

Advance Diversified Multi-Blend Funds Wholesale Units

Supplementary Product Disclosure Statement – 1 February 2010

investigate

Issued by Advance Asset Management Limited
ABN 98 002 538 329 AFSL 240902

This is a Supplementary Product Disclosure Statement (SPDS) for the Advance Diversified Multi-Blend Funds Wholesale Units Product Disclosure Statement (PDS) dated 12 February 2008. This SPDS must be read together with the PDS.

1. Contact details

Outside front and back cover of the PDS and page 24 – the references to the fax number are deleted and replaced with the following.

02 9274 5212

All references throughout the document to our 'Perth office' are to be replaced with 'Registry office'.

2. Fund profiles

Page 9 of the PDS – delete and replace the investment managers with the following.

The underlying investment managers for the Funds are listed by asset sector in the table below~.

| | |
|--|---|
| <p>Australian Shares</p> <ul style="list-style-type: none"> • MIR Investment Management Limited • Schroder Investment Management Australia Limited • BT Investment Management Limited • Ausbil Dexia Limited • Alleron Investment Management Ltd • Celeste Funds Management Limited • Contango Asset Management Limited • Northcape Capital Pty Limited | <p>International Shares</p> <ul style="list-style-type: none"> • AQR Capital Management, LLC • Lazard Asset Management Pacific Co. • Lion Global Investors Limited • Mellon Capital Management Corporation • MFS Investment Management • OVERLAY Asset Management • Schroder Investment Management Australia Limited • Tradewinds Global Investors LLC • Trilogy Global Advisors, LLC |
| <p>Property</p> <ul style="list-style-type: none"> • CB Richard Ellis Global Real Estate Securities LLC • European Investors Inc • Perennial Investment Partners Limited | <p>Australian Fixed Interest</p> <ul style="list-style-type: none"> • Colonial First State Asset Management (Australia) Limited • AllianceBernstein Australia Limited |
| <p>International Fixed Interest</p> <ul style="list-style-type: none"> • Franklin Templeton Investments Australia Limited • Standish Mellon Asset Management | <p>Cash</p> <ul style="list-style-type: none"> • IMS Funds Management |
| <p>Other</p> <ul style="list-style-type: none"> • Mellon Capital Management Corporation • Credit Suisse Asset Management | |

~ Advance has the right to add or remove an investment manager at any time without prior notice to the unit holder and you.

3. Asset sector ranges

Page 4 of the PDS – delete and replace the asset sector ranges of the Defensive Multi-Blend Fund with the following.

| | Min. | Max. |
|------------------------------|-------|-------|
| Australian Shares | 10.5% | 16.5% |
| International Shares | 3.5% | 9.5% |
| Property | 1% | 7% |
| Australian Fixed Interest | 22% | 28% |
| International Fixed Interest | 17% | 23% |
| Other | 3% | 9% |
| Cash | 17% | 33% |

Page 5 of the PDS – delete and replace the asset sector ranges of the Moderate Multi-Blend Fund with the following.

| | Min. | Max. |
|------------------------------|-------|-------|
| Australian Shares | 20.5% | 26.5% |
| International Shares | 11% | 17% |
| Property | 2% | 8% |
| Australian Fixed Interest | 18% | 24% |
| International Fixed Interest | 14% | 20% |
| Other | 4.5% | 10.5% |
| Cash | 4% | 20% |

Page 6 of the PDS – delete and replace the asset sector ranges of the Balanced Multi-Blend Fund with the following.

| | Min. | Max. |
|------------------------------|-------|-------|
| Australian Shares | 28.5% | 34.5% |
| International Shares | 20.5% | 26.5% |
| Property | 3% | 9% |
| Australian Fixed Interest | 11% | 17% |
| International Fixed Interest | 7% | 13% |
| Other | 6% | 12% |
| Cash | 0% | 14% |

Page 7 of the PDS – delete and replace the asset sector ranges of the Growth Multi-Blend Fund with the following.

| | Min. | Max. |
|------------------------------|-------|-------|
| Australian Shares | 34.5% | 40.5% |
| International Shares | 27% | 33% |
| Property | 4% | 10% |
| Australian Fixed Interest | 4% | 10% |
| International Fixed Interest | 2% | 8% |
| Other | 7.5% | 13.5% |
| Cash | 0% | 11% |

Page 8 of the PDS – delete and replace the asset sector ranges of the High Growth Multi-Blend Fund with the following.

| | Min. | Max. |
|----------------------|-------|-------|
| Australian Shares | 41.5% | 47.5% |
| International Shares | 36.5% | 42.5% |
| Property | 1% | 7% |
| Other | 9% | 15% |
| Cash | 0% | 8% |

4. Updated Performance fee estimates

Page 15 of the PDS – insert the following row into the table, after the row on 'Management fee'.

| Type of fee or cost | Amount | How and when paid |
|--|---|---|
| Estimated Performance fee Performance fees may also apply to some Funds | Performance fees typically range from 0% – 30% pa | Performance fees are only paid if the relevant underlying investment manager achieves the requisite performance level, and are normally reflected in the daily unit price for those Funds. It's paid monthly, quarterly or annually depending on the underlying investment manager. |

Page 16 of the PDS – the 'Management fee' table is deleted and replaced with the following.

| Fund | Management fee (% pa) | Estimated Performance fee (% pa) ¹ | Estimated Management cost (% pa) ¹ |
|------------------------------|-----------------------|---|---|
| Defensive Multi-Blend Fund | 0.68 | 0.02 | 0.70 |
| Moderate Multi-Blend Fund | 0.74 | 0.03 | 0.77 |
| Balanced Multi-Blend Fund | 0.78 | 0.04 | 0.83 |
| Growth Multi-Blend Fund | 0.97 | 0.05 | 1.02 |
| High Growth Multi-Blend Fund | 1.19 | 0.06 | 1.25 |

¹ This is an estimate only, based on the performance of the underlying investment managers over the 12 months to 30 September 2009. These Performance fee estimates are not a representation as to likely future performance. The actual Performance fee and therefore the total Management cost will depend on the performance of the relevant underlying investment manager, so is likely to vary from this estimate. Further information on Performance fees is available from under the heading 'Additional explanation of fees and costs' on page 17.

Page 16 of the PDS – the example under the heading 'Example of annual fees and costs for the Balanced Multi-Blend Fund Wholesale Units' is deleted and replaced with the following.

Example – Balanced Multi-Blend Fund Wholesale Units

Balance of \$50,000¹ with an investment of \$5,000¹ during the year

| Type of fee or cost | Amount | How and when paid |
|----------------------------------|--|--|
| Contribution fee | Nil | For every additional \$5,000 you put in, you'll be charged \$0. |
| Plus Management costs | 0.78% pa Management fee + 0.05% ² estimated Performance fee = 0.83% | And , for every \$50,000 ¹ you have in the Fund, you'll be charged Management costs of \$415 each year. |
| Equals cost of fund ³ | | If you invested \$5,000 during the year and your balance was \$50,000, then for that year you'll be charged: \$415 pa What it costs you will depend on the Fund you choose and the fees you negotiate with your financial adviser. |

¹ This amount is prescribed by Legislation.

² This is an estimate only and is not a representation as to likely future performance of the Fund. The actual performance fee and its impact on your investment will depend on the performance of the underlying investments in which performance fees are charged.

³ Please note, transaction costs apply to this Fund (see page 17). This is an estimate only and is not a representation as to the likely future performance of the Fund. The actual performance fee and its impact on your investment will depend on the performance of the investments in which performance fees are charged.

5. Additional explanation of fees and costs

Page 17 of the PDS – The section entitled 'Performance fees charged by the underlying funds' is deleted and replaced with the following.

Performance fees charged by underlying funds – the Management costs part of the table of Fees and Costs of the Funds on page 16 also includes estimated Performance fees. This is due to Performance fees being charged in some of the underlying investments into which the Funds invest. Where a Fund invests in an underlying investment that levies a Performance fee, that Performance fee will be reflected in the daily unit price and will affect its return. Performance fees are paid either monthly, quarterly or annually. The amount of the Performance fee impact on a Fund will be based on the extent by which the return of the underlying investment exceeds either its benchmark or hurdle return, multiplied by the Performance fee rate, as applied to the Fund's investment. A hurdle return is typically the relevant benchmark plus a set percentage. The Performance fee rate in an underlying investment may be up to 30% of outperformance over its benchmark or hurdle return (if any). The estimated Performance fee included in the Management costs of the Funds have been calculated by using the estimated Performance fees available in relation to the relevant underlying investments, based on actual performance over the 12 months to 30 September 2009. The more exposure a Fund has to an underlying investment that charges Performance fees, the greater the potential impact that this will have on your investment in the Fund.

6. Investing in the Funds

Page 19 of the PDS – the sections 'How we process transactions' and 'Distributions' are deleted and replaced with the following.

HOW WE PROCESS TRANSACTIONS

Generally, if we receive your correctly completed application and monies or a correctly completed withdrawal/switch request before 4pm (Sydney time) on a business day from the IDPS Operator, it will be processed with the unit price calculated for that day. Where we receive

correctly completed documentation and monies (where applicable) after 4pm (Sydney time) on a business day, it will be processed using the unit price determined for the following business day.

Advance may decline to accept all or part of an application without giving any reason.

DISTRIBUTIONS

The type of distribution received will depend on the performance of the Fund's underlying assets.

Distributions could comprise:

- income (such as dividends and interest)
- realised capital gains from the sale of the Fund's underlying assets (including CGT concession amounts)
- tax credits (such as imputation credits attached to dividend income and credits for tax paid on foreign income)
- return of capital
- tax-deferred amounts (these amounts are generally subject to special taxation treatment).

Distribution payments are generally made to the IDPS Operator within 10 business days after the end of the distribution period with the exception of financial year end, which may take up to 20 business days. Where the timing of payments is otherwise expected to exceed 10 business days, information on the proposed date will generally be available on advance.com.au.

The amount of income distributed is calculated according to the number of units held in the relevant Fund as a proportion of the total number of units on issue in that Fund at the end of the distribution period, regardless of how long they have been held. There may be times when a Fund doesn't generate enough income in a distribution period to pay a distribution.

Any realised capital gains are usually only distributed at the end of the financial year; however, Advance may use its discretion to distribute realised capital gains at the end of any distribution period.

7. Westpac

Page 22 of the PDS – the section under the heading 'Our relationship with St.George Bank' is deleted and replaced with the following.

OUR RELATIONSHIP WITH WESTPAC

Advance is a member of the Westpac Group. Entities within the Westpac Group may provide certain advisory and administrative services to us such as registry and unit holder reporting. Any fees we pay to these service providers are paid by us out of our management fee and are not an additional charge to you. We may also place a Fund's cash on deposit with Westpac or St.George.

8. Continuous disclosure

Page 23 of the PDS – in the section entitled 'Continuous Disclosure', change the third bullet point to read the following.

"any continuous disclosure notices we place online or lodge with ASIC for the relevant Fund".

9. Single authorised deposit-taking institution

On 1 March 2010 (the Transfer Date), Westpac Banking Corporation (Westpac) and St.George Bank Limited (St.George), its wholly owned subsidiary, will become a single authorised deposit-taking institution under the *Financial Sector (Business Transfer and Group Restructure) Act 1999* (Cth).

On and from the Transfer Date:

- 1) St.George will be de-registered and will surrender its Australian financial services licence;
- 2) St.George will become a division of Westpac and no longer exist as a separate company; and
- 3) Westpac will become the issuer of financial products previously issued by St.George, as well as the financial services licensee and providing entity in respect of financial services previously provided by St.George.

Amendments to the PDS

- 1) Delete the following logo wherever it appears,



and replace with the new logo.



- 2) In the boxed section on the inside cover with the heading **'Advanced thinking...'**, delete the sentence 'Advance is the funds management arm of St. George.'
- 3) Under the heading commencing with the words **'This PDS is an important document, which should be read before making a decision to invest ...'** on page 1 update the following.
 - a) Delete the first paragraph and replace with 'Advance is a subsidiary of Westpac and a member of the Westpac Group'.
 - b) In the second bullet point of the second paragraph, delete all references to 'St. George Bank Limited' and 'St. George Group' and replace with references to 'Westpac' and 'Westpac Group' respectively.
 - c) In the fourth paragraph:
 - i) Delete the following.
'St. George' means St. George Bank Limited ABN 92 055 513 070 AFSL 240997.
Replace with the text below.
'St. George Bank' means St. George Bank, a division of Westpac.
 - ii) Delete the following.
'St. George Group' is used to describe St. George Bank and its wholly owned subsidiaries.
 - iii) After the definition of 'you'/'your' insert the following words.
'Westpac' means Westpac Banking Corporation
ABN 33 007 457 141 AFSL 233714,
'Westpac Group' means Westpac and its subsidiaries.

- 4) Under the 'Additional information' section of the PDS, delete and replace the sub-section with the heading **'INTERFUNDING AND RELATED PARTIES'** on page 22 with the following text.

INTERFUNDING AND RELATED PARTIES

The Fund may acquire investments directly or may invest in other funds, including any fund we manage. Member companies of the Westpac Group, their employees, and any other fund we manage may invest also in the Fund.

DIRECTORY

Investor Services

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GPO Box B87 Perth WA 6838 | advance.com.au

Adviser Services

P: 1800 650 498

ADVANCE
INVESTIGATE

{ ADVANCE }

DIVERSIFIED MULTI-BLEND FUNDS
{ WHOLESAL E UNITS }

PRODUCT DISCLOSURE STATEMENT (PDS)

Issue date: 12 February 2008

This PDS is only for use by investors investing through an IDPS.

Issuer of this PDS and Responsible Entity of the Funds:

Advance Asset Management Limited (Advance)

ABN 98 002 538 329 AFSL 240902

Level 5, 182 George Street, Sydney NSW 2000

Telephone: **1800 819 935**

Fax: 08 9481 4318

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ADVANCE
A member of the St.George Group
INVESTIGATE

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Advanced thinking...

Advance is the funds management arm of St.George. Since 1984, Advance has partnered with some of the smartest names in funds management – offering a distinct difference for clients through our unique suite of multi-manager and single manager investment solutions. These include single-sector and diversified investment funds, plus superannuation and retirement solutions.

Using a rigorous thinking approach, Advance hand picks the best performing fund managers from the global markets, provides clients a focused selection of a fund manager's best funds and leading experts, and identifies and packages the perfect combination of fund managers.

We do the ground work so that when you invest, you can do it with peace of mind.

Important information

What is an IDPS

The term IDPS stands for 'Investor Directed Portfolio Service' and means an investment and reporting service operated by a master trust, wrap account or similar plan.

What happens when you invest through an IDPS

When you invest through an IDPS you are investing indirectly in the Diversified Multi-Blend Funds and, as such, you do not become a unit holder in the Funds. This means you do not have the right to attend meetings of unit holders and you will not receive income, reports or other documentation from Advance in respect of the Funds. These are provided to you by your IDPS operator, who is the unit holder and is referred to as the 'unit holder' in this PDS. Issues relating to your investment in the Funds including when you wish to make additional investments, withdraw your investment, or transfer your investment, should be directed to your IDPS operator.

This PDS is an important document, which should be read before making a decision to invest in the Diversified Multi-Blend Funds offered in this PDS ('Funds').

Advance is a related company of St.George Bank Limited ABN 92 055 513 070 AFSL 240997, and a member of the St.George Group.

Investors, on directing the IDPS operator to invest in the Funds, should be aware that:

- An interest in the Funds is not a bank deposit or bank security. It is an interest in a managed investment scheme as defined in the Legislation and is subject to investment and other risks, including the possibility of delays in withdrawal proceeds in some circumstances or even income or capital losses.
- Neither Advance Asset Management Limited, St.George Bank Limited nor any other member of the St.George Group in any sense guarantees the capital value or performance of units in the Funds. Apart from Advance Asset Management Limited in its capacity as Responsible Entity, neither St.George Bank Limited nor any other member of the St.George Group has any liability at all in connection with the Funds or any statement or information contained in this PDS.

These statements in no way limit disclaimers elsewhere in this PDS.

In this PDS, 'ABN' means Australian Business Number, 'Advance' means Advance Asset Management Limited ABN 98 002 538 329 AFSL 240902 who is the issuer of this PDS, 'AFSL' means Australian Financial Services Licence number, 'Constitution' means the deeds of the Funds (as amended from time to time), 'Funds' means the Funds noted on pages 4 to 8 available through this PDS through an IDPS, 'Legislation' means the Corporations Act 2001 (Cth) and regulations, as relevant and as amended or updated from time to time and any other applicable statutory or regulatory instrument, 'St.George' means St.George Bank Limited ABN 92 055 513 070 AFSL 240997, 'St.George Group' is used to describe St.George Bank and its wholly owned subsidiaries, 'unit holder' means the IDPS operator acting on your behalf, 'we'/'our'/'us' means Advance and 'you'/'your' means an investor or a potential investor in the Funds investing through an IDPS. Advance agrees to the use of this PDS by IDPS investors only. Advance accepts no responsibility for any aspect of the IDPS or (without limitation) for any failure on the part of the IDPS in respect of its administration, payment of income or other distributions, payment of withdrawal proceeds, fees charged or the efficiency or viability of the IDPS. Specifically, Advance's consent to permit naming of the Funds in the PDS issued by the IDPS does not signify any endorsement of or support for that IDPS by Advance.

The information in this PDS is general information only and does not take into account your individual objectives, financial situation or needs. Consequently, you should consider whether the information in this PDS is appropriate for you in light of your individual objectives, financial situation or needs before making a decision to invest in the Funds. To obtain investment advice on the Funds offered through this PDS you should consult a financial adviser who is an Australian financial services licensee or an authorised representative. The offer made through this PDS is only available to persons receiving this PDS (including an electronic version) in Australia. If you are in possession of this PDS outside Australia, you should seek advice regarding restrictions on investing. Failure to comply with relevant restrictions may violate laws.

Future returns can vary from past returns. You should not solely base your decision to invest in the Funds on past returns. Advance may update past return figures and other details (including terms and features of the Funds when Advance is so permitted under the PDS or the Fund's Constitution) that are not materially adverse without issuing a Supplementary PDS. You can obtain this updated information free of charge by contacting the IDPS operator or our Contact Centre on 1800 819 935 or by visiting advance.com.au

We may charge you for further information depending on what type of information you request. All persons and entities named in this PDS have consented to the statements in this PDS in the form and context in which they are included and have not withdrawn this consent before the date of this PDS.

An introduction

SPECIALIST INVESTMENT MANAGERS

We appoint specialist investment managers skilled in the relevant asset sector with the aim of giving you a superior investment solution.

By using specialist investment managers to manage the assets of the Funds, we aim to provide you with better investment choices and diversification benefits.

SELECTING THE SPECIALIST INVESTMENT MANAGERS

Our investment team makes a stringent, detailed assessment of the managers behind each of our funds. We regularly meet with the managers and conduct an intense investigation of everything from their investment philosophy and current market views to how well the team is working together or how they would react in periods of high volatility.

When choosing a manager, we review:

- investment style and process,
- their consistency in applying that style and process,
- the proficiency and experience of their investment team,
- whether they have strong risk management controls in place,
- past performance and attribution, and
- their potential to add value over the long term.

WORKING WITH THE SPECIALIST INVESTMENT MANAGERS

We are responsible for deciding how funds are allocated to each investment manager, and we set the performance objectives and risk management guidelines. Once we allocate funds to the investment managers, they decide the specific investments they will make.

CONTINUAL REVIEW

Our research team formally reviews each manager every quarter on a variety of levels:

1. Their performance in relation to our investment expectations.
2. Whether they are holding 'true to label' – managing the investment allocation as per the agreed investment philosophy, process and style.
3. Staff stability – assessing reasons for increased turnover, remuneration developments and overall resource adequacy.

HOW THE FUNDS WORK

Each Fund is a registered managed investment scheme. This means that investors' funds are pooled and managed in accordance with a set objective and strategy. An investor acquires interests in a Fund in the form of units. When you invest in a Fund through this PDS, the IDPS operator will do so on your behalf and will be issued with units. The Constitutions of the Funds allow for more than one class of units to be offered to investors. The rights of investors in different classes of units may vary.

Please note: A unit does not give the IDPS operator any direct interest in any underlying asset in the Funds.

CURRENCY RISK AND HEDGING

Under the terms of the Constitutions, we are permitted to use currency hedging to help protect the market value of investments of the relevant Funds against currency volatility. Our international investment managers may also hedge. This may have a positive or negative effect on the value of your investment.

DERIVATIVES

Under the terms of the Constitutions, we may invest in options, futures and other derivative contracts.

The underlying investment managers may use derivatives such as futures, options and other derivative contracts to:

- help protect the Funds against possible changes in the market value of investments, or
- achieve desired investment positions without actually buying or selling the physical asset.

Losses or gains are possible on these contracts.

One or more of the Multi-Blend Funds may invest into other funds which may use derivatives to leverage these funds as an alternative to borrowings. These underlying funds may intend to gain exposure to investment markets through the use of derivatives and to create leverage as a value adding strategy.

BORROWINGS WITHIN THE FUNDS

Whilst the Constitution for each Fund allows borrowing, it is currently our intention that the Funds will not borrow other than to meet short term cash requirements.

CHANGES TO THE FUNDS

We may add to or close the Funds that are currently available, change the rules that govern a Fund or alter their investment objectives, strategies or underlying investment manager at our discretion. We will provide the IDPS operator with notice of such changes as required by contractual obligation or Legislation.

We will notify the IDPS operator of any material change or significant event in relation to the Funds and/or their investment objectives and/or strategies. If we consider the change or event is adverse to unit holders, we will notify the IDPS operator as required by contractual obligation or Legislation, but in any event within three months. If the change or event is not considered adverse, we will notify the IDPS operator of the change or event within 12 months. If the change is an increase in fees or charges, we will give the IDPS operator advance notice of 30 days in writing.

OTHER CONSIDERATIONS

Our priority is to maximise returns with an acceptable level of risk. We don't make investment decisions or appoint investment managers based on labour standards, environmental concerns or social and ethical considerations.

The underlying investment managers we select may have their own policies to determine if these issues are taken into account when making investment decisions, however, we don't require them to.

Fund profiles

The following five Funds are offered in this PDS.

DEFENSIVE MULTI-BLEND FUND – ARSN 087 296 491 APIR ADV0049AU

| | | | | |
|------------------------------------|--|---------------|----------------|----------------|
| Objective | To provide secure income with a low risk of capital loss over the short-to-medium term with some capital growth over the long term. | | | |
| Strategy | To invest in a diverse mix of assets with a majority in defensive assets of cash and fixed income and a modest investment in growth assets such as shares. The Fund's exposure to these asset sectors will be obtained primarily by investing directly into our sector specific funds. The Fund may also hold assets directly including derivatives, currency and other unit trusts. | | | |
| Investment timeframe [†] | 3 years + | | | |
| Investment management [~] | A blend of specialist underlying investment managers through investment in our single sector Multi-Blend Funds. | | | |
| Asset sector ranges (%) | | Min. | Max. | |
| | Australian shares | 9.00 | 15.00 | |
| | International shares | 4.50 | 10.50 | |
| | Property | 3.00 | 9.00 | |
| | Australian fixed interest | 22.00 | 28.00 | |
| | International fixed interest | 17.00 | 23.00 | |
| | Other | 1.50 | 7.50 | |
| Cash | 22.00 | 28.00 | | |
| Fund size* | \$76.57 million | | | |
| Distribution periods | Monthly | | | |
| Performance (% p.a.) [^] | | 1 year | 3 years | 5 years |
| | Growth | -4.16 | 0.36 | 1.54 |
| | Distribution | 8.88 | 7.28 | 6.44 |
| | Total | 4.73 | 7.64 | 7.98 |

[†] The investment timeframe is a suggestion only. You should review your investment in each Fund regularly to ensure it meets your investment needs.

* As at 31 December 2007. Up-to-date information can be obtained from advance.com.au or our Contact Centre on **1800 819 935**.

[~] Advance has the right to add or remove an investment manager at any time without prior notice to the unit holder and you.

[^] Performance figures are annualised returns as at 31 December 2007 and are calculated using withdrawal unit prices and assume that income is reinvested. Ongoing management costs and expenses have been taken into account. No allowance has been made for Contribution (or entry) fees or taxes.

Total return figures include realised capital gains, unrealised capital gains as well as distributed and undistributed income. Past performance is not indicative or a guarantee of future performance. Where there is no performance shown, there is no performance history for that period.

MODERATE MULTI-BLEND FUND – ARSN 108 947 011 APIR ADV0091AU

| | | | | |
|------------------------------------|--|----------------|--------------------|-------|
| Objective | To provide relatively stable total returns over the short to medium term with some capital growth over the long term through a diversified mix of growth and defensive assets. | | | |
| Strategy | To invest in a diverse mix of assets with an emphasis on secure income producing assets. The Fund's exposure to these asset sectors will be obtained primarily by investing directly into our sector specific funds. The Fund may also hold assets directly including derivatives, currency and other unit trusts. | | | |
| Investment timeframe [†] | 4 years + | | | |
| Investment management [~] | A blend of specialist underlying investment managers through investment in our single sector Multi-Blend Funds. | | | |
| Asset sector ranges (%) | Min. | Max. | | |
| | Australian shares | 19.00 | 25.00 | |
| | International shares | 12.00 | 18.00 | |
| | Property | 4.00 | 10.00 | |
| | Australian fixed interest | 18.00 | 24.00 | |
| | International fixed interest | 14.00 | 20.00 | |
| | Other | 3.00 | 9.00 | |
| Cash | 9.00 | 15.00 | | |
| Fund size* | \$185.40 million | | | |
| Distribution periods | Quarterly (Mar, Jun, Sep, Dec) | | | |
| Performance (% p.a.) [^] | 1 year | 3 years | Inception** | |
| | Growth | -5.83 | 1.32 | 2.86 |
| | Distribution | 11.25 | 8.42 | 7.80 |
| | Total | 5.43 | 9.74 | 10.65 |

[†] The investment timeframe is a suggestion only. You should review your investment in each Fund regularly to ensure it meets your investment needs.

* As at 31 December 2007. Up-to-date information can be obtained from advance.com.au or our Contact Centre on **1800 819 935**.

[~] Advance has the right to add or remove an investment manager at any time without prior notice to the unit holder and you.

[^] Performance figures are annualised returns as at 31 December 2007 and are calculated using withdrawal unit prices and assume that income is reinvested. Ongoing management costs and expenses have been taken into account. No allowance has been made for Contribution (or entry) fees or taxes.

Total return figures include realised capital gains, unrealised capital gains as well as distributed and undistributed income. Past performance is not indicative or a guarantee of future performance. Where there is no performance shown, there is no performance history for that period.

** The inception date for this Fund is 18 May 2004.

BALANCED MULTI-BLEND FUND – ARSN 087 296 375 APIR ADV0050AU

| | | | | |
|------------------------------------|---|----------------|----------------|-------|
| Objective | To provide moderate to high total returns (before fees and taxes) over the medium term from a combination of capital growth and income through a diversified mix of growth and defensive assets. | | | |
| Strategy | To invest in a diverse mix of assets with both income producing assets of cash and fixed interest and growth assets of shares and property. The Fund's exposure to these asset sectors will be obtained primarily by investing directly into our sector specific funds. The Fund may also hold assets directly including derivatives, currency and other unit trusts. | | | |
| Investment timeframe [†] | 5 years + | | | |
| Investment management [~] | A blend of specialist underlying investment managers through investment in our single sector Multi-Blend Funds. | | | |
| Asset sector ranges (%) | Min. | Max. | | |
| | Australian shares | 27.00 | 33.00 | |
| | International shares | 21.50 | 27.50 | |
| | Property | 5.00 | 11.00 | |
| | Australian fixed interest | 11.00 | 17.00 | |
| | International fixed interest | 7.00 | 13.00 | |
| | Other | 4.50 | 10.50 | |
| Cash | 3.00 | 9.00 | | |
| Fund size* | \$372.43 million | | | |
| Distribution periods | Quarterly (Mar, Jun, Sep, Dec) | | | |
| Performance [% p.a.] [^] | 1 year | 3 years | 5 years | |
| | Growth | -7.99 | 2.24 | 3.78 |
| | Distribution | 13.80 | 9.58 | 8.23 |
| | Total | 5.81 | 11.83 | 12.01 |

[†] The investment timeframe is a suggestion only. You should review your investment in each Fund regularly to ensure it meets your investment needs.

* As at 31 December 2007. Up-to-date information can be obtained from advance.com.au or our Contact Centre on **1800 819 935**.

[~] Advance has the right to add or remove an investment manager at any time without prior notice to the unit holder and you.

[^] Performance figures are annualised returns as at 31 December 2007 and are calculated using withdrawal unit prices and assume that income is reinvested. Ongoing management costs and expenses have been taken into account. No allowance has been made for Contribution (or entry) fees or taxes.

Total return figures include realised capital gains, unrealised capital gains as well as distributed and undistributed income. Past performance is not indicative or a guarantee of future performance. Where there is no performance shown, there is no performance history for that period.

GROWTH MULTI-BLEND FUND – ARSN 087 296 142 APiR ADV0085AU

| | | | | |
|------------------------------------|---|----------------|----------------|-------|
| Objective | To provide moderate to high total returns (before fees and taxes) over the medium to long term largely through capital growth by investing in a mix of growth and defensive assets. | | | |
| Strategy | To invest in a diverse mix of assets with an emphasis on growth oriented assets of Australian and global shares, with investment in defensive assets of cash and fixed interest providing some income and stability of returns. The Fund's exposure to these asset sectors will be obtained primarily by investing directly into our sector specific funds. The Fund may also hold assets directly including derivatives, currency and other unit trusts. | | | |
| Investment timeframe [†] | 6 years + | | | |
| Investment management [~] | A blend of specialist underlying investment managers through investment in our single sector Multi-Blend Funds. | | | |
| Asset sector ranges (%) | Min. | Max. | | |
| | Australian shares | 33.00 | 39.00 | |
| | International shares | 28.00 | 34.00 | |
| | Property | 6.00 | 12.00 | |
| | Australian fixed interest | 4.00 | 10.00 | |
| | International fixed interest | 2.00 | 8.00 | |
| | Other | 6.00 | 12.00 | |
| Cash | 0.00 | 6.00 | | |
| Fund size* | \$154.11 million | | | |
| Distribution periods | Half yearly (Jun, Dec) | | | |
| Performance (% p.a.) [^] | 1 year | 3 years | 5 years | |
| | Growth | -8.27 | 4.00 | 5.70 |
| | Distribution | 14.14 | 9.11 | 7.88 |
| | Total | 5.87 | 13.11 | 13.58 |

[†] The investment timeframe is a suggestion only. You should review your investment in each Fund regularly to ensure it meets your investment needs.

* As at 31 December 2007. Up-to-date information can be obtained from advance.com.au or our Contact Centre on **1800 819 935**.

[~] Advance has the right to add or remove an investment manager at any time without prior notice to the unit holder and you.

[^] Performance figures are annualised returns as at 31 December 2007 and are calculated using withdrawal unit prices and assume that income is reinvested. Ongoing management costs and expenses have been taken into account. No allowance has been made for Contribution (or entry) fees or taxes.

Total return figures include realised capital gains, unrealised capital gains as well as distributed and undistributed income. Past performance is not indicative or a guarantee of future performance. Where there is no performance shown, there is no performance history for that period.

HIGH GROWTH MULTI-BLEND FUND – ARSN 108 946 809 APIR ADV0087AU

| | | | | |
|------------------------------------|--|---------------|----------------|--------------------|
| Objective | To provide superior total returns (before fees and taxes) over the long term through capital growth by investing in growth assets. | | | |
| Strategy | To invest primarily in Australian and global shares with some exposure to property. The Fund's exposure to these asset sectors will be obtained primarily by investing into our sector specific funds. The Fund may also hold assets directly including derivatives, currency and other unit trusts. | | | |
| Investment timeframe [†] | 7 years + | | | |
| Investment management [~] | A blend of specialist underlying investment managers through investment in our single sector Multi-Blend Funds. | | | |
| Asset sector ranges (%) | | Min. | Max. | |
| | Australian shares | 40.00 | 46.00 | |
| | International shares | 38.50 | 44.50 | |
| | Property | 2.00 | 8.00 | |
| | Other | 7.50 | 13.50 | |
| Cash | 0.00 | 3.00 | | |
| Fund size* | \$43.82 million | | | |
| Distribution periods | Half yearly (Jun, Dec) | | | |
| Performance (% p.a.) [^] | | 1 year | 3 years | Inception** |
| | Growth | -9.04 | 3.69 | 6.04 |
| | Distribution | 16.19 | 10.92 | 9.59 |
| | Total | 7.14 | 14.62 | 15.63 |

† The investment timeframe is a suggestion only. You should review your investment in each Fund regularly to ensure it meets your investment needs.

* As at 31 December 2007. Up-to-date information can be obtained from advance.com.au or our Contact Centre on **1800 819 935**.

~ Advance has the right to add or remove an investment manager at any time without prior notice to the unit holder and you.

[^] Performance figures are annualised returns as at 31 December 2007 and are calculated using withdrawal unit prices and assume that income is reinvested.

Ongoing management costs and expenses have been taken into account. No allowance has been made for Contribution (or entry) fees or taxes.

Total return figures include realised capital gains, unrealised capital gains as well as distributed and undistributed income. Past performance is not indicative or a guarantee of future performance. Where there is no performance shown, there is no performance history for that period.

** The inception date for this Fund is 18 May 2004.

INVESTMENT MANAGERS

The underlying investment managers for the Funds are listed by asset sector in the table below.⁻

| |
|---|
| Australian shares |
| MIR Investment Management Limited |
| Schroder Investment Management Australia Limited |
| BT Investment Management Limited |
| Ausbil Dexia Limited |
| Alleron Investment Management Ltd |
| Souls Funds Management Limited |
| Contango Asset Management Limited |
| International shares |
| Mellon Capital Management Corporation |
| The Boston Company Asset Management LLC |
| AllianceBernstein Australia Limited |
| Tradewinds Global Investors, LLC |
| Maple-Brown Abbott Limited |
| OVERLAY Asset Management |
| Property |
| CB Richard Ellis Global Real Estate Securities LLC |
| European Investors Inc |
| Perennial Investment Partners Limited |
| Australian fixed interest |
| Colonial First State Asset Management (Australia) Limited |
| Aberdeen Asset Management Limited |
| International fixed interest |
| Newton Investment Management Limited |
| Standish Mellon Asset Management |
| Cash |
| IMS Funds Management |
| Other |
| Mellon Capital Management Corporation |
| Credit Suisse Asset Management (Australia) Limited |

⁻ Advance has the right to add or remove an investment manager at any time without prior notice to the unit holder and you.

Understanding investment risk

WHAT ARE THE SIGNIFICANT RISKS

All investments carry some level of risk. In investment terms, risk is the variability in short term returns and the potential to lose your capital. There is also a risk that the investment manager may not perform according to expectations.

The value of your investment may be affected by factors such as:

- financial market volatility,
- economic cycles,
- political events,
- legislation,
- tax,
- interest rates,
- exchange rates, and
- individual company factors.

Investment risk means it is not possible to predict the returns that a Fund will achieve. Investment returns are not guaranteed and past performance is not an indicator of future performance.

Generally, the higher an investment's expected return, the higher the expected risk. Shares are generally considered more volatile (that is, they are likely to experience greater fluctuations in value) than property, while property is generally more volatile than fixed interest and cash. Higher risk asset sectors such as shares and property have historically produced higher long term returns than fixed interest and cash.

HOW TO REDUCE INVESTMENT RISK

There are two main ways in which you can reduce investment risk:

1. Investing for an appropriate length of time

The longer you hold an investment in a growth asset such as shares, the greater the chance of riding out short term market fluctuations.

2. Diversification

By investing across different asset classes and sectors and using investment managers with different styles, you can reduce investment risk.

SPECIFIC RISKS OF INVESTING

Individual investment risk – Assets held by a Fund may fall in value for many reasons such as a change in the internal operations or management of a fund or company invested in or in its business environment. A change in the value of individual investments can also arise should dividend payments change.

Market risk – Assets held by the Funds are all exposed to some level of market risk. Market risk is not stock specific. It is the risk derived from macro-economic factors and events that affect the market as a whole. Economic, technological, political or legal conditions, and even market sentiment, change and this can mean that the value of investment markets change affecting the value of the assets held by the Funds. These factors include shocks to the economy such as a spike in the oil price, terrorist threats, political elections, environmental catastrophes and changes to monetary and/or fiscal policy.

Interest rate risk – Changes in interest rates can have a positive or negative impact directly or indirectly on the investment value or returns of the assets held by a Fund. For example, the cost of a company's borrowing can decrease or increase whilst income returns on a fixed interest security can become more or less favourable.

Erosion in real values – The value of certain assets held by a Fund may be eroded through inflation or changes in interest rates.

Currency risk – The Funds may invest across many countries. If there is a change in the relative value of the Australian dollar to other currencies, the unhedged assets of a Fund can decrease or increase in value. For investments hedged back into Australian dollars this risk is largely removed. For those funds with active currency strategies, there is the potential to add value through changes in exchange rates but this may also expose a Fund to higher volatility in returns.

Derivatives risk – See 'Derivatives' on page 3. The Funds may gain exposure to investment markets through the use of derivatives (such as futures) and to create leverage as a value-adding strategy. Risks associated with derivatives include the value of the derivatives failing to move in line with the underlying asset, potential illiquidity of the derivative, a Fund may not be able to meet payment obligations as they arise, and counter party risk in the case of over-the-counter derivatives where no clearing house acts as an intermediary party (where the counter-party to the derivative contract cannot meet its obligations under the contract). In futures markets, counterparty risk is removed as a clearing house (usually an exchange) assumes the counter-party role.

Leverage risk – Where derivatives are used to create leverage as a value-adding strategy, the advantage is that significant exposure to investment markets is gained with less cost incurred than buying the underlying asset. However, the risk of leveraging is that losses, as well as gains, are magnified relative to an unleveraged portfolio as the price of the underlying assets move up and down.

Fund risk – Risks particular to a Fund include closure to new investments or termination, replacement of Responsible Entity and/or our investment managers could change and/or not meet expectations. There is also a risk that investing into the Funds may give different results than investing directly due to the accrual of income or capital gains and the cash flow effect as other investors make contributions or redeem out of the Fund.

Changes to Legislation – Changes can be made to the Legislation, which may affect your investment in a Fund.

Changes to taxation – Changes can also occur to the Australian taxation legislation, which may affect the value of your investment in a Fund.

Changes in personal factors – Changes in your personal situation may affect the suitability of the investment for each investor, such as changes in your investment objectives, personal borrowings, personal financial situation or individual needs.

Regulatory risk – A government or regulator may affect the value of securities that a Fund invests in by introducing regulatory or tax changes.

IMPORTANT NOTE

Your investment in a Fund is not guaranteed. The value of your investment can rise and fall in line with the changing value of the underlying investments.

It may be useful to consult your financial adviser especially in the case of a market downturn to ensure this investment is appropriate to your needs.

ASSET SECTOR BENEFITS AND RISKS:

If you choose to invest in the Funds you will be invested in one or more of the asset sectors listed below.

| Asset sector | Benefits | Risks |
|-----------------------------------|--|--|
| Australian shares | <p>Shares represent part ownership of a company and are generally bought and sold on a stock exchange. Returns from shares can include both capital growth and an income component from dividends paid by the company. Imputation credits attached to some dividend payments may offset other taxes payable.</p> <p>Investing in Australian shares gives investors the opportunity to benefit from the performance of Australian businesses across a wide range of industries such as banking, health care and information technology.</p> | <p>Shares are generally classified as more volatile than other asset sectors because their value tends to fluctuate over the short term. However, over the longer term, shares have tended to perform better than other asset sectors.</p> <p>The specific risks of investing in shares include that the company, or the industry in which it operates, may not perform as well as expected or that there may be adverse changes in a company's financial position.</p> |
| Australian smaller company shares | <p>Due to their small size, smaller company shares may grow more rapidly than larger, more mature companies. They are often more flexible and can therefore respond more quickly to changes in market trends relative to their larger counterparts.</p> <p>Active management, including research of the sector by investment managers, may lead to opportunities to add value.</p> | <p>Australian smaller company shares are perceived to be more volatile than larger capitalized stocks. Because they undergo less research than larger stocks, there is greater potential for unexpected negative earnings and this can create sudden downward pressure on share prices.</p> <p>Smaller companies generally do not have the financial reserves of their larger counterparts and therefore are generally more vulnerable in weaker economic conditions.</p> |
| International shares | <p>Investing in international shares provides investors with the opportunity to benefit from the performance of world markets and international businesses across a wide range of industries outside Australia.</p> <p>Like an investment in Australian shares, a Fund's investment in international shares provides the potential for capital growth, an income component and diversification.</p> | <p>In addition to the risks of shares outlined above, international shares can be affected by:</p> <ul style="list-style-type: none"> • social, economic, or political factors affecting a country or region, • differing tax structures, • currency movements, • foreign regulatory requirements. |
| Listed property securities | <p>Listed property securities involve buying units in listed property trusts that are bought and sold on the stock exchange. It is a simple way to invest in the property market without tying up your money directly in real estate.</p> <p>Investors can participate in sectors of the property market including office, hotels, retail, residential and industrial property.</p> <p>Because investment is through the share market, investors can sell securities relatively easily if necessary (unlike direct property investments).</p> <p>Investing in global property securities gives investors the opportunity to benefit from the performance of global property across several countries, including the US, Australia (where they are more commonly known as LPTs), Netherlands, Belgium, France, UK, Germany and throughout Asia including Japan, Singapore and most recently, Hong Kong. This diversification is increasingly important as the domestic market consolidates.</p> | <p>Returns from listed property securities may include income from rent depending on the type of property owned by the trust and may include a capital growth component through an increase in the value of the property. Like shares, units in property securities can rise and/or fall in value.</p> <p>Returns from property securities are also affected by fluctuations in the supply and demand for properties and consequential changes in rental levels.</p> <p>Increasing interest rates can decrease the value of property securities and vice versa.</p> <p>In addition to the risks already noted relating to property securities, global property securities can be affected by:</p> <ul style="list-style-type: none"> • Social, economic or political factors affecting a country or region, • Differing tax structures in foreign tax jurisdictions, • Foreign regulatory requirements. |

ASSET SECTOR BENEFITS AND RISKS:

If you choose to invest in the Funds you will be invested in one or more of the asset sectors listed below.

| Asset sector | Benefits | Risks |
|--|---|---|
| Australian fixed interest | <p>Fixed interest securities provide the security of a regular income stream. There is the potential for capital growth on the original capital invested in periods of declining interest rates. They provide a relatively secure investment, which is generally not as volatile as share market investments.</p> <p>It can be used by the more conservative investor or those with shorter investment timeframes.</p> | <p>Fixed interest securities can generate a rise in capital value, or a loss, if interest rates fluctuate during their term. In general, a rise in interest rates causes the value of an existing security to fall while a fall in interest rates causes the value of an existing security to rise.</p> <p>An investment in fixed interest securities also carries the risk that the issuer may default. Highly rated government bonds which are unlikely to default, pay a lower rate of return than the relatively more risky corporate bonds, which pay a higher rate of return.</p> |
| International fixed interest | <p>International fixed interest securities provide a wider access to government and corporate bonds from a variety of countries and regions.</p> <p>These can provide opportunity to access higher interest rates than those offered domestically.</p> | <p>In addition to the risks of fixed interest securities outlined above, international fixed interest securities can be affected by:</p> <ul style="list-style-type: none"> • social, economic, or political factors affecting a country or region, • differing tax structures, • currency movements, • foreign central bank policy, • foreign regulatory requirements. |
| Currency | <p>Currency management provides the ability to capture the mis-pricing of global exchange rates. Opportunities exist where currencies diverge from their fundamental values and/or investor sentiment creates a medium term trend in favour of one currency over another.</p> | <p>A Fund's investments may be denominated in currencies other than the Australian dollar. Changes in these currencies relative to the Australian dollar and other currencies held within a fund will have an impact on the value of that fund.</p> |
| Cash | <p>Cash investments are held in cash securities such as term deposits and bank bills, which can be up to one year in duration. Investing in cash provides a high level of security and the lowest level of risk.</p> <p>It can be used by the more conservative investor or those with shorter investment timeframes.</p> | <p>While cash produces the most stable investment returns when compared to other asset sectors, there is limited scope to generate higher long term returns relative to growth assets.</p> <p>There is also a risk that cash returns will not keep pace with inflation.</p> |
| <p>Other</p> <p><i>Certain Funds invest a portion of their portfolio into an asset sector categorized within their asset allocation as 'Other'. This allocation invests into the sectors described above, as well as commodities which include oil and base metals, either directly or via the use of derivatives. These are known as alternative strategies.</i></p> | <p>Alternative strategies seek to provide investors with opportunities for additional out performance. This is achieved through identifying assets that display either a negative correlation or low correlation to traditional asset classes, an example being commodities.</p> <p>These strategies offer benefits of diversification through reducing the total risk of diversified portfolios while at the same time enhancing the return potential.</p> | <p>The risks are those associated with the underlying assets over which the out performance is generated. This may include risks associated with investing in international equities or bonds, currencies or derivatives.</p> <p>In addition the cyclical nature of price movements within the underlying assets, such as commodities, may lead to short term marked-to-market losses in investment portfolios.</p> |

Fees and other costs

The following statement is prescribed by current Legislation.

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 2.00% of your fund balance rather than 1.00% could reduce your final return by up to 20.00% over a 30 year period (for example, reduce it from \$100,000 to \$80,000).

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

You may be able to negotiate to pay lower contribution fees and management costs where applicable. Ask the fund or your financial adviser.

TO FIND OUT MORE

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

This document shows fees and other costs that you may be charged. These fees and costs may be deducted from your investment, from the returns on your investment or from the assets of a Fund as a whole. All fees and charges described in the following fee information table are inclusive of GST, after the benefits of Reduced Input Tax Credits have been taken into account. Taxes are set out in another part of this document.

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

Please note: These fees do not take into account any rebates that we may provide to the IDPS operator, which may be passed on to you or include any additional fees that may be charged by the IDPS operator.

In line with ASIC policy on differential fee arrangements, fees may be negotiated on an individual basis with 'wholesale clients' (within the meaning of the Corporations Act).

| TYPE OF FEE OR COST | AMOUNT | HOW AND WHEN PAID |
|---|---|--|
| FEES WHEN YOUR MONEY MOVES IN OR OUT OF THE FUND | | |
| Establishment fee <i>The fee to open your investment.</i> | n/a. | n/a. |
| Contribution (or entry) fee¹ <i>The fee on each amount contributed to your investment.</i> | n/a. | n/a. |
| Withdrawal fee <i>The fee on each amount you take out of your investment.</i> | n/a. | n/a. |
| Termination fee <i>The fee to close your investment.</i> | n/a. | n/a. |
| MANAGEMENT COSTS <i>The fees and costs for managing your investment. The amount you pay for specific Funds is shown on page 16.</i> | | |
| Management fee¹ | Depending on the Fund, this varies between 0.68% p.a. and 1.19% p.a. of the net asset value ² of the Fund. | The Management fee is deducted from the Funds prior to a unit price being determined. It is accrued on a daily basis and paid from the Funds on a monthly basis. |
| SERVICE FEES | | |
| Investment switching fee <i>The fee for changing funds.</i> | n/a. | n/a. |

1. This fee may include an amount payable to a financial adviser. (see Adviser remuneration under the heading 'Additional explanation of fees and costs' on page 17).

The Constitution of the Funds allows for a Contribution (or entry) fee of up to 6.00% but this is not currently payable.

2. The net asset value of a fund is the value of its assets less liabilities (for example, less tax).

Fees and costs for the Funds

The Management costs for each Fund are set out below. For further information please see 'Additional explanation of fees and costs' below.

| Fund | Management fee (% p.a.) |
|-------------------------|----------------------------|
| Defensive Multi-Blend | 0.68 |
| Moderate Multi-Blend | 0.74 |
| Balanced Multi-Blend | 0.78 |
| Growth Multi-Blend | 0.97 |
| High Growth Multi-Blend | 1.19 |

EXAMPLE OF ANNUAL FEES AND COSTS FOR THE BALANCED MULTI-BLEND FUND WHOLESALE UNITS

This table gives an example of how the fees and costs in the Balanced Multi-Blend Fund Wholesale Units can affect your investment over a one year period. You should use this table to compare this product with other managed investment products.

EXAMPLE – BALANCED MULTI-BLEND FUND WHOLESALE UNITS

| Balance of \$50,000 with a contribution of \$5,000* during the year | | |
|---|-------|---|
| Contribution fee | nil | For every \$5,000* you put in, you will be charged \$0. |
| PLUS Management costs | 0.78% | And, for every \$50,000 you have in the Fund you will be charged \$390 each year. |
| EQUALS Cost of Fund | | If you put in \$5,000* during the year and your balance was \$50,000, then for that year you will be charged fees of: \$390 What it costs you will depend on the Fund you choose and the fees you negotiate with your financial adviser. |

* This amount is prescribed by Legislation.
Please note: Transaction costs may apply to this Fund.

Additional explanation of fees and costs

CONTRIBUTION (OR ENTRY) FEE

There is currently no intention for this fee to be charged for the Funds described in this PDS. The Constitution for each Fund limits the maximum Contribution (or entry) fee we can charge (excluding GST) for each Fund to 6.00%. If charged, it will be payable as a percentage of each amount contributed into each Fund and the balance invested as instructed by the IDPS operator.

MANAGEMENT COSTS

What Management costs include

Management fee – charged as a percentage of the value of a Fund. It is accrued daily and paid from each Fund you are invested in on a monthly basis. The Constitution for each Fund limits the Management fee for each Fund to a maximum (refer to the table below).

We are entitled to be reimbursed from each Fund for authorised expenses incurred in its management and administration. Currently routine Fund expenses including trustee, registry, custodian, accounting, audit and legal expenses (excluding Transaction costs, see below) are paid out of our Management fee. If extraordinary or unusual expenses are incurred, we may choose to recover costs from the Funds and this will be reflected in the unit price of the Funds.

| Maximum Management Fees Allowable for the Funds (excluding GST) | (% p.a.) |
|---|----------|
| Defensive Multi-Blend | 2.00 |
| Moderate Multi-Blend | 3.00 |
| Balanced Multi-Blend | 2.00 |
| Growth Multi-Blend | 2.00 |
| High Growth Multi-Blend | 3.00 |

PERFORMANCE FEES CHARGED BY UNDERLYING FUNDS

Where a Fund invests in an underlying fund that levies a performance fee, that performance fee will be reflected in the unit prices for the underlying fund and will affect the return on the underlying fund. Performance fees are generally accrued daily in the unit price of the underlying fund and are paid either monthly, quarterly or annually by the underlying fund. The amount of the performance fee will be based on the extent by which the return of the underlying fund exceeds either its benchmark (if any) or its hurdle return (a hurdle return is typically the relevant benchmark plus a set percentage), multiplied by the performance fee rate. Some of the underlying funds of the diversified Multi-Blend Funds charge performance fees, which may be up to 26.00% of out-performance over the underlying fund's benchmark (if any) or Performance Hurdle. As the investments made by a Fund in various underlying funds can change over time, it is possible that up to 100% of a Fund's assets may be invested in underlying funds that charge performance fees.

TRANSACTION COSTS

In managing the assets of a Fund, the investment managers of each Fund may incur transaction costs such as brokerage, settlement costs, clearing costs and applicable stamp duty when underlying assets are bought and sold. This generally happens when the assets of a Fund are changed or when there are net cash flows into or out of a Fund.

For the Funds noted below, transaction costs will be charged in the form of 'buy and sell spreads'. These costs are determined after the daily unit price is calculated and are applied either in addition to the daily unit price (applied when you invest) or deducted from the daily unit price (applied when you withdraw). The buy and sell spreads are an additional cost to you and are paid to the Fund.

The table on page 18 shows the transaction costs that apply for the Funds and the percentage applicable on the date of this PDS.

| Fund | Transaction costs on buying or selling (%) |
|-------------------------|--|
| Defensive Multi-Blend | 0.10 |
| Moderate Multi-Blend | 0.15 |
| Balanced Multi-Blend | 0.20 |
| Growth Multi-Blend | 0.25 |
| High Growth Multi-Blend | 0.35 |

In dollar terms a \$50,000 investment in, or withdrawal from, the Defensive Multi-Blend Fund would incur a transaction cost of \$50 (calculated as \$50,000 x 0.10%).

IMPORTANT ADDITIONAL DISCLOSURE

We may increase our fees or charges from time to time. We will provide your IDPS operator with advance notice of 30 days in writing of any increase.

ADVISER REMUNERATION

We may pay a commission of up to 0.20% p.a. to dealer groups for recommending a Fund to you. These payments may be on a once off basis or ongoing. They are paid from our Management fee and are not an additional charge to you.

PAYMENTS TO PLATFORMS

In addition, we may also enter into a variety of arrangements with IDPS operators that may involve us making payments to these operators in return for offering the Fund on their platform. Such payments may be product access payments of up to \$100,000 p.a. and/or ongoing fund manager payments of up to 0.65% p.a. of the funds invested through the relevant platform. These payments are paid out of our fees and are not an additional cost to you.

ALTERNATIVE FORMS OF REMUNERATION REGISTER

Advance is a member of the Financial Planning Association (FPA) and Investment and Financial Services Association (IFSA) and as such is required to keep a register on alternative forms of remuneration. We record information about material forms of alternative remuneration (\$300 per item or more) that are paid and/or received by fund managers, product providers, or financial advisers or their representatives.

The register is publicly available for inspection. A copy of Advance's register can be obtained by calling our Contact Centre on **1800 819 935**.

Investing in the Funds

HOW TO INVEST

To invest in the Funds, complete the documents provided by the IDPS operator. You do not need to complete any of our forms. The IDPS operator will then apply to invest in the Fund on your behalf.

When the IDPS operator's application is accepted and we receive the corresponding deposit, a number of units (in a class of units offered in the Funds you are investing in) will be allocated to the IDPS operator's account. The number of units is based on the amount of the investment, less any Contribution (or entry) fee payable to the IDPS operator and the current application unit price. The value of the investment at any time is calculated by multiplying the number of units held by the IDPS operator by the Fund's current withdrawal unit price.

$$\text{Value of the investment} = \text{Number of units held} \times \text{Withdrawal unit price}$$

UNIT PRICES

The unit price for each Fund is determined each business day by dividing the net asset value of the assets held in the Fund by the number of units on issue (adjusted for any transaction costs if applicable). Unit prices are calculated to four decimal places. The daily unit price reflects changes in the value of underlying assets held in the relevant Fund (and therefore may rise and fall), plus investment income, less Management costs and any taxes we are required to deduct. Underlying assets are valued at market prices.

Our Unit Pricing Discretions Policy sets out the discretions that Advance as responsible entity may exercise when calculating unit prices under the Funds constitution and how those discretions are exercised. You can obtain a copy of the Unit Pricing Discretion Policy free of charge by calling our Contact Centre on **1800 819 935**.

HOW WE PROCESS TRANSACTIONS

Where we receive an application and corresponding deposit or withdrawal request from your IDPS operator in our Registry Office by noon (Perth time), the instruction will receive the unit price calculated for that day.

Where our Registry Office receives an application or withdrawal request after noon (Perth time) it will not be processed until the following business day and the unit price for that day will apply.

Advance may decline to accept all or part of an application without giving any reason.

DISTRIBUTIONS

The type of distribution received will depend on the Fund you invest in, and the performance of the Fund's underlying assets. Distributions could comprise:

- income (such as dividends and interest),
- realised capital gains from the sale of the Fund's underlying assets (including CGT concession amounts),
- tax credits (such as imputation credits attached to dividend income and credits for tax paid on foreign income),
- return of capital,
- tax-deferred amounts (these amounts are generally subject to special taxation treatment).

The amount of income distributed is calculated according to the number of units held in the relevant Fund as a proportion of the total number of units on issue in that Fund at the end of the distribution period, regardless of how long they have been held.

There may be times when a Fund does not generate enough income to pay a distribution.

Any realised capital gains are usually only distributed at the end of the financial year. Advance may use its discretion to distribute realised capital gains at the end of any distribution period.

In general, we pay distributions to the IDPS operator within 30 days of the end of the distribution period (refer to the Fund Profiles on pages 4 to 8 for details on the distribution periods for each Fund).

The IDPS operator may pay distributions at times that vary from the above. Refer to your IDPS operator for further information.

WITHDRAWALS

The IDPS operator can at any time request the withdrawal of any or all units by forwarding to Advance a written withdrawal request.

We generally pay withdrawals within five business days after we receive a written request in our Registry Office, although the Constitutions permit up to 30 days for most Funds, with the exception of the following Funds which allow 60 days: Moderate Multi-Blend Fund and High Growth Multi-Blend Fund.

We will deduct any taxes or duties or other applicable costs we are required to from the amount we pay the IDPS operator as required or permitted by Legislation.

We will divide the withdrawal amount by the current unit price on the day on which the withdrawal is processed to determine the number of units to be redeemed.

For the Moderate Multi-Blend Fund and High Growth Multi-Blend Fund we have the right to withdraw all or part of the units from the IDPS operator's account at any time at our discretion, at the withdrawal unit price applicable on the day.

Advance may, at its absolute discretion and as permitted by Legislation, nominate any part of the withdrawal proceeds of any units to be taxable income, where it is necessary to ensure that the taxable income of the relevant Fund is distributed equitably amongst the unit holders in the Fund at the end of each distribution period and those who withdraw during that period. Advance expects to take this action only in unusual circumstances, such as significant withdrawals occurring in any single distribution period.

SUSPENSION OF WITHDRAWALS

Under each Fund's Constitution, we may suspend withdrawals in unusual circumstances such as where it is impractical to process withdrawals (for example where financial markets are closed or their operation is significantly impacted) or where we consider it to be in the interests of all unit holders.

For most Funds we may suspend withdrawals for up to 60 days, except for the Moderate Multi-Blend Fund and High Growth Multi-Blend Fund where the suspension period is at our discretion.

For withdrawals lodged during a suspension period, withdrawal values will be calculated and paid as if the withdrawal was lodged immediately after the end of the suspension.

Taxation

The following information is a general summary only in relation to Australian resident investors and is current as at the date of this PDS.

An Australian resident investor in a Fund is generally taxed on the following:

- distributions of income (including realised capital gains);
and
- gains from disposal of units in a Fund.

Distributions of income comprising assessable amounts should be included in your taxable income in the year to which the distribution relates. The tax you pay will depend on the composition of the distribution.

Upon disposal of units, whether by withdrawal, transferring or switching, you must include any realised capital gains or losses on the disposal of units in the calculation of your net capital gain for the year. This net capital gain should be included in your assessable income.

We recommend you obtain financial or tax advice relevant to your particular circumstance before investing in these Funds.

Additional information

OUR ROLE AS RESPONSIBLE ENTITY

Advance is the Responsible Entity for each Fund. As the Responsible Entity, we are responsible for the day-to-day administration of the Funds and for ensuring they comply with their respective Constitution and the Legislation. This responsibility includes the establishment, implementation and monitoring of each Fund's investment objective and strategy.

THE CONSTITUTION

Each Fund is governed by a Constitution, which sets out rules covering:

- our powers, rights and duties as the Responsible Entity (including the right to fees, recovery of expenses and indemnification),
- our remuneration,
- unit holders' rights and obligations,
- liability of unit holders and the Responsible Entity,
- issue and redemption of units,
- distributions and distribution reinvestment,
- authorised investments of each Fund,
- how assets and liabilities of each Fund are valued,
- how the net asset value of each Fund is determined,
- how the Fund may be terminated,
- how we may be removed or replaced as Responsible Entity.

We may vary the Constitutions without unit holders' consent if we, as the Responsible Entity, reasonably believe that the variation will not adversely impact unit holders' rights. Otherwise we must obtain unit holders' approval in accordance with the Legislation. You can view a copy of the Constitution for each Fund at our registered office during business hours or we will provide you with a copy free of charge on request. For a copy please call our Contact Centre on **1800 819 935**.

COOLING-OFF

As you are investing through an IDPS you should consult the IDPS operator in relation to cooling-off rights that may apply to your investment in the IDPS.

YOUR IDPS OPERATOR'S RIGHTS AS AN INVESTOR

The rights of a unit holder in each Fund are governed by the Constitution for that Fund and the Legislation. The IDPS operator has identical rights for each unit it holds in a Fund.

This includes the right to:

- receive distributions (where applicable),
- receive copies of accounts and other information for the Fund,
- attend and vote at unit holder meetings,
- receive a share of distributions if the Fund is terminated,
- transfer units to any other entity.

The IDPS operator does not have the right to participate in the management or operation of a Fund.

Under each Constitution, the IDPS operator's liability is limited to the amount invested in a Fund. You should be aware that the effectiveness of such a limitation is yet to be conclusively determined by the courts.

OUR RELATIONSHIP WITH ST.GEORGE BANK

Advance is a wholly owned subsidiary of St.George Bank. St.George Bank provides certain advisory and administrative services to us. We may also place a Fund's cash on deposit with St.George Bank.

Asgard Capital Management Limited (Asgard) ABN 92 009 279 592 AFSL 240695, a subsidiary of St.George Bank, provides administrative services to us such as registry and unit holder reporting. Any fees we pay to St.George Bank or Asgard are paid by us out of our Management fee and are not an additional charge to you.

INTERFUNDING AND RELATED PARTIES

Each Fund may acquire investments directly or may invest in other funds, including any Fund we manage. Member companies of the St.George Group, their employees, and any other fund we manage may invest in the Funds.

CONTINUOUS DISCLOSURE

Some of the Funds offered in this PDS may be subject to certain regular reporting and disclosure requirements under Legislation.

You can obtain the following information or documents from us:

- the most recent annual financial report lodged with ASIC for the relevant Fund,
- any half year financial reports lodged with ASIC for the relevant Fund after the lodgement of the above annual financial report and before the date of this PDS,
- any continuous disclosure notices provided by us for the relevant Fund.

You can inspect or obtain copies of the documents lodged with ASIC in relation to the Fund from any ASIC office.

We can also send you copies of these documents (free of charge) if requested.

COMPLAINT RESOLUTION

As you are investing through an IDPS, you should consult the IDPS operator if you have a complaint about your investment. If the issue remains unresolved you should contact the complaints scheme of which the IDPS operator is a member.

If your IDPS operator wishes to make a complaint, they can contact us. We will acknowledge any complaint in writing to your IDPS within five business days and respond in writing within 45 days.

PRIVACY

As you are investing through an IDPS, we will not receive or hold any personal information about you. Please contact your IDPS operator for details on how your personal information is dealt with.

If we do receive any personal information we will deal with it in accordance with our Privacy Policy available on advance.com.au, by calling our Contact Centre on **1800 819 935** or by written or faxed request. Our contact details are set out below and on the back cover of this PDS.

How to find updated information

Information in this PDS about the Fund may change from time to time and, if not materially adverse, will be updated and made available through your IDPS operator, on advance.com.au, or by calling our Contact Centre on **1800 819 935**, faxing us on 08 9481 4318, or writing to us at:

Advance Asset Management Limited
GPO Box B87
Perth WA 6838

DIRECTORY

Contact Centre:

1800 819 935

Address:

Advance Asset Management Limited

GPO Box B87

Perth WA 6838

Fax: 08 9481 4318

Internet address:

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Email address:

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Sydney NSW 2000