input tax credits.

All monetary amounts referred to in this PDS are given in Australian dollars (unless otherwise specified).

You should retain a copy of this PDS and any other supplementary material for future reference. You should consider all current information when making an initial investment or ongoing investment in the Trusts.

IBB-1-003

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About Ibbotson Associates

Ibbotson is a leading provider of Australian investment portfolio solutions, backed by capital markets and investment manager research. The company advises and manages funds for superannuation funds, institutions, platform distributors, financial advisers and individuals.

Founded in 1989 as Intech, the company was acquired by Morningstar in 2009. It now forms part of Ibbotson Associates, Inc., a Morningstar company. Morningstar is a leading provider of investment research. Ibbotson Associates, Inc., is a highly respected leader in the areas of asset allocation, portfolio consultation and retirement advice provision in the United States and in international markets.

Through the Ibbotson Trusts, Ibbotson manage a range of single sector, alternative strategy and diversified investment portfolios.

Definitions in this PDS

'AFS Licence' means Australian Financial Services Licence.

'ASIC' means the Australian Securities and Investments Commission.

'Business Day' means any day other than Saturday and Sunday during which banks are open for general banking business in the state of New South Wales.

'Constitution' means the Constitution of the Ibbotson Australian Shares High Alpha Trust dated 23 November 2005 or Ibbotson International Shares High Opportunities (Unhedged) Trust dated 18 August 2004 or the Constitution of the Ibbotson International Shares High Opportunities (Hedged) Trust dated 5 February 2007, as amended from time to time.

'Direct Investor' is a wholesale investor as defined in section 761G of the Corporations Act 2001 or a Staff Investor.

'Ibbotson' Ibbotson Associates Australia Limited, ABN 54 071 808 501, AFS Licence 228986, the Investment Manager of the Trusts.

'Ibbotson High Conviction Trusts' means all of the following trusts:

- ▶ Ibbotson Australian Shares High Alpha Trust (ARSN: 117 331 692 APIR: INT0074AU)
- ▶ Ibbotson International Shares High Opportunities (Unhedged) Trust (ARSN: 110 632 481 APIR: INT0069AU)
- ▶ Ibbotson International Shares High Opportunities (Hedged) Trust (ARSN: 123 814 433 APIR: INT0086AU)

'IDPS' means a master trust, wrap account, investor directed portfolio service or similar product.

'Inception Date' the date when a unit in the Trust(s) was first issued.

'Indirect Investor' is an investor who gains exposure to the Trusts through an IDPS.

'IOOF' or **'the Responsible Entity'**, means IOOF Global One Limited (IOOF), AFS Licence No. 234432, the issuer of units in the Trusts and of this PDS and the Responsible Entity of the Trusts.

'NAV' means the Net Asset Value of a Trust and is the value of all assets of the Trust less liabilities of the Trust (excluding any amount representing the value of the investors' interests in the Trust or rights attaching to units, unless they have become due and payable to the relevant investor, regardless of whether characterised as equity or debt in the accounts of the Trusts) and is calculated in accordance with the Constitutions of the Trusts.

'PDS' means this Product Disclosure Statement.

'RITC' means Reduced Input Tax Credit as defined in A New Tax System (Goods and Services Tax) Act 1999.

'RTGS' means Real Time Gross Settlement whereby settlement of payments occurs simultaneously with delivery of payments (i.e. in real time) for full value of each payment.

'Staff Investor' is an investor who is an employee as defined by internal human resource policies and procedures governing the staff investment program.

'Trusts' means the Ibbotson High Conviction Trusts.

'you' or **'your'** means an investor or prospective investor in the Trusts.

Indirect Investors

This section only applies to investors who are investing in the Trusts through an IDPS, i.e. as an Indirect Investor in the Trusts. If you are investing through an IDPS, your application should be made using the forms provided by your IDPS operator only. Do not use the forms provided in this PDS. Please consult your adviser or IDPS operator if you are uncertain if this applies to you.

If you are investing in any of the Trusts through an IDPS operator, you are directing the operator of that IDPS to arrange for your monies to be invested in the Trusts on your behalf. Accordingly, you:

- ▶ are not a Direct Investor in the Trusts;
- ▶ are not registered as a unitholder in the Trusts;
- ▶ do not receive distributions of income, tax statements or reports directly from us (as these will be made to your IDPS operator or its custodian); and
- ▶ are not entitled to receive notice of, attend or vote at unitholder meetings or participate directly in the winding up or termination of any of the Trusts.

The operator of that IDPS acquires those rights and can exercise, or decline to exercise them, on behalf of Indirect Investors.

References in the PDS to 'you' or 'your' should be read as references to your IDPS operator, as the context indicates.

Your IDPS operator will be responsible for confirming transactions, providing reports and responding to your enquiries. You should refer to your IDPS operator as the first point of contact regarding any enquiries about your investment (and for any issues that remain unresolved, contact the complaints scheme of which they are a member). You will also need to notify your IDPS operator of any changes in your details.

Please refer to the IDPS operator for information on:

- ▶ how to invest or make additional investments or switch between Trusts (as you do not complete the application form included in this PDS or any of our forms);
- ▶ the minimum initial investment, additional investment, or switching amounts;
- ▶ how to redeem investments and the minimum redemption amounts;
- ▶ details of cooling-off rights (if any) that may apply to your investment in the IDPS; and
- ▶ any additional fees charged by your IDPS operator that may apply.

Indirect Investors should read the guide provided by the IDPS operator and should also seek appropriate professional taxation and investment advice.

We are not responsible for the operation of an IDPS.

Ibbotson High Conviction Trusts

The Trusts are managed investment schemes (unit trusts) that offer investors exposure to either Australian or international sharemarkets. The Trusts are designed to provide multi-manager solutions to investors seeking high alpha (above benchmark returns) over the long term. We believe a high conviction approach to investing can generate significant alpha over the long term. Ibbotson has appointed a number of investment managers chosen for their skill and high conviction approach to investing. These managers have been configured to ensure adequate diversification across markets and different investment styles. The Trusts are managed and administered by Ibbotson, including ongoing monitoring and review of investment managers and markets.

Ibbotson's specialist equities team applies a local and global research process to identify leading high conviction managers, many not normally available to individual investors. The specialist portfolios are structured to combine the most suitable mix of managers, appropriately diversified, with the primary objective of generating high levels of alpha over the long term.

Investment managers may be changed from time to time without notice to you.

Ibbotson manage the following three high conviction equity trusts:

- ▶ Ibbotson Australian Shares High Alpha Trust;
- ▶ Ibbotson International Shares High Opportunities (Unhedged) Trust; and
- ▶ Ibbotson International Shares High Opportunities (Hedged) Trust.

Understanding high conviction investing

High conviction managers use a diverse range of alternative and higher risk strategies to capture the highest alpha opportunities within investment markets. High conviction managers generally run concentrated portfolios and tend to be 'benchmark unaware', meaning they are not influenced by or constrained to stocks and their weightings in a benchmark. High conviction portfolios look very different in composition to their benchmark and traditional equity trusts. These portfolios have the potential to generate high alpha, however, may result in performance being more volatile. The higher volatility can be mitigated by incorporating different styles of managers (e.g. growth, value, contrarian, long/short).

What are the benefits?

- ▶ The Trusts provide investors with access to portfolios of high conviction Australian or international shares investment managers, including many manager products that are difficult for Australian investors to access.
- ▶ The Trusts are managed by experienced investment professionals who are among industry leaders in portfolio construction, asset allocation, manager configuration, manager selection and monitoring, and investment administration.
- ▶ Selecting specialist managers is key to achieving good multi-manager performance results. Ibbotson's manager selection is based on intensive manager research.
- ▶ The Trusts provide exposure to either Australian or major international sharemarkets, multiple investment managers and multiple investment manager styles.

Please refer to pages 9–11 for details on investment risks.

Ibbotson's investment approach

In managing the Trusts, Ibbotson aims to deliver consistent investment returns by applying a disciplined investment process built around in-depth research and combining high quality specialist investment managers.

Investment research

Research is one of the core foundations of Ibbotson. The integrity and quality of research is essential to our investment process. Ibbotson's capital markets and investment manager research is rigorous and comprehensive.

Investment Managers

Ibbotson endeavours to identify active managers with superior investment capabilities. Active managers seek to maximise out performance within agreed risk constraints relative to a benchmark. We believe that well-resourced, experienced investment managers with an alignment of interests with investors and a differentiated investment strategy have a better chance of delivering investment returns in excess of the market.

Active investment managers adopt different investment style in managing portfolios. Although returns are not guaranteed, each of Ibbotson's selected active managers is expected to deliver investment returns in excess of their performance benchmark over the longer term. By effectively combining managers with different styles, Ibbotson targets more consistent returns relative to the benchmarks without sacrificing long-term performance.

Investment managers may be changed from time to time without notice to you.

Investment management

We will manage the investment process for each Trust as described in this PDS.

Each Trust has an investment objective and risk profile. We will review the investment objective and risk profile of each Trust on an ongoing basis and make any necessary changes. We aim to provide affected unitholders with at least 30 days advance notice before material changes to investment objectives take effect.

In order to achieve the investment objectives, we set an appropriate investment strategy, select, appoint and terminate investment managers, and monitor and review the Trust's performance, investment strategy and implementation process.

Ibbotson will review the investment strategy of each Trust on an ongoing basis in order to maintain consistency with the investment objective. Where appropriate, adjustments may be made to these without prior notice but affected unitholders will be notified as soon as practicable and within 30 days of making any material adjustments.

Current information on the investment profile for each Trust is shown on page 8 of this PDS.

Authorised investments

The Trusts may hold a range of investments including:

- ▶ Australian shares;
- ▶ international shares;
- ▶ derivatives (refer to page 7 for more information);
- ▶ cash and cash equivalent securities; and
- ▶ interests in other pooled vehicles (including registered and unregistered managed investment schemes, to the extent permitted by law).

Currency hedging

Investing in international assets gives rise to currency exposure, which may impact the return on the investment. For information associated with the risk of currency exposure, please refer to 'Currency risk' on page 10.

Ibbotson International Shares High Opportunities (Unhedged) Trust

In the case of the Ibbotson International Shares High Opportunities (Unhedged) Trust, currency exposure arises because international investments are held in a foreign currency and converted back to Australian dollars every time a unit price is struck (see page 29 for more information about unit prices). Changes in exchange rates leads to a difference between the foreign currency returns of the international investments held by this Trust and the returns in Australian dollars.

Ibbotson does not hedge the international assets of this Trust to eliminate currency risk. The Trust is managed to an unhedged benchmark and the currency risk associated with the Trust's investments is not intended to be hedged. However, some hedging may occur from time to time as some of the investment managers appointed are permitted to use currency management in their portfolios up to limits specified in their investment mandates.

Ibbotson International Shares High Opportunities (Hedged) Trust

If you prefer to remove currency exposure from your investment, the Ibbotson International Shares High Opportunities (Hedged) Trust uses currency hedging to reduce the magnitude of currency risk created by its investment in international assets. The Trust is managed to a hedged benchmark.

Derivatives

Derivatives (such as options, futures, swaps, forward rate agreements and forward foreign exchange contracts) may be used to manage the assets of the Trusts. Where derivatives are permitted, they are used to manage risk or to gain exposure to individual securities, currencies and investment markets. The total exposure created by underlying investment managers using derivatives is limited by establishing specific and detailed guidelines for derivative usage in their investment mandate. Where the Trust enters into derivatives directly, the use of derivatives is consistent with the investment policies and procedures. Further information can be found in Ibbotson's Derivative Risk Statement.

Securities lending

As part of the investment strategies, the Trusts' investment returns may be enhanced by earning revenue from participation in the securities lending program of the Trust's custodian.

The securities lending program involves lending selected Trust securities to a third party (borrower) through the custodian (agent) for a period of time, in return for a fee. At the end of the period, the borrower returns replacement securities, which are either the original securities or more commonly are equivalent in number and type to the original securities. As part of this arrangement, borrowers provide collateral to the custodian.

Depending on the type of collateral lodged, the securities lending program can earn revenue in one of two ways. When the custodian, as agent, receives cash collateral, they invest the cash and earn interest on the cash. Where they receive non-cash collateral, a fee rate is used to determine the fees payable and will depend on the size of the loan, duration, availability and other relevant circumstances. Any revenue generated is shared between the Trusts and the agent.

While performance returns can be enhanced by participation in a securities lending program, there are some associated risks (see page 11 for further details).

Ethical statement

Ibbotson does not explicitly take into account labour standards or environmental, social or ethical considerations when making investment decisions for the Trusts or when selecting or monitoring investment managers. The investment managers selected are not required to take any such considerations into account when making their investment decisions, however this may change in the future.

Investment profiles

Sector Trusts – high conviction

Ibbotson Australian Shares High Alpha Trust¹

Investment objective²

Aims to maximise outperformance relative to the benchmark over rolling 5 year periods by investing predominantly in listed Australian shares.

Benchmark

S&P/ASX 300 Accumulation Index

| | |
|------------------------------------------------|------------------------|
| Risk profile ³ | High |
| Investment time horizon | 5 years |
| Inception date | 7 December 2005 |
| Trust size as at 31 December 2009 ⁹ | \$307.8 Mil |
| APIR code | INT0074AU |
| ARSN | 117 331 692 |

Ibbotson International Shares High Opportunities (Unhedged) Trust⁴

Investment objective²

Aims to maximise outperformance relative to the benchmark over rolling 5 year periods by investing predominantly in listed international shares.

Benchmark⁵

MSCI All Country World ex-Australia Index with Net Dividends Reinvested (Unhedged)

| | |
|------------------------------------------------|--------------------------|
| Risk profile ³ | High |
| Investment time horizon | 5 years |
| Inception date | 23 September 2004 |
| Trust size as at 31 December 2009 ⁹ | \$370.4 Mil |
| APIR code | INT0069AU |
| ARSN | 110 632 481 |

Ibbotson International Shares High Opportunities (Hedged) Trust⁶

Investment objective^{2,7}

Aims to maximise outperformance relative to the benchmark over rolling 5 year periods by investing predominantly in listed international shares, supplemented by a passive currency overlay.

Benchmark⁸

MSCI All Country World ex-Australia Index with Net Dividends Reinvested (\$A Hedged)

| | |
|------------------------------------------------|---------------------|
| Risk profile ³ | High |
| Investment time horizon | 5 years |
| Inception date | 2 March 2007 |
| Trust size as at 31 December 2009 ⁹ | \$40.9 Mil |
| APIR code | INT0086AU |
| ARSN | 123 814 433 |

Notes

- Prior to 15 April 2010, this Trust was called the Intech Australian Shares High Alpha Trust.
- The investment objective is expressed before the management fee, expense recoveries and taxation, i.e. performance is measured relative to the benchmark before fees and costs and taxes are deducted. Please refer to pages 15–18 for details on fees and costs and pages 19–22 for details on taxation. The investment objective is not intended to be a forecast, it is merely an indication of what the Trust aims to achieve over the medium to long-term. The Trust may not be successful in meeting its investment objective. Returns are not guaranteed.
- Risk profiles help to understand where each Trust is positioned on the risk/return spectrum. Please refer to page 8 for details on the high risk profile classification.
- Prior to 15 April 2010 this Trust was called the Intech International Shares High Opportunities (Unhedged) Trust.
- The Ibbotson International Shares High Opportunities (Unhedged) Trust's benchmark was the MSCI World ex-Australia Index with Net Dividends Reinvested (Unhedged) up until 31 December 2006.
- Prior to 15 April 2010, this Trust was called the Intech International Shares High Opportunities (Hedged) Trust.
- Currency hedging is used to hedge currency exposures back to Australian dollars. Currency hedging aims to reduce the impact of movements in the value of the Australian dollar against other currencies. For information associated with the risk of currency, please refer to 'Currency risk' on page 10.
- The Trust size as at 31 December 2009 is calculated based on NAV.

Investment risks and decision making

Your investment decision

Investment decisions are important and should reflect your particular circumstances. In making a decision it is important to consider the investment, its level of risk and diversification and how it relates to your investment goals and other investments you may hold. You should read all the information in this PDS carefully and seek appropriate professional advice before you make your decision.

Considering your investment goals

To meet your investment goals an investment must fit comfortably with:

- ▶ your return expectations - this reflects the types of returns that you are seeking from an investment;
- ▶ your investment time horizon - which is based on the length of time you expect to hold an investment; and
- ▶ your risk tolerance - which refers to the extent of variation in the value of your investment, and returns (if any) from your investment, that you are willing to bear over the course of your investment time horizon.

If you are investing via an IDPS, your financial adviser will be able to assist you with determining your investment goals.

Understanding the risks

All investments have some level of risk. Risk is the likelihood of not getting all your money back, and/or getting lower returns than expected. Investments with higher expected returns often involve higher risk.

Risk profiles

In the investment profiles on page 8, the risk profile for each Trust has been classified as 'High'. This means the Trusts may experience periods of negative (and/or volatile) returns, although they also offer greater potential returns compared to investments with lower risk profiles.

Before investing, it is important that you understand the risk involved in the investment you are making, your tolerance to that risk and your proposed investment period.

Some risks you may want to consider are:

Market risk

The Trusts invest in investment markets and the performance of these markets will have an impact on returns. These markets are affected by a range of conditions (eg economic, technological or political) that impact returns. As the risk relates to the market as a whole it cannot be reduced by holding a greater variety of securities within that market. Periods of extreme market volatility can alter the level of risk, return and liquidity of a Trust

Currency risk

Movements in exchange rates between the Australian dollar and foreign currencies can affect the performance of Trusts with international investment exposure. Where foreign currencies fall in value relative to the Australian dollar this can have an adverse impact on investment returns for the Trusts with international investment exposure. The underlying Ibbotson Trusts may use currency hedging to reduce the magnitude of currency risk.

Counterparty or Default risk

There is a risk that a party which has contracted with the Responsible Entity in relation to a Trust fails to meet its contractual obligations, resulting in a loss of capital of the relevant Trust. Counterparties include clearing brokers for exchange traded futures and options, foreign exchange counterparties, and borrowers under securities lending agreements.

Contractual risk

In the interests of efficient investment, we may act on an investment application before confirmation that application monies have been received. If an investor were to fail to meet its contractual obligations to pay the application monies, this could result in a loss of capital to the relevant Trust, the risk of units not being issued to that investor or the subsequent cancellation of these units. An investor would be liable for any loss to their potential capital in the event of downward market movements before application monies have been received.

Changes in laws

The value of investments held by the Trusts may be affected by changes in laws such as taxation.

Country risk

Some of the Trusts have exposure to investments in overseas securities. There is a risk that a country to which the Trusts have investment exposure may become politically or economically unstable which may prevent assets (such as shares) being sold or the proceeds being repatriated to Australia. This risk is generally higher in countries classified as emerging markets.

Derivatives risk

Derivatives may be used (such as options, futures, swaps, forward rate agreements and forward foreign exchange contracts) in managing the assets of the Trusts. Risks associated with using derivatives might include the value of the derivative failing to move in line with the underlying asset, potential illiquidity of the derivative, the relevant Trust not being able to meet payment obligations as they arise, and counterparty risk (this is where the counterparty to the derivative contract cannot meet its obligations under the contract). Further information can be found in Ibbotson's Derivative Risk Statement.

Inflation risk

Increasing inflation reduces the purchasing power of assets or income. Changes in inflation may impact the value of your investments in the Trusts.

Interest rate risk

An increase in interest rates leads to a reduction in the value of a fixed interest investment, and vice versa. This risk is usually greater for fixed interest investments that have longer maturities.

Liquidity risk

The risk that a security may not be easily converted into cash with little or no loss of capital and minimum delay. Liquidity will be affected by market conditions in countries where the securities are held. Liquidity risk may also be magnified by exposure to alternative investment strategies due to the nature of the underlying investments and the instruments used to gain access to them. During extreme market volatility Trusts may experience illiquidity and as a result, redemptions may be suspended for a period of time and payments may be deferred.

Manager risk

There is a risk that the underlying managers selected may fail to meet their investment objectives resulting in sub-standard returns for some or all of the Trusts. For example, this may be brought about by a change of employees at a particular investment manager which may affect the future performance of the Trusts.

Securities lending risk

Performance returns can be enhanced by participation in a securities lending program. Risks associated with securities lending include the loss of collateral value in the event of borrower default (similar to Counterparty or Default risk), loss of voting rights, custody and operational risks.

Short selling risk

Short selling refers to selling stocks that you do not own and buying them back at a future date. The Trusts may be exposed to short selling where the market permits this trading strategy. Establishing a short position involves a higher level of risk than investing in a security. This is because when a Trust invests in a security the maximum loss is generally limited to the amount invested. With short positions, there is theoretically no limit on the loss because the loss will continue to increase as the price of the security increases.

Security specific risk

Uncertainty of the return of a stock arising from factors that are specific to the company concerned. It is unrelated or, at most, distantly related to events that affect other comparable companies or the market as a whole.

Trust risk

The following risks may apply when investing in the Trusts:

- ▶ characteristics such as distribution frequency may change;
- ▶ taxation laws are subject to continual change and may affect the tax implications of your investment;
- ▶ there may be different tax consequences for different investors compared to investing directly in underlying investments due to income or capital gains accrued in the Trusts and the impact of withdrawal by other investors;
- ▶ unit pricing risk, meaning a risk of unit pricing errors which may result, for example, from system errors; and
- ▶ a Trust could be terminated.

Fees and other costs

Did you know?

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

For example, total annual fees and costs of 2% of your Trust 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 Ibbotson or your financial adviser.

To find out more

If you would like to find out more, or see the impact of the fees based on your own circumstances, the Australian Securities and Investments Commission (ASIC) website (www.fido.asic.gov.au) has a managed investment fee calculator to help you check out different fee options.

This section 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 Trust assets as a whole. Taxation details are set out in the taxation section of this PDS starting on page 19.

You should read all the information about fees and costs as it is important to understand their impact on your investment. Fees and costs for each Trust are set out on page 14.

Fees and other costs

| Type of fee or cost | Amount | How and when paid |
|---------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Fees when your money moves in or out of a Trust¹ | | |
| 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 costs² | | |
| The fees and costs for managing your investment. | Management fees % pa³ Range from 1.13% pa to 1.28% pa of the amount you have invested in a Trust | The management fee is accrued daily and paid monthly from each Trust. This amount is deducted from the assets of each class of unit in a Trust and is reflected in the unit price. The management fee includes all non-performance based investment management fees as well as the running expenses (but does not include abnormal expenses). Please refer to 'Management fees' on page 14 for more information. The amount of the management fee may be negotiable. Please contact us to find out if and how you can negotiate your management fees. |
| The amount you pay for each specific Trust is listed in the table on page 14. | Abnormal expenses Estimated to be 0.00% pa | |
| | Performance fees³ Certain underlying investment managers in the Ibbotson Australian Shares High Alpha Trust charge performance fees. These underlying investment managers' performance fees are typically between 10% and 30% pa of performance in excess of the relevant benchmark index although they can be higher. | Performance fees charged by underlying investment managers are either deducted from the assets of underlying funds and reflected in the unit price of the funds or sufficient units are redeemed or separately invoiced to the Trust. Please refer to 'Performance fees' on pages 15–16 for more information. |
| Service fees | | |
| Investment switching fee: The fee for changing investment options | Nil | Not applicable |

Notes

- You may also incur a buy/sell spread when your money moves into or out of the Trust. An explanation of the buy/sell spread is found in 'Additional explanation of fees and costs' on page 17 and current buy/sell spreads for each Trust are in the table on page 14.
- Some IDPS operators may be paid an annual product access payment for offering the Trust on their menus. The product access payment is not an additional fee paid by investors, it is treated as an expense and therefore deducted from the management costs for the Trust. It does not reduce any returns an investor may receive. Please refer to 'Commission' on page 17 for more information.
- Inclusive of Goods and Services Tax (GST) after taking into account any expected reduced input tax credits (RITC). Fees are rounded to two decimal places, but in practice the rates are calculated and applied at more than two decimal places.

Example of annual fees and costs

This table gives an example of how the fees and costs for the Ibbotson Australian Shares High Alpha Trust can affect your investment over a one year period. You should use this table to compare this product with other managed investment products.

| Example – Ibbotson Australian Shares High Alpha Trust | | Balance of \$500,000 with a contribution of \$5,000 at the beginning of the year ¹ |
|--------------------------------------------------------------------------------------------------------|----------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Contribution fee | Nil | For the \$5,000 you put in at the beginning of the year, you will be charged \$0. |
| PLUS Management costs | 1.13% pa | And, for every \$500,000 you have in the Trust you will be charged a management fee of: \$5,650. ² |
| | 0.64% pa | And, assuming an investment manager which charges a performance fee of 25.625% pa, outperforms its performance fee hurdle by 10% in a year (and there is no previous negative performance fee accrual to be made up), and the Ibbotson Australian Shares High Alpha Trust has 25% of its portfolio invested with the particular manager, for every \$500,000 you have in the Trust you will be charged a performance fee of \$3,203.13 calculated as follows: Invested amount multiplied by the investment manager exposure multiplied by the manager's outperformance multiplied by the performance fee percentage: \$500,000 x 25% x 10% x 25.625%: \$3,203.13 ³ pa. |
| EQUALS Cost of Trust | 1.77% pa | If you invest \$5,000 at the beginning of the year and your balance is \$500,000 over the course of the year, you would be charged: \$8,853.13 ⁴ pa. |
| What it actually costs you will also depend on the management fees you negotiate with Ibbotson. | | |

- The example is based on an investment balance of \$500,000 as this is the minimum investment amount accepted in the Trusts.
- See 'Management costs' in the section 'Additional explanation of fees and costs' for a more detailed description of how management fees and expenses are calculated.
- See 'Management costs' in the section 'Additional explanation of fees and costs' for more information on how performance fees are calculated. In the worked example, the performance fee is calculated assuming one investment manager, which charges a performance fee of 25.625% pa, and outperforms its benchmark by 10%. Please note, the fact that the example assumes outperformance of 10% is not in any way intended to be a forecast of the likely returns generated by any particular investment manager. Returns are not guaranteed.
- The example assumes that your balance remains constant at \$500,000 throughout the year (i.e., no further contributions are made and the Trust's unit price does not change) and fees are not individually negotiated. The example does not include the effect of any transaction costs (including buy/sell spreads) or abnormal expenses which may be incurred by the Trust.

Fees and costs for each Trust

| Sector Trusts – High Conviction | Management fee % pa ¹ | Buy/sell spread ² | Dollar example of buy/sell spread included in unit price based on a \$500,000 investment/withdrawal ³ |
|--------------------------------------------------------------------------------|----------------------------------|------------------------------|------------------------------------------------------------------------------------------------------------------|
| Ibbotson Australian Shares High Alpha Trust ⁴ | 1.13% | 0.30% / 0.30% | \$1,500 / \$1,500 |
| Ibbotson International Shares High Opportunities (Unhedged) Trust ⁵ | 1.23% | 0.25% / 0.25% | \$1,250 / \$1,250 |
| Ibbotson International Shares High Opportunities (Hedged) Trust ⁵ | 1.28% | 0.25% / 0.25% | \$1,250 / \$1,250 |

- Management fee includes all non-performance based investment management fees and the Responsible Entity's running expenses (excluding abnormal expenses). Management fee percentages are inclusive of GST after taking into account any expected RITC. Management fee percentages are rounded to two decimal places, but in practice the rates are calculated and applied at more than two decimal places. For more information on fees and costs please refer to pages 15–18.
- For more information on buy/sell spreads, please refer to 'Buy/sell spreads' on page 17. The buy/sell spreads are current as at the date of this PDS. For up to date buy/sell spreads, please contact Ibbotson.
- The example is based on the assumption that the unit price (before the estimate for transaction costs) is \$1.00 when you invest \$500,000 in each Trust and that the unit price (before the estimate for transaction costs) is \$1.00 when you withdraw \$500,000 from each Trust.
- These Trusts currently have exposure to underlying managers which charge performance fees. Performance based management fees are an additional cost to you and impact the returns you may receive. For more information on performance fees please refer to pages 15–16.
- These Trusts may have exposure to underlying managers which charge performance fees. Performance based management fees are an additional cost to you and impact the returns you receive.

Additional explanation of fees and costs

Management costs

Management costs are the fees and costs for managing your investment and include all direct and indirect costs for managing the Trusts. Where a Trust invests in another Trust managed by Ibbotson the management fee and performance fee (if applicable) will only be charged once on the invested amount. You do not incur a management fee and performance fee (if applicable) in both the Trust and any underlying Ibbotson Trusts.

MANAGEMENT COSTS INCLUDE:

Management fees

The management fees are charged by accruing them within the Trusts' unit prices on a daily basis. Management fees are rounded to two decimal places in the table on page 14, but in practice they are calculated and applied at more than two decimal places. On a monthly basis, management fees are paid to Ibbotson from the Trusts' assets. The maximum management fee allowable under the Constitution is 3% pa of the net asset value of the Trust. Each Trust's Constitution allows the management fee to be charged in other ways negotiated with you, for example by invoicing you directly.

For wholesale clients, in line with ASIC Class Order 03/217 (as amended from time to time), the Responsible Entity may:

- ▶ charge a lower management fee than those currently specified in the table on page 14; or
- ▶ rebate a part of the management fee.

Ibbotson allows staff to invest on concessional arrangements and management fees to the standard offer. All staff are subject to internal human resource policies and procedures governing the staff investment program.

Underlying investment manager fees

The management fee shown in the table on page 14 is inclusive of underlying investment manager fees (except performance fees, where applicable) which are not an additional cost to you. Refer to 'Performance fees' below for more information on underlying investment manager performance fees.

Performance fees

Certain underlying investment managers in the Ibbotson Australian Shares High Alpha Trust may charge performance fees. These fees are payable if the relevant investment managers meet specific investment performance targets. Performance fees are structured so that an investment manager's remuneration is linked to the investment return achieved over an appropriate benchmark index.

In the future, other Trusts may be exposed to performance fees and affected unitholders will be notified at least 30 days before such changes are implemented.

As shown in the 'Fees and other costs' table on page 13, underlying investment managers performance fees are typically between 10% and 30% pa of performance in excess of the relevant benchmark index, although they can be higher or lower.

Performance fees payable to underlying investment managers are generally charged in one of the following ways:

- ▶ accrued within an underlying fund's unit price;
- ▶ a sufficient number of units are redeemed by the underlying investment manager to fund payment of the performance fee; or
- ▶ an invoice is issued directly to the Trusts.

Any performance fees payable to underlying investment managers are not covered by the management fee and will be an additional cost to you. The method of charging performance fees (including the percentage amount of the performance fee) may change in the future. Unitholders will be given prior notice if performance fee arrangements change and this results in the estimated performance fees exceeding the range disclosed in this PDS.

Unitholders can also contact Ibbotson for further information on the performance fees that currently apply to their investment.

Running expenses

The Responsible Entity is entitled to be reimbursed from the Trusts for all expenses (as authorised by each Constitution) incurred in managing and administering the Trusts. Under each Constitution, there is no specific limit on the level of expense recovery from Trust assets. Running expenses are all expenses incurred in managing and administering the Trusts, other than fees paid to investment managers, abnormal expenses and transactions costs of the kind used to determine the buy/sell spreads. Currently, running expenses such as custody, taxation or legal advice and audit costs are paid out of the management fee. These running expenses are not an additional cost to you.

Abnormal expenses

Abnormal expenses are additional Trust expenses that may arise from time to time in relation to the Trusts, such as litigation, convening a meeting for unitholders or winding up a Trust.

Abnormal expenses may be recovered from Trust assets and are not payable by Ibbotson from the management fee. If incurred, they are accrued if and when they are known or reliably able to be estimated and reflected in the unit price at that time (see page 29 for more information about unit prices). These costs are incurred infrequently.

For a worked dollar example of management costs, including the impact of performance fees, refer to the example of annual fees and costs for the Ibbotson Australian Shares High Alpha Trust on page 14.

Transaction and operational costs

Transaction costs

Transaction costs are those costs and expenses incurred in the acquisition or disposal of Trust assets. Transaction costs include brokerage, duties and taxes and reflect the costs that would ordinarily be incurred by an investor who invested directly in these assets. Transaction costs are normally incurred directly by the Trusts, but where they are incurred by Ibbotson on behalf of the Trusts, these will be reimbursed from the Trusts.

Buy/sell spreads

The difference between the entry price and exit price of a unit is called the 'buy/sell spread'. This covers the estimated transaction costs of buying or selling investments when you apply for, switch or redeem units from a Trust. The buy spread is added to the price payable on application for units, and the sell spread is deducted from the amount payable to you when you redeem units. Each is expressed as a percentage of the unit price. Buy/sell spreads help achieve equity by spreading costs between investors entering and exiting the Trust.

The buy/sell spread is retained in the relevant Trust to cover these transaction costs. The buy/sell spread applying to each Trust are shown in the table on page 14 which is current as at the date of this PDS.

Spreads may change without notice, for example if transaction costs change. A policy is in place which sets out the guidelines and relevant factors for calculating unit pricing, including buy and sell spreads.

You may obtain a copy of the policy (and any records ASIC requires to be maintained) free of charge by contacting Ibbotson.

Commission

Where we pay commissions to third parties, such as to dealer groups, IDPS operators or other licensees for offering the Trust on their investment menus or for the provision of services, any such payments do not impact the returns you may receive.

Ibbotson maintains an Alternate Forms of Remuneration Register. The register, which you can review by contacting Ibbotson, outlines some alternative forms of remuneration that may be paid to or received from licensees, fund managers or representatives (if any is paid or received in relation to the Trusts).

Change in fees and costs

The Trusts fees and costs may change within limits allowed by each Constitution and the Responsible Entity reserves the right to change fees and costs without unitholders' consent. Unitholders will be notified of any increases in the fees and costs at least 30 days before implementing them. If the Trusts ever sought to charge fees above the maximums permitted in each Constitution, unitholder consent would be sought.

GST

Fees and costs charged to the Trusts generally attract 10% GST which is charged to and borne by the Trusts. All fees and costs disclosed in this PDS are inclusive of GST, to the extent applicable, after taking into account any expected RITCs. The Trusts will claim RITCs where possible under the GST regulations. These credits will reduce the overall cost of GST to the Trusts and will be reflected in the unit price. The net GST is the net cost after taking into account GST and RITCs.

Switching fee

A switch between Trusts is treated as a redemption from one Trust and an application for units in another Trust. The Trusts do not charge a switching fee (or an entry or exit fee on the amount of the switch). The Trusts' buy/sell spreads will apply to switches.

Taxation

The following is a brief outline of the Australian taxation consequences of investing in the Trusts.

Because the Australian taxation laws are complex and different investors have different circumstances, it is recommended that you seek professional taxation advice in relation to investing in the Trusts and the tax consequences of any distributions you receive. Please be aware that not all the following statements will apply to all investors. In particular, New Zealand residents should obtain their own taxation advice.

This section of the PDS is intended as a general guide only, and is based on Australian taxation laws that were current as at the date of this PDS. These laws, and the interpretation and administration of them, may alter over time.

The Trusts are established as separate unit trusts. The effect of tax on the Trusts, and hence your investment in the Trusts, can vary depending on such factors as the type of investment, the timing of investment transactions, and entry and exit of other unitholders in the relevant Trust.

Distributions

Each Trust is a resident of Australia for tax purposes; therefore each Trust is required to determine its net income (taxable income) for an income year. It is intended that investors will be presently entitled to all of the net income (including net taxable capital gains) of each Trust for each income year, such that pursuant to the existing income tax legislation, the Trusts should not be subject to Australian income tax. In the case where a Trust makes a loss for tax purposes, the Trust cannot distribute the loss to investors. However, subject to the Trust meeting certain conditions, the Trust may be able to take into account the losses in subsequent years.

The distributions you receive may include a number of different types of income which reflect the income derived by the Trusts. These components may include:

- ▶ capital gains;
- ▶ foreign income and foreign income tax offsets
- ▶ franked dividends/franking credits; and
- ▶ tax deferred distributions.

Provided that all income is distributed to unitholders in relation to the year it is earned, the Trusts will not pay Australian income tax under current tax law. An Australian investor's share of the net income of the Trusts for a year of income, including amounts received in a subsequent year or which are reinvested, forms part of the investor's assessable income of that year.

You will be provided with a statement for tax purposes after 30 June each year to assist you (and your adviser) in determining your tax position. This tax statement will advise you of the distribution amounts (if any) to include in your tax return as assessable income, capital gains, any franked dividends/franking credits and any foreign income/foreign income tax offsets.

In addition, the statement will advise you of the tax-deferred portion (if any) of the distribution i.e. those amounts that have been distributed to you but are not included in taxable income. Such amounts will generally, reduce your cost base in the units in the relevant Trust. Should your cost base be reduced below zero after one

or more cumulative tax-deferred distributions, the amounts in excess of your cost base should be a capital gain that should be included in your taxable income. You may be entitled to the CGT discount in respect of this gain (see below).

If you redeem units you will also need to include any capital gains or losses you have made in the calculation of your net capital gain or loss for the income year assuming you hold the units in the Trust(s) on capital account (unless you are a non-resident investor that may not be liable for Australian CGT – see 'Tax on capital gains' on page 21). Depending on the type of entity you are, you may be entitled to a CGT discount (of 50% for trusts and individuals or 33.33 % for superannuation funds) on any net capital gain if you have held your units in the Trust for at least 12 months from the date of acquisition. Companies are not entitled to CGT discounts on their capital gains, including discount capital gains distributed by a Trust.

On redemption of units, you may receive both capital proceeds and an income component representing your share of the undistributed income for the year up to the redemption date. Refer 'Distributions' on page 19 for more information. In addition, we may choose to allocate any gains arising from the realisation to you. Any such income distributions should be included in your assessable income in the year you are presently entitled to that distribution.

If a performance fee is payable by you, we will redeem the number of units on your behalf to pay the performance fee. The redemption will constitute a disposal of those units for tax purposes. Unitholders should consult their taxation advisers regarding the deductibility of the performance fee to them in light of their own particular circumstances.

Franked distributions/franking credits

Distributions from some of the Trusts may include franked distributions. Subject to satisfying certain criteria, such franked distributions generally entitle Australian resident investors to obtain a tax offset (the franking credit) that is available to offset against their income tax liability. Franked distributions and franking credits are included in a person's assessable income. If the franking credits exceed the tax payable on your taxable income, the excess credits may be refundable to you if you are a resident individual or complying superannuation fund. Excess franking credits may generate tax losses if you are a corporate entity.

Non-resident investors

The Trusts' net income that has an Australian source to which a foreign investor is presently entitled will have tax withheld before a distribution is made to a non-resident investor.

The rate of withholding tax will depend on the type of income and the country of tax residence of the investor, and any governing international tax treaty. In the absence of a governing treaty, tax of 30% will be withheld on unfranked dividends and tax of 10% will be withheld on interest income. No withholding tax is applicable in respect of fully franked dividends.

The withholding tax rate generally applicable for residents of information exchange countries in respect of any remaining Australian sourced income should be as follows:

- ▶ 22.5% in the income year ended 30 June 2009
- ▶ 15% in the income year ended 30 June 2010
- ▶ 7.5% in the income years ending 30 June 2011 onwards

The withholding tax rate applicable for residents of all other countries is 30%.

In most cases, these withholding taxes are each a final tax. As a result, the non-resident investor should not be entitled to a credit for any withholding tax paid or be liable to further tax on income from which withholding tax has been withheld.

The withholding tax rates outlined above will apply if the Trusts continue to qualify as Managed Investment Trusts (MITs) for tax purposes. Different rates will apply if the Trusts do not qualify as MITs.

Foreign sourced income to which a non-resident is presently entitled should not be subject to tax in Australia.

Foreign income and foreign income tax offsets

Where foreign tax has been paid by a Trust in respect of foreign investment of Trust assets, the Trust will generally pass on any available corresponding foreign income tax offsets to resident investors so that investors can offset these income tax offsets against the Australian tax payable on their assessable foreign income. Ibbotson will advise each investor of their share of such foreign income tax offsets.

The Trusts may directly or indirectly hold interests in Controlled Foreign Companies (CFC) at the end of a financial year. Under the CFC regime, resident investors may be assessed on their portion of the CFC's attributable income for the financial year, even though the income is not distributed.

The Trusts may hold interests in Foreign Investment Funds (FIF) at the end of the financial year. Under the FIF regime, you may be assessed on your portion of the FIF's attributable income for the financial year, even though income is not distributed. The Trust may be exempt from taxation under the FIF regime if any of the specified exemptions apply in respect of that FIF interest. The range of exemptions is varied. Examples include where the foreign company or trust carries on an active business, where the interest is certain US entities and where the value of the taxpayer's FIF interests in respect of which income is attributable is less than 10% of the value of all its FIF interests.

The Australian Government recently released exposure draft legislation on 18 December 2009 that provides for the repeal of the current FIF regime in its entirety and replacing it with a narrower anti-deferral regime. The exposure draft does not contain information regarding from which income year the proposed amendments will apply.

Tax on capital gains

Any capital gains distributed by the Trusts will only be taxable to non-resident investors to the extent that the capital gain was in respect of taxable Australian property (i.e. typically Australian real property or shares or units in an entity whose majority underlying value is derived from taxable Australian property based on current market values of the entities assets). The statement provided to investors after 30 June each year will disclose the extent to which a distributed capital gain is in respect of taxable Australian property.

Legislation has recently been introduced into Parliament to allow eligible MITs to make an irrevocable election to apply a deemed capital account treatment for gains and losses on disposal of certain investments (including shares and units in other trusts, but excluding derivatives and foreign exchange contracts). Subject to meeting the eligibility requirements to be a MIT, where applicable the Trusts intend on making the election to be on capital account.

Under the CGT provisions of the Australian income tax legislation, the disposal of units, either by redeeming, switching or transferring units, may lead to a CGT liability. Investors who are non-residents of Australia for income tax purposes (and do not have an Australian permanent establishment) will generally only be subject to Australian CGT on the disposal of their units if their units are taxable Australian property. A non-resident investor's units are generally taxable Australian property if:

- ▶ they and their associates hold 10% or more of the units in a Trust at either the time they dispose of their units or throughout a 12 months period that began no later than 24 months before that disposal time; and
- ▶ more than 50% (by market value) of the Trust's assets comprised (directly or indirectly) of interests in taxable Australian real property.

However, based on the current investments and investment approach of the Trusts it is not expected that the second condition would be satisfied.

Non-resident investors who use their units in carrying on a business through an Australian permanent establishment will be subject to Australian CGT on the disposal of their units in the same way as residents. This is so whether or not such non-resident investors hold more or less than 10% of the units in the Trust.

It is strongly recommended that non-resident investors obtain their own tax advice when disposing of units in the Trusts. It should also be noted that you may be subject to the tax laws in your country and should consult a taxation adviser before investing.

Tax File Numbers (TFN) and Australian Business Numbers (ABN)

It is not compulsory for you to quote your TFN or ABN. If you are making this investment in the course of a business or enterprise that you carry on, you may quote an ABN instead of a TFN. Failure by you to quote an ABN or TFN or claim an exemption may cause the Trusts to withhold tax at the top marginal rate plus the Medicare Levy, on gross payments including distributions of income to you. By quoting your TFN or ABN it will be applied to all your investments with the Trusts. If you do not want to quote your TFN or ABN for some investments, please let Ibbotson know.

Taxation of Financial Arrangements – tax reform

The Tax Laws Amendment (Taxation of Financial Arrangements) Bill 2008 (known as TOFA) was granted Royal Assent on 26 March 2009.

The Trusts will opt into the TOFA regime from 1 July 2010. The impact of the TOFA regime is not expected to materially change the taxation consequences of income flowing from the Trusts.

GST

The issue, redemption or transfer of units in the Trusts will not attract GST under the current GST law. Investors should seek independent advice in relation to the GST consequences of their investment.

How the Trusts work

Constitutions

The Trusts are each governed by a Constitution dated 23 November 2005 (for Ibbotson Australian Shares High Alpha Trust), 18 August 2004 (for Ibbotson International Shares High Opportunities (Unhedged) Trust) and 5 February 2007 (for Ibbotson International Shares High Opportunities (Hedged) Trust), as amended from time to time. The Constitutions set out the Responsible Entity's obligations as well as the rights of unitholders. Some key aspects of the Constitutions have been summarised in this PDS.

The Responsible Entity may alter each Constitution as specified in the Constitutions and in accordance with the law. In particular, the Corporations Act 2001 specifies that the consent of unitholders (given at a meeting convened and conducted in accordance with the Corporations Act 2001) is required for any alteration unless the Responsible Entity reasonably believe that the alteration will not adversely affect the rights of unitholders.

You may view a copy of the Constitutions at our offices on any Business Day or you may obtain a copy free of charge by contacting us.

Compliance plan

The Responsible Entity has established a compliance plan for each Trust, which sets out the measures to be applied in operating each Trust to ensure compliance with its Constitution and the law. The Responsible Entity's Board of Directors is responsible for overseeing the compliance plans.

Classes of units

Under each Constitution, units may be issued in one or more classes and additional classes of units may be created at any time. All units in a class will have identical interests and rights and will be subject to identical conditions. Where a Trust issues units of different classes, the interests, rights and conditions attached to each class of units may differ in relation to fees.

Rights of unitholders

Subject to the Constitution, unitholders are generally entitled to:

- ▶ receive a share of the Trust's distributable income;
- ▶ redeem units;
- ▶ transfer units;
- ▶ switch between Trusts;
- ▶ receive confirmation of investment;
- ▶ receive acknowledgement of units held; and
- ▶ receive annual audited accounts, and inspect the Trust's Constitution.

Remember if you are an indirect investor, you are not a unitholder in the Trusts (your IDPS operator is the unitholder).

Unitholder meetings

Subject to the Constitution, unitholders are also entitled to requisition, attend and vote at unitholders' meetings for any Trust in which they hold units. A unitholder is bound by a resolution of unitholders, whether or not they attend the meeting at which it is passed.

Interest in the Trusts

Each unit issued in a Trust entitles the unitholder to a beneficial interest in the total investments of the Trust but does not give the unitholder an interest in any particular part of the Trust.

Unitholder liability

While the law in relation to unitholder liability has not yet been settled, each Constitution limits a unitholder's liability in a Trust to the amount the investor has invested or agreed to invest.

Termination of a Trust

The Responsible Entity can terminate a Trust, subject to the Corporations Act 2001, at any time by giving prior written notice. If a Trust is terminated, the Trust's assets must be converted to cash where possible and pay or provide for the Trust's liabilities (including those incurred in winding up the Trust and any unpaid fees). The realisation of assets may be postponed.

Unitholders are entitled to a share of the balance of the assets in accordance with the Trust's Constitution. This will be the final distribution of the Trust, which may include both a capital and income component.

Financial information

An electronic copy of the Trust's annual report will be sent to investors each year however, you can request a printed copy of the annual report by contacting Ibbotson.

Borrowings

Under each Constitution, the Trusts are permitted to borrow if necessary, in an attempt to facilitate short-term liquidity needs, foreign exchange needs and the redemption of units. By virtue of a Trust's exposure to alternative investment strategies, it may be exposed to borrowings and other liabilities.

Distributions

The taxable income earned on your investments is paid to you as a distribution and may include interest, dividends (including imputation credits, if any), rent, profits and net realised capital gains from the sale of investments.

Distributions will be made at least annually on 30 June but are generally paid quarterly within 15 to 30 days after each 31 March, 30 June, 30 September and 31 December. The amount may vary at each distribution and a Trust may make no distribution for a quarter or the year where there is no taxable income to distribute. Capital gains are generally distributed annually at 30 June. You may choose to have your distributions paid directly to a nominated Australian bank, building society or credit union account.

Special distributions may be declared outside of these times where necessary to preserve equity between unitholders.

Your distributions will be reinvested as you have indicated in your application form. Any request for distribution reinvestment or cancellation of distribution reinvestment is effective if received by Ibbotson in writing at least seven days (or such other period as determined by the Responsible Entity) before the end of the distribution period having been received and accepted by Ibbotson.

The reinvestment unit price is the price calculated on the distribution date using that day's unit price determined after making an allowance for the income distribution (see page 29 for more information about unit prices). There would normally be no buy/sell spread associated with reinvestment because the assets remain invested in that Trust.

To calculate your distribution, the number of units you own on the relevant entitlement date is multiplied by the distribution cents per unit, as at the distribution date. This method for calculating distributions currently applies to all Trusts and all classes of units (see page 23 for more information about classes of units).

Unit prices may fall immediately after a distribution reflecting the income that is paid out to you (see page 29 for more information about unit prices). If you invest just before a distribution, you might get some of your capital back as income. Conversely, if you redeem units just before a distribution, you might be converting what would otherwise be income into a capital gain or a reduced capital loss.

Provided that all income is distributed to unitholders in relation to the year it is earned, a Trust will not pay Australian income tax under current tax law.

You will be assessed on your share of the taxable income of the Trusts in the year to which your entitlement relates, even if the income is reinvested to additional units.

Changes to the Trusts

New trusts may be added or existing Trusts closed, or the investment objective and risk profiles could be altered. You will be advised of material changes as soon as practicable and within 30 days of making such changes.

Performance information

Investment performance becomes out of date very quickly. Past performance information has not been included in this PDS.

If you require up-to-date Trust performance information, please contact Ibbotson on the contact details provided on page 33 this PDS for the information to be provided to you, including paper copies, free of charge. In assessing any performance information you should bear in mind that past performance is not a reliable indicator of future performance.

Investing in the Trusts

The Trusts accept investments from wholesale investors as defined by section 761G of the Corporations Act 2001. The Trusts accept investments from Staff Investors who qualify under internal human resource policies and procedures governing the staff investment program. In this PDS, both wholesale investors and Staff Investors are referred to as Direct Investors in the Trusts.

When you invest in the Trusts, you apply for units in your selected Trust and automatically become a unitholder from the date of issue of units to you, even if the number or price of units cannot be calculated until a later time. The issue of units to you will be subject to your application monies being received and subject to your completion of all identification documentation required under Commonwealth Australian anti-money laundering and counter-terrorism requirements (see pages 31–32). Your money is then managed according to the investment objective and strategy of the relevant Trusts. Please refer to pages 9–11 for details on risks associated with investing, and to page 8 for details on the Trust investment profiles.

If your application monies are not received, either units will not be issued to you or any units which have been issued may be cancelled and you will be deemed not to be a unitholder. The amount owing, together with any costs and expenses incurred by the relevant Trust as a result of non-receipt of the monies, will be treated as a debt owing to the relevant Trust, units held by you may be redeemed in order to meet that debt.

You may also gain exposure to the Trusts through an IDPS, these investors are referred to as Indirect Investors in this PDS. Please refer to page 4 for more details on Indirect Investors.

Making an initial investment

You can invest directly in the Trusts by completing the application form included at the back of this PDS and the anti-money laundering forms and information (see pages 31–32) which can be downloaded from Ibbotson's website (see 'AML forms and information' in the 'Document library'), and paying the application monies. The minimum initial investment and ongoing investment in each Trust is \$500,000, but this amount may be waived and varied.

For application requests received prior to 11:30 am (Sydney time) on a Business Day, you will generally pay the entry price calculated as at the close of business that day (see page 29 for more information about unit prices). For application requests received after 11:30 am (Sydney time), you will generally pay the entry price calculated as at the close of business on the next Business Day.

The number of units allocated to you is based on the amount invested divided by the entry price. We reserve the right to decline any application that is submitted without the need to give reasons.

Once your application has been processed, a confirmation of your investment showing the amount invested, or which you have agreed to invest, the number of units issued, the entry price and the date the units were issued, will be sent to you usually within five Business Days.

If you do not receive a confirmation, please notify Ibbotson immediately. No interest is received on application monies, including monies for additional investments and no interest will be paid to you if for any reason (such as failure to complete the anti-money laundering forms) your application does not go ahead.

Cooling-off period

Direct Investors who are not wholesale investors are offered a cooling-off period in respect of investments in the Trusts. A 14 day cooling-off period applies to staff investors who are not wholesale investors.

If a cooling-off period applies to you, and you decide that your investment in the Trusts is not suitable, you can request in writing to have it cancelled during a 14 day cooling-off period. Your request must state that you are exercising your cooling-off right. The 14 day period commences on confirmation of your investment or five days after your units are issued, whichever is earlier. The amount refunded to you will reflect any change in unit prices, taxes, transaction costs (including buy/sell spreads) and administrative expenses incurred and will not include interest. Accordingly, the amount refunded may be less than the amount you initially invested.

Switching between Trusts

You may switch your investment between Trusts subject to the redemption terms. The amount you switch must meet both the minimum redemption and switching investment amounts, which are both currently \$100,000, but this amount may be waived or varied.

When you switch, you are withdrawing your investment from one Trust and reinvesting it in another. To do this, you must complete and return both an application form (from a current PDS) and a redemption form (please contact Ibbotson for a copy of a redemption form if required).

When you request a switch, the units of the Trust you switch out of are redeemed at the exit price and the units of the Trust you switch into are issued at the entry price at the time of the redemption. These two transactions are completed on the same Business Day, provided notice periods and cut-off times are met for both sides of the transaction. As such, the buy/sell spreads will apply and the value of your investment may have changed. You become a unitholder in the new Trust as at the date of issue of your new units, whether or not the number of value of units can be calculated at that date. Please refer to the details on buy/sell spreads on page 17, unit prices on page 29 and to the switching fee on page 18 for more information.

Any gain made as a result of switching between Trusts may make you liable for tax. It is recommended that you seek professional tax advice before you switch any units. More information on taxation can be found on pages 19–22.

Making additional investments

The minimum additional investment in each Trust is \$100,000 but this amount may be waived and varied. You may make additional investments in the Trusts by completing Part B of the application form included in a current PDS (or another method agreed with Ibbotson) and paying the application monies.

For additional investment requests received prior to 11:30 am (Sydney time) on a Business Day, you will generally receive the entry price for the selected Trust calculated at the close of that Business Day. For additional investment requests received after 11:30 am (Sydney time), you will generally receive the entry price calculated at the close of the next Business Day.

Making a redemption

So long as the Trust is liquid, as defined in the Corporations Act 2001, redemption requests will be processed in accordance with the terms and notice periods described below. If a Trust is not liquid, you may only redeem from the Trust in accordance with the terms of a withdrawal offer made by the Responsible Entity.

You may apply to redeem any or all of your units on any Business Day. The minimum amount that may be redeemed from each Trust is \$100,000 or the balance of your investment in the Trust, if the redemption request results in a balance of less than \$100,000. The Responsible Entity has discretion to waive and vary the minimum redemption amount.

Your redemption form must be completed and returned to Ibbotson in writing (please contact Ibbotson for a copy of a redemption form if required).

The number of units redeemed is based on the amount redeemed divided by the exit price.

For redemption requests received prior to 11:30 am (Sydney time) on a Business Day, you will generally receive the exit price calculated as at the close of business that day. For redemption requests received after 11:30 am (Sydney time), you will generally receive the exit price calculated as at the close of business on the next Business Day.

The Trusts will endeavour to pay redemption requests as soon as possible. Normally, redemption proceeds will be paid within six Business Days following receipt of your written request.

Under each Constitution, redemption proceeds may be paid up to 30 days after receipt of the redemption request, and in exceptional circumstances processing withdrawals may be suspended up to 60 days. This may occur where it is impractical to calculate the unit prices, where other unitholders may be disadvantaged by a redemption or where a delay is in the best interests of all unitholders or as otherwise permitted by each Constitution and the law.

However, where underlying Trust assets can only be realised after a substantial notice period, as is the case with some of the alternative strategies, this could also lead to a longer redemption time. If the liquidity of underlying Trust assets prohibits payment of part or all of your redemption proceeds in cash, then you may be required to receive part or all of your redemption proceeds in specie, meaning you may need to retain units in an illiquid Trust until such time as the underlying assets can be realised.

Redemption of units could make you liable for tax on any gain. It is recommended that you seek professional tax advice before you redeem units. More information on taxation can be found starting on page 19.

Transferring units

You may transfer units to another person at any time providing appropriate consent has been obtained. However, you may be required to complete appropriate anti-money laundering forms. Please contact Ibbotson for further information.

Transferring units from one unitholder to another could make you liable for tax on any gain and government duties may be payable on the transfer. It is recommended that you seek professional tax advice before you transfer any units. More information on taxation can be found starting on page 19.

Unit prices

The unit price is calculated by dividing the Net Asset Value (NAV) of each Trust by the number of units on issue in that Trust at the relevant time plus an allowance for transaction costs (including the buy/sell spread). Please refer to page 17 for more information on buy/sell spreads.

Where a Trust has more than one class of unit, the unit price of each class of unit in a Trust is calculated by dividing the NAV of that class of unit by the number of units on issue in that class at the relevant time plus an allowance for transaction costs. The NAV of a class is calculated as if there was a separate Trust corresponding to the class of unit.

Valuations are normally undertaken on each Business Day. Valuations of alternative investment strategies may be performed less frequently. Unit prices for Trusts exposed to alternative investment strategies will generally reflect the last available valuation.

Units are priced on a 'forward' basis. Under this method unit prices are struck using values available at the next valuation after the processing time (usually this would be at the close of business on the day of pricing). This minimises exposure to market timing practices, i.e. where a unitholder gains from price movements known but not reflected in the unit price. This forward pricing methodology is considered industry best practice.

Valuation

Under each Constitution, the value of any property will be its current market value determined by reference to a recognised independent source, or by a method determined by a qualified independent valuer, or any other appropriate method which is capable of being verified independently by a registered company auditor including (but not limited to) estimates of value based on objective criteria, where actual figures are not available and where there will be no significant detriment to any unitholder. Trust property may be revalued whenever it is thought fit. Property acquired must be valued at cost (including acquisition cost) until revalued.

Under each Constitution, discretion may be exercised which can impact unit prices. The manner in which these discretions are exercised are outlined in the unit pricing policies.

Unitholders may obtain a copy of these unit pricing policies (and any records ASIC requires) free of charge upon request.

Additional information

Information on request from Ibbotson

You may contact Ibbotson between 9:00 am and 5:00 pm (Sydney time) on any Business Day to assist with any questions you might have, or further information you may require, in relation to your investment in the Trusts.

Ibbotson's contact details are shown on page 33.

If you are an Indirect Investor the following information does not apply.

Changing your details

You must inform Ibbotson of any change to your details, including contact details, distribution instructions, bank account details or account operating instructions.

To advise changes, please complete the relevant sections of the application form at the back of this PDS and forward it to Ibbotson. A confirmation of these changes will be sent to you.

Confirmation of transactions and reporting

You will be provided with a confirmation of your transaction once it is processed, usually within five Business Days after you have supplied all relevant information required. This may be when you make your initial investment, additional investment, redemption, switch or transfer or if the terms of the Trusts are varied. A quarterly statement detailing your transactions over the period, including any distribution will be sent to you. At the end of each financial year you will be sent a statement for tax purposes and financial statements for the Trusts. If at any other time you would like a transaction statement of your investment and unit price information, please contact Ibbotson.

Privacy statement

By applying to invest in the Trust, you consent and agree to information about you being obtained and used by the Responsible Entity, Ibbotson and other parties as explained in this privacy statement. This privacy statement applies to individuals who invest directly in the Trusts. The type of information held includes your name, address and other information that you provided when opening your account as well as records of your account transactions and the value of your unitholding.

Your information may be used to:

- ▶ provide the products and services you request;
- ▶ efficiently manage and administer all investments and services provided; and
- ▶ ensure that internal business operations run smoothly, which may include fulfilling all legal requirements and conducting confidential systems maintenance and testing.

Your personal information may be provided confidentially to external service providers, including the custodian, auditors, taxation and legal advisers and information technology consultants.

Unless you inform otherwise, your personal information may also be provided to the Responsible Entity and Ibbotson's related parties or used to inform you of products and services offered by any related parties. Additionally, information will be disclosed if required by law to do so (including under legislation in relation to anti-money laundering and counter-terrorism), or if you provide your consent.

If you don't wish information to be sent to you about other products managed by Ibbotson, please note this in the relevant box provided on your application form or contact Ibbotson on the contact details shown on page 33.

Every effort is made to ensure that the personal information retained about you is accurate, complete and up-to-date. If you provide incomplete or inaccurate information you may not receive the products or services you are seeking.

You can request access to your personal information that Ibbotson has on record. If you believe that any information is incorrect or out of date, you may ask for it to be corrected. There is no fee for requesting access to your information.

If you do not provide this information, your transactions may not be processed, units may not be issued to you within the time periods contemplated in this PDS, or redemption payments may not be made until the information requested has been received.

The privacy policy can be found on Ibbotson's website, alternatively contact Ibbotson on the details shown on page 33 to request a free copy.

Commonwealth anti-money laundering and counter-terrorism requirements

We are required by the Commonwealth Anti-Money Laundering and Counter-Terrorism Financing Act 2006 to obtain additional information from new investors as to their identity, source of funds and similar matters, and to verify that information by sighting appropriate documentation. These requirements may also apply in relation to existing unitholders.

Forms relating to the additional information required, and the way in which that information can be verified, are on Ibbotson's website. For example, individuals will be required to produce a current photographic identification document such as a current passport or driver's licence, or to provide a certified copy of the document, in order to verify their identity details. Information as to who is allowed to certify the copy of the original document will also be provided on Ibbotson's website (see 'AML forms and information' in the 'Document library'). Alternatively contact Ibbotson to request a free copy.

We reserve the right to request such information as is necessary to verify the identity of any applicant and their personnel (for example, if a unitholder is a company, the identity of the company directors may need verification) and to assess the likelihood of the investor or their staff being involved in anti-money laundering or counter-terrorism financing (risk assessment).

Information that you provide may be disclosed to the Australian Transaction Reports and Analysis Centre under Australian law (or by investment managers resident in other countries who are subject to similar legislation in their own countries). You may not be informed if such a disclosure is made. Otherwise the information will be confidential.

If you do not provide the required information, your transactions may not be processed, units may not be issued within the time periods contemplated in this PDS, or redemption payments may not be made until the information requested and all anti-money laundering checks have been completed.

By applying for units through this PDS, you also agree that in the event of your delay or failure to produce information requested for anti-money laundering purposes appropriate action may be taken. In particular, your application may be refused and units may not be issued to you, the transfer of units you wish to sell or purchase may be refused, any units which have been issued to you may be cancelled or redeemed if it is believed such action to be necessary or desirable in light of obligations under the Commonwealth Anti-Money Laundering and Counter-Terrorism Financing Act 2006 or any related legislation.

Complaints

Ibbotson aims to provide you with quality ongoing service and have established procedures for dealing with complaints. If you are a Direct Investor and are dissatisfied or have a complaint about your investment in the Trusts, in the first instance please contact Ibbotson Client Services.

If you find the response is not satisfactory, you may send a written complaint addressed to:

Client Services

Ibbotson Associates Australia Limited
Level 36, Australia Square
264 George Street
Sydney NSW 2000

Your written complaint will be acknowledged within three Business Days of receipt and Ibbotson's Client Services team will make every effort to resolve your complaint within 21 days of receipt.

If you are still not satisfied, you may refer the matter to the Financial Ombudsman Service (FOS) of which Ibbotson and the Responsible Entity are members. FOS is an independent dispute resolution body whose services are free to complainants. In order for FOS to consider your complaint, the claim must be less than \$100,000 (unless it has otherwise been agreed with you in writing). Ibbotson and the Responsible Entity are bound by the decisions made by FOS. The contact details for FOS are:

Financial Ombudsman Service

GPO Box 3
Melbourne VIC 3001
Tel: 1300 780 808
Fax: (03) 9613 6399
Email: info@fos.org.au
Web: www.fos.org.au

Investment by the Responsible Entity

The Responsible Entity, or one of its related body corporates, may invest in the Trusts in its capacity as the trustee of other investment and superannuation funds. Any investment would be at commercial fee rates which may represent lower fees than those currently specified in the table in page 13.

Contact details

Level 36, Australia Square
264 George Street
Sydney NSW 2000

Tel: 02 9276 4550

Fax: 02 9276 4560

Web: **www.ibbotson.com.au**

Email: client.enquiries@ibbotson.com

Application checklist

The following information is required to process your application and administer your investments. Please check that you have completed the following sections of the application form as specified. If you are a new investor please ensure you have provided the additional information required by Commonwealth Anti-Money Laundering and Counter-Terrorism requirements. Applications can only be accepted when all necessary information is received and we retain the right to decline applications without the need to give reason.

Part A – Investor information

Investor details

- ▶ Complete the full details as specified.
- ▶ Trust or superannuation fund investors must include the name of the trustee or responsible entity as well as the trust or fund name, and the Australian Business Number (ABN) of the trust or fund.
- ▶ Nominate your details as an existing or new investor as specified.

Contact details

- ▶ Provide the details of the person to whom reports and other information should be sent.

Distribution instructions

- ▶ Tick your choice in the relevant box.

If no election is made, your distribution will be reinvested in additional units.

Account details

- ▶ Complete the account details into which all payments, including distributions (if this option is chosen) will be paid.
- ▶ If banking details are not provided, all payments will be sent to the address provided in the contact details on Part A of the application form.

Tax File Number (TFN) notification

- ▶ Complete your TFN or exemption as appropriate.
- ▶ Trust or superannuation funds' TFNs should be used rather than that of the responsible entity or trustee.

Investment operating authority

- ▶ Ensure the form is signed by all signatories on behalf of the investor.
- ▶ Indicate the number of signatories required to sign on behalf of the investor or any other signing requirements.
- ▶ If insufficient space, please attach a separate sheet.

Anti-Money Laundering legislation requirements

- ▶ If you are a new investor, please go to our website (see 'AML forms and information' in the 'Document library') for the anti-money laundering forms you will need or contact Ibbotson for assistance.
- ▶ Read the warranties carefully.

Declarations and indemnity

- ▶ Read the declaration carefully.

Authorisation of application form Part A – investor information

- ▶ Ensure that the investor information has been signed and dated by the appropriate signatories.

Part B – Transaction information

Investor details

- ▶ Nominate your details as an existing or new investor as specified.
- ▶ Trust or superannuation fund investors must include the name of the trustee or responsible entity as well as the trust or fund name.

Trust investment allocation

- ▶ Complete your allocation details including the dollar amount to be invested in each Trust.
- ▶ Indicate for each allocation whether this is an initial or additional investment.
- ▶ Specify the total amount of your investment.

Method of payment

- ▶ Indicate your method of payment for your investment (investors making additional investments only need to complete this section if the method of payment is different from that advised at the time of initial investment).
- ▶ We does not accept payment by cheque.

If you require assistance in completing the application form, please contact Ibbotson on the contact details shown on page 33 of this PDS.

Please fax your application form to: +61 2 9276 4560

Application form

This application form accompanies the PDS dated 15 April 2010 for the Ibbotson High Conviction Trusts issued by IOOF Global One Limited ABN 54 093 415 251, AFS Licence No. 234432. The PDS contains important information about investing in the Trusts. You should read the PDS carefully before completing this application form. The offer of units is only available to Australian resident investors and to New Zealand residents who are wholesale investors where permitted by Australian and New Zealand law. This application form is in two parts: Part A Investor Information, and Part B Transaction Information. If you have received this application form in electronic form you should ensure that you have received a copy of the PDS as well as both parts of the application form. A paper copy of the PDS including the application form can be obtained free of charge on request by calling us at the contact details shown on page 33.

Only use this form if you are investing directly into the Trusts (refer to page 26 of the PDS for details). Please refer to Page 4 of the PDS for details of investing through an IDPS operator (as an indirect investor).

Part A – Investor information

| | |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------|
| 1. Investor details | |
| Investor Name: | Name <input type="text"/> |
| | Surname <input type="text"/> |
| Existing Investor Account No: | <input type="text"/> |
| | (Not applicable to new investors) |
| Date of birth: | <input type="text"/> / <input type="text"/> / <input type="text"/> |
| ABN: | <input type="text"/> |
| | (Trust, Superannuation Fund or Corporate Investors only) |
| 2. Contact details | |
| Contact name: | Title <input type="text"/> Name <input type="text"/> |
| | Surname <input type="text"/> |
| Corporate Title: | Position <input type="text"/> |
| | (Not applicable to individual investors) |
| Mailing Address: | Street <input type="text"/> |
| | <input type="text"/> State <input type="text"/> Postcode <input type="text"/> |
| | Email <input type="text"/> |
| | Telephone <input type="text"/> Facsimile <input type="text"/> |
| Note: By providing your email address you agree that this address may be used to provide you with information about your investments (such as transaction confirmations, statements and other materials). | |
| 3. Distribution instructions | |
| Please tick (✓) the relevant box. If you do not tick a box your distribution will be reinvested in additional units. | |
| Reinvested in additional units <input type="checkbox"/> | Pay to the account nominated in Section 4 of Part A <input type="checkbox"/> |

Application form

Part A – Investor information (continued)

7. Anti-money laundering legislation requirements

If you are investing in the Trusts for the first time, please complete the application form/s on the Ibbotson website and send to us with all relevant supporting documentation. We may need to verify this information or obtain additional information from you in which case we will contact you with further details.

Warranties as to Commonwealth Anti-Money Laundering and Counter-Terrorism – for both existing and new investors

(Terms used in this section are defined on our website – see ‘AML forms and information’ in the ‘Document library’. Alternatively contact us on the details shown on page 33 of the PDS to request a free copy.) Where the Trusts invest in overseas funds which are subject to US legislation, the investment managers need to know that our investors are not involved in money laundering so that those managers can meet their own anti-money laundering obligations under US law. Therefore, by making this application, you represent and covenant that neither you, nor any Related Person, is:

- ▶ a person or entity whose name appears on the US Specially Designated Nationals List;
- ▶ a Non-US Shell Bank;
- ▶ a person or entity resident in, or whose subscription funds are transferred from or through, an account in a Non-Cooperative Jurisdiction;
- ▶ a Senior Non-US Political Figure;
- ▶ a member of the Immediate Family of a Senior Non-US Political Figure;
- ▶ a Close Associate of a Senior Non-US Political Figure;
- ▶ resident in, organised or chartered under the laws of, a jurisdiction that has been designated by the Secretary of the Treasury under Section 311 or 312 of the USA PATRIOT Act as warranting special measures due to money laundering concerns;
- ▶ entities and/or their persons that are subject to economic sanction including, without limitation, all applicable sanctions regimes promulgated by the United Nations, the European Union, the U.S. Office of Foreign Assets Control, and/or any other applicable jurisdiction’s economic sanctions laws; and that the funds that you are investing do not originate from, nor will be routed through, an account maintained at a Non-US Shell Bank, an ‘offshore bank’ or a bank organised or chartered under the laws of a Non-Cooperative Jurisdiction. You agree to notify Ibbotson promptly of any change in information affecting any of these representations and covenants.

8. Declarations and indemnity

- ▶ I/We have received, read and understood the PDS for the Ibbotson High Conviction Trusts dated 15 April 2010.
- ▶ I/We agree to be bound by the terms and conditions set out in the PDS for the Trusts, the terms of the Trusts’ Constitutions and the law and any agreement between the Responsible Entity, Ibbotson and myself/ourselves, in each case as amended from time to time.
- ▶ I/We acknowledge that investments in the Trusts are not deposits with or other liabilities of the Responsible Entity, or of any related corporation of the Responsible Entity, and are subject to investment risk, including possible delays in repayment and loss of capital invested.
- ▶ I/We further acknowledge that neither Ibbotson, the Responsible Entity, nor any of their related companies, directors, officers, the investment managers we appoint or our external service providers, guarantee that my/our investment will gain or retain its value, guarantee the repayment of capital or guarantee the performance of any of the Trust(s).
- ▶ I/We consent to receive any requisite notifications electronically (or as preferred by Ibbotson).
- ▶ I/We declare that all details given in this application form are accurate and complete and that I/we have the power to invest in the Trust(s).
- ▶ I/We am/are an Australian resident and received and accepted this offer in Australia; OR I/We:
 - > am/are a NZ resident wholesale investor and not a recipient of any offer to the public in NZ in relation to the Trusts;
 - > acknowledge that the PDS is prepared for Australian residents and that some of the information may not be relevant; and
 - > will seek my/our own legal advice in relation to the contents of the PDS.
- ▶ I/We agree to give further information or personal details the Responsible Entity reasonably believes are required in order to meet its obligations under anti-money laundering, counter-terrorism or taxation legislation. By making this application, I/we represent and covenant that the funds I/we are investing are not the proceeds

Application form

Part A – Investor information (continued)

of crime, money laundering, nor connected with the financing of terrorism.

- ▶ I/we agree that the Responsible Entity may in its absolute discretion determine not to issue units to me/us, refuse to transfer units from or to me/us, may cancel any units which have been issued to me/us or may redeem any units issued to me/us if the Responsible Entity believes such action to be necessary or desirable in the light of its obligations under the **Commonwealth Anti-Money Laundering and Counter-Terrorism Financing Act 2006** or any related legislation.
- ▶ I/we agree that once this application form has been received by you, it cannot be withdrawn.
- ▶ I/We declare that I am/we are not commonly known by any other names different from those disclosed in this application form.
- ▶ I/We declare any documents or information used for verification purposes in support of my/our application are complete and correct.
- ▶ I/We acknowledge that it may be a criminal offence to knowingly provide false, forged, altered or falsified documents or misleading information or documents when completing this application.
- ▶ I/We acknowledge that if I/we fail to pay the full amount of the application monies in respect of the units the subject of this application either at the same time as making this application, or by any later date agreed with us, the amount owing together with any costs, expenses or damages incurred in relation to the Trust or Trusts as a result of the non-payment, shall be a debt payable by me/us to the Responsible Entity in relation to the relevant Trust or Trusts, and either no units will be issued to me/us or any units which have been issued may be cancelled or redeemed by the Responsible Entity in its discretion.
- ▶ I/We agree to meet the costs, expenses or penalties incurred by a Trust(s) in relation to the realisation of Trust assets to meet any redemption request I/we make, or any request for redemption proceeds to be paid to me/us by a particular method, and any other costs, expenses, losses, liabilities or damages incurred by the Responsible Entity or a Trust on my/our behalf, or other amounts owing by me/us in relation to any Trust, and to repay any amount paid by the Responsible Entity to me/us in error. I/We authorise the Responsible Entity to redeem my/our Units in order to meet such costs, expenses, penalties, losses, liabilities, damages or other amounts owing in respect of any Trust and in order to meet any outstanding management fees payable by me/us to you.
- ▶ I/We indemnify the Responsible Entity and its agents (including Ibbotson) in respect of any loss, claim or liability incurred by any of them relying on or acting pursuant to this application form or any notices, instructions and requests received by persons listed in section 6 of Part A of this application form.
- ▶ I/We agree that, if I/we have provided an email address in section 2 of Part A of this application form that the Responsible Entity (and any of its agents appointed for this purpose) may correspond with me/us using the email address provided for any purpose related to the administration of my investment in the Trusts.

Application form

Part A – Investor information (continued)

Authorisation of application form Part A – Investor information

Name:

Director/Sole director/Secretary/Other (delete as applicable)

Signature: Date: / /

Name:

Director/Sole director/Secretary/Other (delete as applicable)

Signature: Date: / /

Note:
Corporations may sign with or without a common seal. In either case, it must be signed by two directors or by a director and a secretary. For proprietary companies with a sole director, that director must sign and state that he/she is a sole director and sole company secretary.

Application form

Part B – Transaction information (continued)

| | | |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------|--------------------------------------------------------------------------|
| <p>3. Method of payment</p> <p>Please (✓) the relevant box and complete the details. Alternative methods of payment may be arranged if required.</p> <p>Note: Investors making additional investments only need to complete this section if the method of payment is different from that advised at the time of the initial investment. Ibbotson does not accept payment by cheque.</p> | | |
| <input type="checkbox"/> Austraclear | Ibbotson's Austraclear Code: CMNL20 | Your Austraclear Code: |
| <input type="checkbox"/> Real Time Gross Settlement (RTGS) | Details to be advised to your RTGS paying bank | Your Bank's Details |
| Financial Institution: | JPMorgan Chase Bank Australia | |
| Branch Address: | Brisbane | |
| Account Name: | JPMorgan Chase London | |
| Account No: | 0012-000-307 | |
| BSB No: | 214-400 | |
| SWIFT Address: | CHASAU2X | |
| <p>Note: Your application will not be deemed to be received until Ibbotson has received the signed application form. Please refer to 'Investing in the Trusts' on page 26 of the PDS for details of processing cut-off times.</p> | | |
| <p><input type="checkbox"/> Please (✓) this box if you do not wish to receive information about other products managed by Ibbotson.</p> | | |
| <p>Authorisation of application form Part B – Transaction information</p> | | |
| Name: | <input type="text"/> | |
| | Director/Sole director/Secretary/Other (delete as applicable) | |
| Signature: | <input type="text"/> | Date: <input type="text"/> / <input type="text"/> / <input type="text"/> |
| Name: | <input type="text"/> | |
| | Director/Sole director/Secretary/Other (delete as applicable) | |
| Signature: | <input type="text"/> | Date: <input type="text"/> / <input type="text"/> / <input type="text"/> |
| <p>Note: Corporations may sign with or without a common seal. In either case, it must be signed by two directors or by a director and a secretary. For proprietary companies with a sole director, that director must sign and state that he/she is a sole director and sole company secretary.</p> | | |

Please fax your application form to: +61 2 9276 4560

ibbotson.

Level 36, Australia Square
264 George Street
Sydney NSW 2000

Tel: 02 9276 4550
Fax: 02 9276 4560
www.ibbotson.com.au