



Product Disclosure Statement
9 March 2010

Issuer and Responsible Entity
Linear Asset Management Ltd
ABN 11 119 757 596
AFSL 304542

Linear Managed Accounts
ARSN 128 111 857

This Product Disclosure Statement is for the Linear Managed Accounts. This is an important document and should be read before you complete the Application Form.

This Product Disclosure Statement ("PDS") is dated 9 March 2010 and is issued by Linear Asset Management Ltd (ABN 11 119 757 596, AFSL 304542) ("Linear", "Responsible Entity", "we", "our" or "us"). Linear is the Responsible Entity of the Linear Managed Accounts (ARSN 128 111 857) ("the Scheme") which is a portfolio management product registered with ASIC as a managed investment scheme under the Corporations Act. Contact details for the Responsible Entity are set out in the Corporate Directory at the end of this PDS.

The offer being made under this PDS is referred to as the "Linear Managed Accounts".

JPMorgan Chase Bank, N.A. is neither the issuer nor responsible entity for the Scheme and is only the swap counterparty for the SPP Swap with the Responsible Entity. The SPP Swap is not a deposit with JPMorgan Chase Bank, N.A., or any of its related bodies corporate, and is subject to investment risk including possible delays in repayment and loss of premium paid. Neither JPMorgan Chase Bank, N.A. nor any of its related bodies corporate are in any way responsible for or guarantee the performance of, sponsor, promote or endorse the Linear Managed Accounts. None of J.P. Morgan or any of its affiliates or subsidiaries (including the calculation agent under the SPP Swap) act as a fiduciary for or an advisor to Linear or any Investor, and consequently are not liable for any breach of fiduciary duties. Any information provided by J.P. Morgan or the calculation agent under the SPP Swap is purely factual information and is not provided to recommend any particular investment strategy or transactions on the basis of that information.

This PDS contains information about the Linear Managed Accounts. Before you invest with us, we recommend that you read this PDS in its entirety. This PDS contains details of the Investment Managers and the Model Portfolios they offer, along with the Application Form.

Applications for investment in the Linear Managed Accounts can only be made on the Application Form attached to and forming part of, or accompanying this PDS. Refer to page 47 of this PDS for complete details on how to invest. No Applications will be accepted unless Application Monies are accompanied by an original signed Application Form.

The information contained in this PDS is general in nature and has been prepared without taking into account your investment objectives, financial situation or particular investment needs. Before making a decision to invest in the Linear Managed Accounts, it is important that you read the entire PDS and consult a financial adviser regarding the appropriateness of this investment for your personal circumstances. Investment in the Linear Managed Accounts is not guaranteed. This means that you may not recover your initial investment and you are not guaranteed a return on your investment. You should consider the appropriateness of the information contained in this PDS and the appropriateness of an investment in the Linear Managed Accounts having regard to your objectives, financial situation and investment needs before proceeding to invest. This will include considering the risk factors that could affect the financial performance of the Linear Managed Accounts, some of which are described in the Risks section starting on page 6 of this PDS.

No person has been authorised by Linear to make any representation or to give any information in connection with this offer that is not contained in this PDS. Any representation or information of this kind that has been provided may not be relied upon as being authorised by Linear in connection with this offer. This PDS will be issued in paper form and also as an electronic Product Disclosure Statement ("Electronic PDS"). The Electronic PDS will be available via Online Client Access. Investors should only rely on the information in this PDS. If this PDS has been received electronically, then a paper copy of this PDS will be provided free of charge on request by telephoning Linear on 1300 669 891.

If this PDS has been received electronically, Investors should ensure that the complete Application Form and Electronic PDS have been obtained. The Corporations Act prohibits any person from passing the Application Form on to another person unless it is attached to a hard copy of this PDS or the complete and unaltered Electronic PDS. If you are unsure about the completeness of this PDS, whether received in printed or electronic form, you should contact Linear.

Information contained in this PDS may change from time to time. Information that is not materially adverse may be updated and provided via Online Client Access. Upon request, Linear will provide you with a paper copy of any updated information free of charge. If there is a change to the information contained in the PDS that is materially adverse to the offer, Linear will issue a supplementary PDS in accordance with the Corporations Act.

The distribution of this PDS in jurisdictions outside Australia may be restricted by law and persons who come into possession of it should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. This PDS does not constitute an offer in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer. No action has been taken to register or qualify the Linear Managed Accounts or otherwise permit the public offer of the Linear Managed Accounts outside Australia.

Forward looking statements that relate to future matters are contained in this PDS. These statements and matters are subject to uncertainty and risks or other factors that may be unknown at the time of printing this PDS and could cause the actual performance or results of the Linear Managed Accounts to be materially different to those expressed or implied in the statements. This PDS sets out some of the risk factors that may impact on the forward looking statements in the Risks section starting on page 6.

An investment in the Linear Managed Accounts does not represent an investment or liability of Linear, and is subject to investment risk, including delays in repayment and loss of capital invested or income re-invested. Neither Linear, nor any other related body corporate, nor the Investment Manager(s) guarantees the performance or success of the Linear Managed Accounts, payment of distributions or repayment of your investment.

Certain terms in this PDS have defined meanings. Refer to the Defined Terms provided on page 50.

Linear may change the features of the Model Portfolios offered by the Linear Managed Accounts. Linear may also change Investment Managers that manage the Model Portfolios offered by the Linear Managed Accounts from time to time.

Your interest: When you invest in the Linear Managed Accounts, you are an indirect investor because the custodian will be holding the investments you choose on your behalf. Your rights as an indirect investor are different to your rights if you had invested directly. For example, the Custodian will receive information and communications in relation to your underlying investments. You have the right to request copies of this communication if you wish. See the Reporting section on page 30 for further details.

Costs of investing through the Linear Managed Accounts: The total fees and charges you will pay will include the costs of the Linear Managed Accounts as well as the cost of any investment you choose (in a Model Portfolio, Managed Fund and/or your Self-directed Investments). It is important that you understand the fees of any investment you choose, and that those fees are in addition to the fees charged by Linear for the Linear Managed Accounts, together with transaction and account costs incurred on your behalf. The costs of the investments are set out in this PDS. Please refer to the Investment Menu and Fees and Other Costs sections on pages 14 and 33 for further details.

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KEY FEATURES

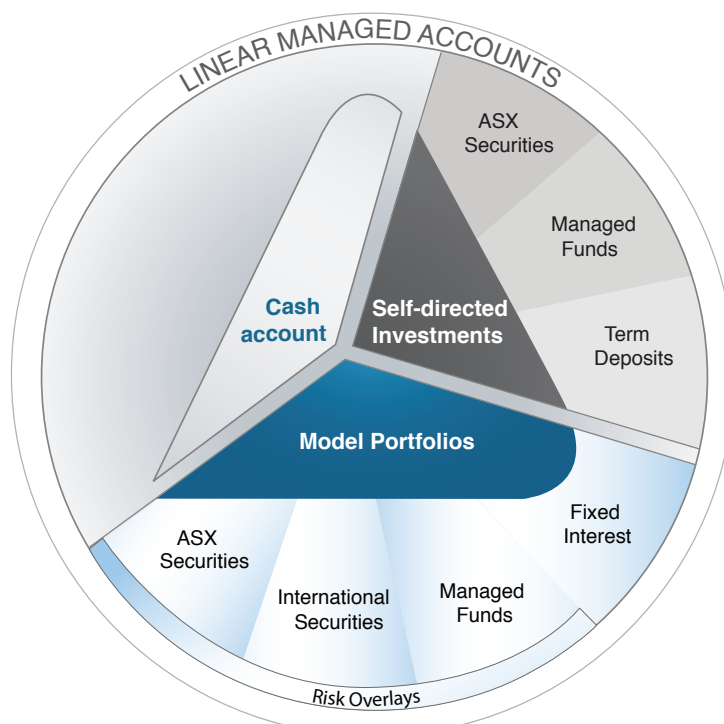
FEATURE	OVERVIEW	PAGE REFERENCE
Minimum Investment	The minimum investment into the Linear Managed Accounts is \$25,000. Individual Model Portfolios and Managed Funds also have minimum investment levels that apply.	10 & 14 - 27
Additional Investments	Additional investments of any amount can be made at any time. However, if you wish to participate in the Regular Contributions Plan, then you must invest a minimum of \$100 per month.	10 - 11 & 43
Investment Methods	You can make investments by direct deposit, by cheque, by transferring CHESSE eligible Australian securities or by transferring other investments.	3, 10 & 43
Regular Contributions	You can make regular contributions to your Investment Portfolio either by instructing us to direct debit your nominated account on a monthly basis, or by arranging a direct credit through your own financial institution. You can also make single or ad-hoc contributions that are allocated differently to your Investment Portfolio.	11 & 43
Income Reinvestment	Unless you request otherwise, income generated from investments in your Account will generally be allocated in accordance with your Investment Instructions. It will not be reinvested directly into the asset which generated the dividend.	12
Withdrawal Amount	There is no minimum required amount for withdrawals made from your Account.	12
Regular Withdrawals	You may elect to receive a regular payment from your Investment Portfolio.	12
Investment Portfolio Weighting	You can change the weighting or mix of the composition of your Investment Portfolio at any time by varying your Investment Instruction to us in writing. Any further contributions and/or withdrawals will be allocated in line with your current Investment Instructions as amended by you from time to time.	11 - 12
Indirect Investment	When you invest through the Linear Managed Accounts, you are an indirect investor, because the Responsible Entity, through the custodian, is investing on your behalf. Consequently the custodian, and not you, holds the shares, units in Managed Funds and other investments, and therefore has the rights of an investor in those investments.	4
Risks	There are risks associated with investing in the Linear Managed Accounts.	6 - 9
Fees and Other Costs	There are fees and costs payable by you to the Responsible Entity. There are also fees and other costs associated with the Model Portfolios and Managed Funds.	14, 17 - 27 & 33 - 40
Cooling Off	An investment in the Linear Managed Accounts is not subject to cooling off rights, pursuant to ASIC class order CO 02/296.	41
Minimum Cash Holding	A minimum of 2% of your Investment Portfolio will be held as cash. Some Model Portfolios may also require a minimum cash holding.	11 & 13
Account Balance	Your initial Account balance must be at least the minimum amount required for your chosen Model Portfolio or Managed Fund options.	13 & 14
Consolidated Reporting	All reporting for the Linear Managed Accounts is available online. We will only accept Applications from Investors who agree to receive reports this way.	30

You should consult your financial adviser before deciding on an appropriate amount to invest in, and/or withdraw from, the Linear Managed Accounts.

ABOUT THE LINEAR MANAGED ACCOUNTS

The Linear Managed Accounts is a registered managed investment scheme operated by Linear. Under the Scheme each Investor has a separate Account to which their investments are allocated.

As Responsible Entity, Linear provides a comprehensive investment administration platform that delivers consolidated portfolio reporting and allows investors to tailor an individual portfolio from a menu of Model Portfolios and Self-directed Investments.



MODEL PORTFOLIOS

The Model Portfolios are independently managed by the various Investment Managers and are subject to ongoing monitoring and re-balancing in accordance with a specified Mandate.

The Mandate for each Model Portfolio describes the Model Portfolio's investment strategy, risk profile, objectives and investment universe, which could include the following:

- Australian equities;
- International Securities;
- Managed Funds;
- Fixed Interest securities;
- Derivatives;
- Alternative investments;
- Risk overlays (see below); and
- Cash.

The Investment Menu section (which starts on page 14 of this PDS) sets out the Mandate for each Model Portfolio.

The Investment Menu also contains information about the Continuous Protection facility that may be applied to selected Model Portfolios. Refer to page 28 for more details of the Continuous Protection facility.

SELF-DIRECTED INVESTMENTS

Through the Linear Managed Accounts, you can select from an investment menu to build and operate a portfolio of securities, Managed Fund investments or cash (in excess of the minimum cash holding) outside of the Model Portfolios. These investments can be held as Self-directed Investments.

If you hold Self-directed Investments then we will make all investment decisions based on Investment Instructions received from you or your Representative. We will report to you on your Self-directed Investments in a consolidated manner along with the other investments in the Linear Managed Accounts.

For further information on the available Self-directed Investments please refer to the Linear Managed Accounts website at www.linearmanagedaccounts.com.au.

CASH ACCOUNT

Every Investor within the Linear Managed Accounts is provided with a segregated cash account from which any fees and charges are deducted, transactions are settled, and any dividends and bank interest credited.

Each Investment Portfolio must maintain a minimum cash holding of 2%, however an Investor can elect to hold more than the minimum by completing the appropriate field on the Application Form, or directing more to be held as cash e.g. as a Self-directed Investment.

All cash monies are held by a regulated Australian bank and earn interest.

➤ HOW DOES YOUR ACCOUNT WORK?

1. Investors, in conjunction with their financial adviser, tailor an Investment Portfolio in line with their risk and return objectives.
2. The Investor provides the Responsible Entity with an Investment Instruction as part of the Application process. The Investment Instruction can request that all funds invested be allocated:
 - To a Model Portfolio;
 - To specified Self-directed Investments that you select; or
 - Across a number of Model Portfolios and/or Self-directed Investments in specified percentages.
3. Each of the Model Portfolios are managed by the relevant Investment Manager in accordance with the specified Mandate for that Model Portfolio.
4. The Self-directed Investments are selected by you and held outside the Model Portfolios. We act on your Investment Instructions in relation to these investments.
5. All assets (including all Self-directed Investments) which are acquired on behalf of Investors are held by the custodian. Investors retain beneficial ownership of those assets.
6. You, or your financial adviser, can review the performance of your Investment Portfolio and the appropriateness of the Investment Instructions in line with your changing circumstances. You are able to change the investment allocation of your Investment Portfolio by providing Linear with an updated Investment Instruction.
7. Your financial adviser can review the tax consequences of your investment decisions prior to the end of the financial year with the ability to make adjustments to your Investment Portfolio to maximise any after tax returns. Any changes must be communicated to Linear.

Linear administers each Investor's Account, in accordance with each Investor's Investment Instructions, providing regular online reports and liaising with Investment Managers and your Representative or financial adviser.

BENEFITS OF THE LINEAR MANAGED ACCOUNTS

The Linear Managed Accounts provides convenient and transparent investment administration with the ability to construct an Investment Portfolio in line with your investment objectives. More information on the benefits provided are set out below.

EASE OF ADMINISTRATION

The Responsible Entity's experience in operating a managed account service ensures Investors enjoy the benefits of an easy-to-use system and peace of mind about their investments. The Responsible Entity delivers secure online consolidated reporting, tax and performance information and a set of annual, audited tax reports for each Investor.

PROFESSIONAL INVESTMENT MANAGEMENT

The Linear Managed Accounts enables you to choose your own Investment Portfolio by selecting from one or more Model Portfolios or Self-directed Investments, which may include Managed Funds. Each of the investments within the Model Portfolios or Managed Funds are managed directly by a team of investment professionals or fund managers. Investment amounts are allocated in line with the Mandate for the Model Portfolio or the investment strategy of the Managed Fund and the relevant professional managers take responsibility for investment decisions, providing you with a professionally managed Investment Portfolio. The Linear Managed Accounts provides Investors with wholesale rates of brokerage not generally available to individuals.

OWNERSHIP OF ASSETS

Through the Linear Managed Accounts, your investments are held by a third party custodian. However you (or your investment entity) retain the beneficial ownership of the investments. The holding of the investments by a custodian removes many of the burdens associated with direct ownership. In particular:

- Unless you request, you do not receive any direct communication from share registries or companies including annual reports, dividend payments, CHESS Statements and contract notes. These are sent directly to the Responsible Entity, who will process them on your behalf, removing the administrative burden of attending to this yourself. The information regarding the action taken in the processing of such communications is provided to you through our comprehensive reports.
- Your privacy is protected as your name does not appear on public registers.
- The Responsible Entity will, in conjunction with the Investment Managers (where applicable), determine the best course of action for investors of Linear Managed Accounts as a whole regarding particular corporate actions such as takeovers, mergers and buybacks. What is best for investors as a whole may not be best for an individual investor. This is a risk inherent in being an investor in a managed investment scheme.

However, given that your name will not appear on the register, you will not be entitled to benefits such as shareholder discount cards, nor will you be entitled to vote at meetings. Further, some corporate actions may be subject to entitlement limits determined per holding rather than by the size of the holding, which may result in you receiving a lesser entitlement than you otherwise would if you held the investments directly.

As an Investor, you are beneficially entitled to the investments which form part of your Investment Portfolio. As a beneficial owner, you may be able to move your investments between various Model Portfolios or Self-directed Investments, retain tax control, match tax lot parcels and view your underlying investments.

TRANSPARENCY

The Linear Managed Accounts allows you to see the exact make-up of your Investment Portfolio, including the securities and other investments you are holding as at the previous Business Day and any cash balance. You can view the individual investments that make up your Investment Portfolio at any time, by logging into your account via the Online Client Access website.

In addition, all fees, charges and taxes relating to your Account can be seen at your personal Account level, providing you with a clear understanding of the total costs of investing through the Linear Managed Accounts.

The Linear Managed Accounts itemises each transaction cost down to each client's holding where all fees can be seen (this excludes Self-directed Investments).

EFFECTIVE TAX MANAGEMENT

The Linear Managed Accounts gives you effective tax management of directly held securities, as the amount of CGT payable by you is only affected by the movement of securities within your own Investment Portfolio. This benefit does not apply where investments are made in Managed Funds.

Investors can adopt the tax parcel accounting method to suit their Investment Portfolio and personal circumstances. Investors can alter the allocation as required through their Representative. The Linear Managed Accounts offers the following choice of tax accounting methods:

- First In First Out (FIFO) method refers to tax parcels which are acquired first and also disposed of first;
- Maximise capital gains or, if no capital gains are available, minimise your capital losses; and
- Maximise capital losses or, if no capital losses are available, minimise your capital gains.

CGT is not payable on contributions and withdrawals of securities from your Investment Portfolio unless you cease to be the beneficial owner of a security.

Please also refer to page 32 for further details on tax management or contact your financial adviser for further advice.

BENEFITS OF THE LINEAR MANAGED ACCOUNTS

INVESTMENT CHOICE AND DIVERSIFICATION

The Linear Managed Accounts offers you the choice and the ability to construct a diversified portfolio, enabling you to invest directly in one or more of the professionally managed share portfolios (Model Portfolios), across the major asset classes such as Australian and international shares, property, alternative assets, fixed interest and/or cash, as well as any other investment you choose (as Self-directed Investments).

CUSTOMISATION

You can customise your Investment Portfolio to include any investment you select as Self-directed Investments.

Additionally, a number of Model Portfolios permit you to customise your holdings within your Investment Portfolio, allowing you to exclude certain securities from being purchased or sold or target a particular tax outcome. For example, you may not want to invest in certain securities that already form part of your share portfolio outside of the Linear Managed Accounts.

You can also lock Model Portfolios from being transacted on so that once invested, no securities can be purchased or sold.

Please note, you may only customise within a selected number of Model Portfolios. You should read the Investment Menu sections starting on page 14 of this PDS and consult your financial adviser about the appropriateness of customisation for you.

Please note that any customisation may result in your Investment Portfolio performing differently to the Model Portfolio(s). You should also see page 11 for more details on customisation.

REPORTING

The Linear Managed Accounts provides consolidated portfolio reporting including taxation, valuations, asset and sector allocation, and performance analysis. Your reports are accessed online through your Online Client Access, and as the Linear Managed Accounts is audited annually, your accountant and/or tax adviser can rely on the end of financial year tax summary for the preparation of your or your investment entity's tax returns.

MINIMUM AMOUNTS

The minimum investment into the Linear Managed Accounts is \$25,000. In addition, you must invest the minimum amount specified by the relevant Investment Manager for any Model Portfolio or Managed Fund in which you wish to invest. Full details of the minimum investment levels for individual Model Portfolios are provided from page 14 of this PDS. Once you have invested the minimum amount in a Model Portfolio, there is no further minimum investment for that Model Portfolio. Please refer to the PDS of the relevant Managed Fund for details on minimum investment amounts.

You can make additional investments at any time or make regular ongoing investments. To use a Regular Contribution Plan, you must invest at least \$100 per month.

FLEXIBLE INVESTING

You or your Representative can change the weightings or "mix" of your Investment Portfolio at any time, simply by notifying us in writing.

When the weightings you select change, or weightings for your Model Portfolio change, your Investment Portfolio is calculated based on the new weightings. To achieve the new weightings, Linear may buy, sell or transfer securities between your investments.

There is no cost to switch between Model Portfolios or Self-directed Investments, however you should be aware that there may be other transaction costs and potential tax consequences as a result of switching between investments. See the Fees and Other Costs section of this PDS starting on page 33, refer to the fees of each Model Portfolio in the Investment Menu from page 15 onwards and refer to the PDS of the relevant Managed Fund for more details.

VALUE FOR MONEY

The Linear Managed Accounts delivers value-for-money investment administration. Through the process of "trade netting" and institutional brokerage arrangements, transaction costs can also be kept to a minimum.

Trade netting involves "pooling" the trading requirements of all Model Portfolios within the entire Scheme and buying, selling and transferring net securities to achieve each Investor's individual weightings or mix of investments. This is more cost effective than buying and selling securities separately for each individual Investor.

ONLINE ACCESS

You will be provided with a secure Online Client Access login through which you can view your Investment Portfolio details, monitor your investment performance and access a wide range of consolidated reports. Portfolio values, including cash balances, will be current as at the end of the previous Business Day, allowing you and your financial adviser to more accurately manage your tax positions.

Please note that all cash, security and Managed Fund positions may at times be subject to delay.

INTRA DAY TRADING

The Linear Managed Accounts utilises the latest trading system technologies, allowing orders to be placed efficiently across multiple exchanges at any time during normal market hours.

CONTINUOUS PROTECTION

For those Model Portfolios that provide Continuous Protection, the Continuous Protection feature is designed to provide Investors with peace of mind while doing so in a cost effective manner.

Continuous Protection is equal to 80% of the highest value achieved by the relevant Investment Portfolio. More information on Continuous Protection is provided on page 28 of this PDS.

Before you make any investment in the Linear Managed Accounts, you should identify exactly what you want your investment to achieve and what level of risk you are willing to take on the investment failing to perform in line with your expectations, or performing negatively over a period of time (the “risk”). Your investment decision may be influenced by things such as:

- What period of time you have to invest – that is, over what time frame do you need the investment to perform;
- Whether you need capital growth on the investments or a regular payment of income;
- Whether you will accept some periods of volatility or negative performance of your investment and its returns;
- Whether you are comfortable with the general and specific risks that are associated with each Model Portfolio, Managed Fund or specific Self-directed Investment; and
- How the risks associated with the structure of your investment entity impact upon the risks of your chosen investments.

You should obtain personal advice from your financial adviser as to whether the Linear Managed Accounts is a suitable investment for your personal financial situation, needs and investment objectives. You should also obtain advice in relation to the selection of investments which are suitable for your investment needs.

GENERAL RISK

Risk is inherent in every investment decision, therefore it is important to understand the relationship between risk and return prior to making such a decision.

In general the higher the risk associated with an investment the higher the expected return is on the investment. Investment returns may be volatile over time, and the possibility therefore exists for an Investor to lose money or be unable to recover their initial investment amount. It is important for Investors to know that the future performance of any Model Portfolio, Managed Fund or your Self-directed Investments in the Linear Managed Accounts is not guaranteed. Furthermore there is no guaranteed return on any investment option in the form of income.

Your Investment Portfolio’s underlying investments will rise and fall in value. There are various sources of risks within the Model Portfolios and your Self-directed Investments, some of which are specific to particular asset classes.

MARKET RISK

There is always a risk that investments may fall in value through the movement of investment markets as a whole (examples of investment markets include equity markets and bond markets). Securities issued by companies and interests in Managed Funds are subject to market forces and may change in price or at their worst, become of no value if the company or Managed Fund encounters adverse market conditions beyond their control.

TIMING RISK

Timing risk refers to the risk of price falls in markets shortly after the purchase of an investment or conversely the risk of price rises in markets shortly after investments are sold.

POLITICAL RISK

There is a risk that investments could be impacted by political factors, these could include changes to domestic and international political parties, legislative changes (such as the treatment of taxation) or change in government policy.

EMERGING MARKETS RISK

An emerging market is a market of an emerging country whose market is typically still in its infancy. Often the regulatory and legal framework, as well as the political structure, in such markets can lack transparency and flexibility, thus creating increased risk for Investors. Changes to such frameworks and stability have the potential to adversely impact investments made in such markets.

INTEREST RATE RISK

Each Model Portfolio, Managed Fund or Self-directed Investment may be subject to movements in domestic and international interest rates, which may affect the value of an investment and/or markets as a whole. For example, if interest rates rise, then this may have an adverse effect on the cost of a company’s borrowings and fixed interest debt securities may also fall in value. Also, a company or Managed Fund may breach the financial obligations of their financier and be forced to liquidate and repay outstanding debt obligations.

CURRENCY RISK

Currency risk is sometimes called exchange rate risk. Currency risk is the risk inherent in investments made in foreign currency. Adverse movements in the Australian dollar exchange rate can impact the return on an investment denominated in foreign currency, and thus can generate a decline in value or a loss for the fund / portfolio options exposed to such investments. Positive movements in exchange rates can also work in favour of fund or portfolio options exposed to such investments.

Many of the underlying managers making investments in foreign currency employ currency hedging programs. Such programs aim to partially or substantially mitigate this risk, typically utilising derivatives to do so (see section Derivatives Risk).

CREDIT RISK

Credit risk is the risk that a third party to a credit transaction will not honour their obligations and may default on payments of interest and/or principal. In some instances, derivatives such as credit default swaps are used to mitigate such risk, however this may incur derivative risk (see Derivative Risk on the following page).

LIQUIDITY RISK

Liquidity risk is the risk incurred in possessing a financial security for which there may be a lack of demand, thereby inhibiting an Investor's ability to realise or redeem the investment. This risk can be higher for particular types of investments, such as small capitalisation shares, direct property, many alternative assets and some debt/credit instruments. For example, liquidity risk may manifest itself at the Scheme level and impact the Model Portfolios and Managed Funds. In responding to diminished liquidity at the security level and/or a rise in fund redemption requests Investment Managers may suspend, delay or alter the terms of Investor's redemptions at the Scheme level. This may impact the ability of an Investor within the Linear Managed Accounts to exit/liquidate their underlying investment. Under the terms of the Constitution we are entitled to refuse to act on redemption requests in certain situations.

SECTOR RISK

Sector risks include but are not limited to demand for the type of product or service a company or Managed Fund produces or provides, commodity prices, the economic cycle of industry, shifts in consumer demands, lifestyle changes or advances in technology.

INFLATION RISK

Inflation risk refers to the reduction in purchasing power of money due to inflation (rises in prices of goods and services).

CONCENTRATION RISK

The Model Portfolios and Managed Funds may be exposed to investments that are highly correlated. Therefore, should a particular asset class be negatively impacted, highly correlated Model Portfolios or Managed Funds run a greater risk that all investments in that asset class may be affected.

DERIVATIVE RISK

A derivative is a financial instrument which has characteristics derived from an underlying asset or index. Derivatives may be used by Investment Managers or Managed Funds to protect against changes in market value of existing investments, to simulate an investment position without purchasing or selling the underlying asset, to partially or substantially manage against various risks such as credit and interest rate risks or to gear an investment or a portfolio.

The use of derivatives brings additional risks. These risks include the failure of the value of derivatives to move in line with the underlying asset, a derivative position may be costly to reverse, the parties/counterparties associated with the derivative contract do not fulfil their obligations, and derivatives may be impacted by market liquidity. As derivatives are a leveraged investment, your potential losses and gains are multiplied in relation to movements in the price of the underlying assets.

Before investing in any derivatives instrument you must fully understand and accept the risks involved. The information on pages 14 to 27 of this PDS indicates which Model Portfolios are permitted to use derivatives. Please refer to the relevant PDS for details on the use of derivatives in Managed Funds

ALTERNATIVE ASSETS RISK

There are increased risks relating to the Model Portfolios and Managed Funds that have an exposure to alternative assets. These risks include a higher exposure to counterparty and settlement risk, liquidity risk, short selling risk and more borrowings exposure than traditional Investment Portfolios.

EXECUTION AND MANAGER RISK

When investing through the Linear Managed Accounts, your Investment Portfolio may consist of interests in securities, Managed Funds, cash, other financial products and possibly derivatives. The risks associated with investing in these assets are the same whether you invest yourself or through the Linear Managed Accounts. Due to the volatile nature of the market there is a risk that your Representative, a Fund Manager or your Investment Manager, in exercising their available discretions, may undertake transactions which result in a loss (realised or unrealised) to you. In addition, before investing in the Linear Managed Accounts you need to consider the risk that the Investment Manager(s) for your Model Portfolio may not be available or able to monitor the performance of your Account or execute transactions on your behalf due to a variety of factors including temporary absences and providing services to other clients. Therefore, there is a risk that you will miss out on opportunities that may be beneficial to you.

SHORT SELLING RISK

Some of the Model Portfolios of the Linear Managed Accounts may be permitted to use short selling. Short selling strategies involve borrowing a security, selling it into the market, and buying back a security of the same issuer at a later date. It is an investment technique which aims to profit from falling markets or security prices. Short selling strategies involve risks such as liquidity risk, regulatory risk and leverage risk. Potential losses from short selling are theoretically unlimited.

SCHEME RISK

There is an inherent level of risk involved in investing in the Linear Managed Accounts because it is a managed investment scheme. This includes changes to the Constitution (e.g. altering fees, notice periods or withdrawal processes). There is also the risk that a Model Portfolio or Managed Fund's investment strategy, risk profile or target objectives may change and (particularly if a Regular Contributions Plan applies) you may not have details about the new Mandate or the current PDS when an investment is made on your behalf. The Investment Managers of the Model Portfolios may change and Model Portfolios could be altered or closed. The same risks apply to Managed Funds. Other risks include Linear being removed as the Responsible Entity and the Linear Managed Accounts could be dissolved.

FIXED INTEREST RISK

Some Model Portfolios and Managed Funds may hold fixed interest investments, or you may select fixed interest investments as Self-directed Investments.

All fixed interest investments come with a varying degree of risk and many of these factors can have a negative impact on the value or performance of your investment. Investments such as fixed interest investments are subject to default risk. This is where the credit issuer fails to meet interest payments or repay the principal of your capital or both. By investing in a fixed interest investment there is a risk that if you terminate before the maturity date, you could be subject to costs or reduced interest. Also, where you invest in a fixed interest investment via a third party (such as a Model Portfolio or Managed Fund) you are subject to all the risks and conditions of that offer document.

SUBORDINATED DEBT RISK

There is risk associated with investing in subordinated debt and this risk also applies to an investment in a Model Portfolio or Managed Fund which invests in subordinated debt. Subordinated debt ranks behind primary debt and is sometimes referred to as secondary or mezzanine debt. This means that the issuer who provides the subordinated debt must repay its primary debt before funds can be returned to subordinated debt holders. If the issuer of a subordinated debt product is unable to, or fails to, pay its debts for any reason, then the subordinated debt holders will only receive funds after the primary debt of the issuer has been repaid in full.

EQUITY RISK

Equity risk is the risk inherent in investing in listed equities (e.g. shares), where prices may be volatile due to stock market dynamics. Such dynamics may include company-specific issues (change in management, failure of a business venture etc), economic conditions, regulatory changes or political influences.

Shares issued by companies may fall in price (value) or at their worst, may lose all of their value. International shares may be affected by foreign exchange (currency) movements, different taxation treatments to those applied to Australian shares and political and regulatory risks/changes associated with overseas markets and countries.

In a declining market, securities of smaller net worth companies may experience short-term price variation and may become less liquid (liquidity risk increases). Smaller companies are also likely to be more financially dependent upon a small number of key management personnel. This increases the risk of a company becoming insolvent if there are adverse developments, including failure of a product, loss of a large customer or changes in management.

IF YOU APPOINT SOMEONE TO OPERATE YOUR ACCOUNT

If you appoint someone to operate your Account under a Power of Attorney or the terms of a managed discretionary account, you are bound by their decisions including those to acquire and dispose of investments through the Linear Managed Accounts and change the amount of money you have invested in the Linear Managed Accounts. We are not responsible for checking whether the instructions they give (including to make payments or otherwise withdraw from the Linear Managed Accounts) are appropriate for you, your Account or current market conditions, that they are consistent with general principles of prudent investing, or that they are authorised by the terms of your separate arrangement with your attorney, planner or other adviser.

STRUCTURE RISK

The fact that your investments are held through the Linear Managed Accounts means that, as compared with holding the investments directly outside the Linear Managed Accounts, your ability to deal with your investment may be affected in the unlikely event of a breach of duty or insolvency on the part of Linear or the custodian.

MANAGED FUNDS

Before making additional contributions to a Managed Fund, it is important to ensure you have the most recent PDS for that fund, and any other updates. Linear relies on Fund Managers to notify us of any materially adverse changes or significant events that affect a Managed Fund. We will notify you of these changes or events by directing you to the website for further information (www.linearmanagedaccounts.com.au).

We will not be responsible for any delays in notifying you of these changes or events where the delay is due to the manager of the Managed Fund.

NO COOLING OFF

There is no cooling off period in respect of an investment in the Linear Managed Accounts. If you wish to withdraw from the Linear Managed Accounts then the Responsible Entity must take reasonable steps to realise your investment and return your money or securities. However fees and other costs may apply and also the value of the investments may have changed meaning that you may receive an amount less than your application money.

SPP SWAP RISK

For those investors who have selected a Model Portfolio that offers Continuous Protection, there are a number of risks associated with the SPP Swap. The general risks associated with the use of derivatives will apply to the SPP Swap, e.g. there is a risk the SPP Swap Provider will not be able to fulfil its contractual obligations under the SPP Swap.

The SPP Swap may be compulsorily terminated prior to its scheduled termination date due to certain events, as set out in the SPP Swap contract. They include:

- (i) the Responsible Entity becoming insolvent, ceasing to act as Responsible Entity of the Scheme; or otherwise being unable to carry out its obligations as Responsible Entity of the Scheme;
- (ii) the Responsible Entity fails to pay any premium owing on the SPP Swap within the prescribed period;
- (iii) the Responsible Entity failing to comply with any other obligation imposed on it pursuant to the SPP Swap or breaches the terms of the SPP Swap in any way;
- (iv) a change occurring in the laws (including tax laws) which prevents the SPP Swap from continuing without adverse material economic consequences for the SPP Swap Provider; and
- (v) any other agreement between the Responsible Entity and the SPP Swap provider relating to the SPP Swap terminates.

In addition, Investors should note that the SPP Swap can only be held as part of the Continuously Protected Model Portfolio. It cannot be transferred out of the Model Portfolio to any other person (including an Investor). If an Investor requests that the SPP Swap (or a portion of it) is transferred then that portion of the SPP Swap will be terminated.

An SPP Swap may also be adjusted to take account of certain events including if: There is a material change to the relevant Index or Model Portfolio including a change in the formula or method of calculation; the Index or Model Portfolio is permanently cancelled and is not replaced by a successor; or a failure to calculate and publish the level of the Index or constituents of the Model Portfolio.

If this occurs, the calculation agent under the SPP Swap (a JPMorgan affiliate) will make the calculation under the SPP Swap based on the level of the Index as calculated by the calculation agent which would have applied but for the change, failure or cancellation.

The SPP Swaps for the Model Portfolios may be adjusted or terminated if the relevant Model Portfolio fails to meet ongoing investment guidelines, based on the Investment Manager's Portfolio Guidelines as set out in the SPP Swap. This investment criteria will include:

- a constraint on the universe of stocks able to be selected in the model portfolio;
- a minimum number of stocks in the portfolio;
- the liquidity of the stocks in the model portfolio;
- single stock and sector concentrations; and
- ownership limits.

If the underlying assets of an Investment Portfolio do not perform favourably enough (e.g. cash and securities), then there is a risk the SPP Swap will not provide any benefit to an Investor e.g. if the Dynamic Rebalancing requires 100% to be held as cash in the Investment Portfolio.

The SPP Swap is for a term of 12 months only and there is a risk that the SPP Swap may not be renewed.

The Responsible Entity has entered into the SPP Swap as Responsible Entity of the Scheme and will provide any payments under the SPP Swap if a Gap Event occurs. Investors should note

that the SPP Swap Provider does not provide principal protection to Investors and does not guarantee the performance of any Model Portfolio or Investment Portfolio in any way.

Dynamic Rebalancing Risk

For those investors who have selected a Model Portfolio that offers Continuous Protection, the Dynamic Rebalancing process operates on a set of pre-determined rules. The Responsible Entity is required to continually monitor the exposure of each Investment Portfolio against the Target Exposure under the Dynamic Rebalancing rules. If the actual or Target Exposure is calculated incorrectly, then individual Investment Portfolios may be over or under exposed to Australian equities which could lead to increased losses or risk exposure.

The Dynamic Rebalancing process may also lead to a decline in the value of an Investor's Investment Portfolio as it may require securities to be bought when the price is high and sold when the price is low. The rebalancing process will incur transaction costs, such as brokerage costs, which will be deducted from an Investor's Account. Prolonged periods of excessive volatility in the market (e.g. excessive fluctuation of security prices) may therefore have a significant adverse impact on the value of an Investor's Investment Portfolio due to the continued rebalancing of the Investment Portfolio.

Investors should note that a Gap Event, and any corresponding payment by the SPP Swap Provider under the SPP Swap, will be measured by reference to the synthetic basket of assets calculated by the calculation agent under the SPP Swap. In particular, Investors are warned that the protection is not provided on the actual basket of assets held in their Model Portfolio, and if there is any difference in the value of the actual assets held in the Model Portfolio and the value of the synthetic basket of assets, the SPP Swap Provider is not liable to Linear or the Investor for the difference.

Potential Zero Allocation to the Model Portfolio

For those Investors who have selected a Model Portfolio that offers Continuous Protection, there are risks associated with the allocation level to the Model Portfolio. If, on any given Business Day, the Target Exposure calculates the allocation to the Model Portfolio as being equal to or less than zero, the exposure of the Investment Portfolio to the Model Portfolio will be adjusted to zero. Once such a reallocation has taken place, the Investment Portfolio will have no further exposure to the Model Portfolio and the Investment Portfolio will be exposed solely to cash, and will rely on the performance of cash to gain sufficiently so that in accordance with the algorithm, the exposure towards the Model Portfolio can again be greater than zero. In a circumstance that cash does not perform favourably enough to allow the Investment Portfolio to regain exposure to the Model Portfolio, the Investment Portfolio will not benefit from any future positive performance of the Model Portfolio and the SPP Swap will expire worthless on the maturity date. During any period when the Investment Portfolio is exposed solely to cash, Investors will have foregone the opportunity to make a return on the amount originally invested.

To apply for investment in the Linear Managed Accounts, you need to complete the Application Form attached to this PDS. When completing the Application Form you need to ensure you complete Section 9 and 10 – Investment Instructions, as this provides us with the information regarding how your funds will be received and how your initial and further contributions should be invested.

If you are investing via a direct cash transfer, we will notify you of the bank account details to deposit funds into. If you are attaching a cheque, please make it payable to “Sandhurst Trustees Limited/ Investor name”. If you are investing via an In-specie Transfer of securities, please ensure you complete the required forms. You may also invest via a combination of cash/cheque and In-specie Transfer. If so, please indicate this on your Application Form.

You may also need to complete other forms attached to this PDS, such as a Representative Form. There may be a requirement for you to complete forms not included with the Application Form, such as an Australian Off-Market Transfer Form which can be downloaded from your Online Client Access. Please note, you will only be able to use the Online Client Access once your initial Application is accepted and you have become an Investor in the Linear Managed Accounts. Ask your financial adviser for assistance.

Applicants must complete a W8BEN Form which needs to be signed and sent in as part of your Application Form. This is a requirement for all Australian Investors when purchasing/trading any securities that are listed on an exchange within the United States. This form is included in the Application Form of this PDS.

Full instructions regarding these forms are provided on pages 47 and 48 of this PDS.

Please note that you will also be required to provide us with appropriate identification documents before your Account can be opened. Information about the identification documents which are required is set out on page 46 of this PDS.

MINIMUM INVESTMENT

The minimum investment into the Linear Managed Accounts is \$25,000. The minimum investment amount for each Model Portfolio is set out from page 14 to 27 of this PDS.

You should also seek personal advice from your financial adviser to determine the most appropriate investment amount and Investment Portfolio combination for your circumstances before you invest.

CHOOSING YOUR INVESTMENTS

You can tailor your Investment Portfolio from the menu of Model Portfolios, and invest in other investments outside the Model Portfolios via Self-directed Investments. The investment option(s) that you select will determine which investments make up your Investment Portfolio. You should seek personal advice from your financial adviser to determine which investment option(s) to invest in.

YOUR ACCOUNT

When we have received your cleared Application Monies and any In-specie Transfers have been completed, we will invest your initial Application Monies and set up your Investment Portfolio according to your Investment Instruction. It is anticipated that your Investment Portfolio will be established on the next Business Day (after your Account is active).

Your Account will only be established if your Application Form is complete and we will not bank your cheque or transfer your funds or securities until the Application Form is completed and anti-money laundering information is received. Linear reserves the right to refuse any Application or to terminate an Account.

If your Model Portfolio Investment Manager is also your financial adviser, then they are not acting as agent on behalf of Linear in providing any advice to you about the appropriateness of any Model Portfolio in the Linear Managed Accounts or general advice regarding investment in the Linear Managed Accounts.

YOUR INVESTMENT PORTFOLIO

You can view your Account and its value and composition via your Online Client Access which will be provided to you once your Account has been opened.

The cash balance, the current aggregated value of your Investment Portfolio and the value of the underlying investment positions will be updated on a daily basis as at the close of the previous Business Day.

Please note that all cash, Managed Funds or security positions may at times be subject to delay.

All assets in your Investment Portfolio, are held in the name of the custodian (or custodians) we appoint. Each Investor's cash and Investment Portfolio of assets and liabilities are accounted for separately. Records of individual security holdings for each Investor are retained by us within the Linear Managed Accounts.

ADDITIONAL INVESTMENTS

All additional investments, whether they occur via a Regular Contribution Plan or in single investment contributions, will be invested according to your Investment Instruction for your Investment Portfolio unless you instruct us otherwise.

You can make your additional investment by attaching a cheque for the amount, or arrange with us to direct debit the amount you would like to invest from a nominated bank account, or by an In-specie Transfer of securities. If you have appointed a Representative they can arrange this for you.

REGULAR CONTRIBUTIONS

You may choose to set up a Regular Contribution Plan whereby the Responsible Entity will direct debit a set amount from a nominated bank account each month for investment into the Linear Managed Accounts. This must be at least \$100 per month and will be debited on the 15th of each month or the next Business Day. If you wish to participate in a Regular Contribution Plan, then you will need to complete a Direct Debit Request Form as well as the Application Form. Please note you cannot arrange a direct debit from a third party account. Your Representative may not set up a Regular Contribution Plan on your behalf. You must do this yourself.

You will need to provide an Investment Instruction in relation to how to apply any regular contributions.

YOUR CASH ACCOUNT

To make sure there is always enough cash to pay fees and settle any charges in connection with trades made on behalf of your Investment Portfolio, you must maintain a minimum amount of cash in your Investment Portfolio (currently 2% of your Investment Portfolio balance). This is in addition to any cash that a Model Portfolio may require you to hold as part of its asset allocation. Any minimum cash amount that a Model Portfolio may require you to hold is set out in this PDS. We may, at times, hold more than 2% of your Investment Portfolio in cash to cover anticipated withdrawals.

We may sell some of the investments in your Investment Portfolio in the event that the minimum cash holding in your Investment Portfolio falls below the necessary minimum. We will continue to sell investments until your cash holding is brought up to the required minimum level. This will be done in line with your Investment Instruction or any subsequent Investment Instruction received from you.

If at any time the amount of cash in your Investment Portfolio goes above the minimum required level, it will be held in your Account until there is sufficient cash above this minimum level with which to acquire an investment, e.g. a parcel of securities. Once this level is achieved, excess cash will be invested in line with your Investment Instruction the next time your Investment Portfolio is rebalanced.

We will invest all minimum cash holdings in all Investment Portfolios (disregarding minimum cash holdings relating to a Model Portfolio) in a custodian controlled cash account belonging to your Investment Portfolio. We will credit any interest or income earned on any cash held on behalf of your Investment Portfolio to you as and when it is received by us.

MODEL PORTFOLIO WEIGHTINGS

Your individual weightings or mix of Model Portfolios are applied on a “floating” basis. This means that although your Investment Portfolio will reflect the weightings in your Investment Instruction at the time the investments are made, the weightings will fluctuate from time to time as the performance of one Model Portfolio differs from the performance of another.

As an example, for an original investment of \$50,000 allocated 50% to Model A Portfolio and 50% to Model B Portfolio, your Investment Portfolio would be divided as follows:

	Weighting	Value
Model A	49%	\$24,500
Model B	49%	\$24,500
Cash	2%	\$1,000
Total	100%	\$50,000

If after the first day of your Investment Portfolio being active, Model A Portfolio had performance of -5% and Model B Portfolio had performance of +5%, then your Investment Portfolio would adjust to reflect this variance in performance as follows:

	Weighting	Value
Model A	46.5%	\$23,275
Model B	51.5%	\$25,725
Cash	2%	\$1,000
Total	100%	\$50,000

This example is provided for the purpose of demonstrating the effect of applying Model Portfolio weightings on a floating basis and all values are approximate and indicative only.

This effectively means that your initial Investment Portfolio weighting will only apply in the strictest sense on the first day of your investment. After this, each Model Portfolio will perform differently and therefore the value of it will change in dollar and percentage terms, thus changing your overall weightings. We will only then re-weight your Investment Portfolio on instruction from you or your Representative.

CUSTOMISING YOUR MODEL PORTFOLIO

The Linear Managed Accounts offers you the ability to customise your Investment Portfolio by directing us to exclude or lock certain stocks within a Model Portfolio as detailed below. This may mean that the customised Model Portfolios within your Investment Portfolio will perform differently from that Model Portfolio.

Not all Model Portfolios offer the ability to customise. You should review the information about each Model Portfolio. You will need to complete and sign Question 12 of the Application Form for each Model Portfolio to be customised for your initial investment.

Possible customisations include:

- **Lock Model Portfolio** - Locking a Model Portfolio suspends any transactions from occurring, other than the processing of corporate actions by the Responsible Entity. Where you elect to lock a Model Portfolio that has yet to be implemented, the Responsible Entity will lock that Model Portfolio after the initial purchases of securities are made. The investment management fee of the locked Model Portfolio will still apply.

- **Future Transfers** - Enables you to direct amounts from cash or Model Portfolios into another Model Portfolio on a specified future date.
- **Exclude Securities** - Where you do not wish to invest in a particular security, you can elect to exclude that security from a Model Portfolio. The dollar amount of any excluded security will then be invested across the remainder of the Model Portfolio.

Customising your Investment Portfolio can also be done once your Account is active. To do this you will need to download and complete a Customisation Form for each Model Portfolio, which is available from your Online Client Access, and send it to us either via fax or post.

You should be aware that customisations may involve transaction costs. For further information on these costs please refer to the Fees and Other Costs section starting on page 33 for more details.

SWITCHING BETWEEN INVESTMENTS

You can change the combination of Model Portfolios and Self-directed Investments in your Investment Portfolio, or switch between Model Portfolios and Self-directed Investments, at any time by completing a Change of Investment Instruction Form. We will act on your instruction to switch between, or alter your combination of Model Portfolios and Self-directed Investments, as soon as practicable after we have received a relevant Change of Investment Instruction form from you or your Representative. This will generally be the next Business Day.

Please note that the Change of Investment Instruction Form is available from your Online Client Access.

RECEIVING INCOME, DIVIDENDS OR DISTRIBUTIONS

Investors in the Linear Managed Accounts should note that all dividend and distribution payments will be received as cash. Dividends may not be reinvested directly into the asset which generated the dividend. Rather, they will be taken as cash and that cash will be paid into the Model Portfolio which holds the security from which the dividend was received.

There will be no dividend or distribution reinvestments available. We will pay all income or dividends received to the relevant segment of your Investment Portfolio that generated the income.

You may request a regular income stream to be paid to a nominated bank account. This income stream may be for a fixed amount every month, such as a pension payment. Alternatively, you may elect to receive a monthly payment of any dividend or distribution income that has been received into your Investment Portfolio over the preceding month.

If you would like to request a form of regular income, then we recommend you ask your financial adviser to help you select this option and complete section 6 of the Application Form. Receipt of dividends or income by an Investor would ordinarily be subject to tax in the investor's hands.

WITHDRAWING YOUR INVESTMENT

The Constitution for the Linear Managed Accounts provides for a period of 30 days for the Responsible Entity to act on a withdrawal request, or in some circumstances a longer period may apply. However, Linear will endeavour to complete your withdrawal in a shorter time – see below for further details.

You can generally request a withdrawal from your Account on any Business Day using the form available from your Online Client Access or by writing to us via fax or post and providing your client code, account name, the value to be withdrawn and the external account details to deposit the funds. Payment of withdrawals from your Investment Portfolio can be made in the following ways:

- a cash withdrawal as a direct deposit to a nominated bank account or financial institution;
- an In-specie Transfer of listed securities; or
- a combination of an In-specie Transfer and cash/direct deposit.

We will act on any instruction that appears to have come from you as if it had come from you.

We will endeavour to comply with your withdrawal requests promptly, subject to any requirements of the law and as set out below. Once you or your Representative gives us a withdrawal instruction, you must seek our approval before revoking the instruction.

If your withdrawal request includes a request for the transfer of securities held within your Investment Portfolio, you must indicate the name and number of securities to be transferred and the account number they are to be transferred into. Please note that a change in ownership of a security (such as a transfer to a self-managed superannuation fund) will require the completion of an Australian Standard Transfer Form and may be a CGT event. Please contact your financial adviser for assistance with completing the necessary forms.

Upon receiving an instruction to withdraw your total Account balance, the Linear Managed Accounts will deem your investment to have been terminated and unless you have advised us otherwise, and we agree, your Investment Portfolio will also be closed.

WITHDRAWING CASH

You are required to nominate an account into which all cash withdrawals are to be paid. We will continue paying withdrawals into this account unless you provide written instructions to change the account. We will not accept a variation instruction of this nature from your Representative. If it is necessary to sell investments in order to satisfy your withdrawal requests, then unless you instruct us otherwise, we will sell your investments proportionately across your Investment Portfolio. The amount you will receive will be the price at which the investments are sold, net of all fees, charges and expenses, including brokerage and other transaction costs.

The sale of your investments in your Investment Portfolio will generally commence on the next Business Day following our receipt of your withdrawal request.

The proceeds will generally be available within 24 hours of settlement of the sale of the investments. We anticipate that settlement will occur within four Business Days.

There may be delays due to factors beyond our control, such as market conditions and the liquidity of the investments.

The withdrawal amount will accumulate as part of your Account. This will occur until the full amount is available to be transferred into your nominated account.

Please note that administration and other ongoing fees will apply to this cash balance whilst it remains in your Account.

IMPACT OF WITHDRAWALS ON THE LOCK-IN LEVEL

For those Investors who select a Model Portfolio that offers Continuous Protection, the Continuous Protection strategy aims to limit the amount by which the value of your Investment Portfolio can decline by no more than 20% of the highest ever value (the Lock-in Level).

The Lock-in Level will be adjusted where necessary whenever a withdrawal is made from your Account.

This is to ensure that the current Continuous Protection level, e.g. the percentage amount by which your Account value can decline, remains the same immediately following the withdrawal as existed immediately prior to the withdrawal.

As an example, assume a current Investment Portfolio value of \$100,000 and a current Lock-in Level of \$90,000. The current Continuous Protection level, e.g. the amount by which your Account can decline, is 10%.

Following a withdrawal of \$10,000, the new Account value is \$90,000. In order to maintain a Continuous Protection level of 10%, the new Lock-in Level will be adjusted to \$81,000.

Note that the new Lock-in Level can increase in the future to reflect any increases in the highest ever value of the Investment Portfolio.

WHEN WE WILL NOT PROCESS WITHDRAWALS

We may suspend withdrawals during periods in which there is closure or disruption of a relevant stock exchange or if other unusual circumstances outside of our control persist. Notification of events such as this will be placed on the website as well as on your Online Client Access.

Other circumstances when we will not process your withdrawal request include the situation where a Managed Fund is frozen. This means the Fund Manager cannot or will not process withdrawals.

Additionally, Investors should note the Constitution does not require us to act on your withdrawal request if it would mean your Account falls below a minimum balance that we prescribe, or we could treat the request as applying to all assets or a class of asset you hold. Currently we do not impose a minimum balance requirement. We will provide you with 30 days' notice if we choose to impose this requirement in the future.

REGULAR WITHDRAWING

Regular withdrawal payments will be automatically credited to your nominated bank account as cleared funds on the 15th day of each month (or the nearest earlier Business Day).

Investors who wish to control the level and regularity of their payments may choose a regular income stream payment from their Account.

In this case, we will not pay out dividends or distributions. Instead, all of your income will be posted to your Account and monthly payments made from the cash balance of your Investment Portfolio. If there is insufficient cash in your Account, your fixed amount income stream will still be paid. However, we will sell some of the investments in your Investment Portfolio(s) to cover the withdrawals and to restore a cash component. This will result in an overall reduction in the value of your investment.

There may be taxation consequences to you as a result of selling your investments in this way. In the case of actively managed portfolios, any remaining cash in excess of the minimum required holding following payment of the income stream will be invested as part of the rebalancing process.

For those Investors who elect to receive a monthly payment of any dividend or distribution income generated by their Investment Portfolio, the total value of dividends and distributions received in the preceding month will be paid. It is important to note that the value of this income stream will vary from month to month in line with dividend and distribution payments and there may be some months in which no dividends or distributions are received into the Investment Portfolio.

You can change or cancel your regular withdrawal payment at any time. The request needs to be received by our office at least four Business Days before the due date of the next income payment.

IN-SPECIE TRANSFERS IN

You can transfer securities and add them to any Model Portfolio that you select in line with the security weightings for those Model Portfolios. Alternatively, if your securities do not form part of the Model Portfolio you select then they can be held in your Investment Portfolio as a Self-directed Investment. Transferring securities and holding them as Self-directed Investments in an Account would usually suit investors who want to personally manage those investments while taking advantage of the administrative convenience and reporting that the Linear Managed Accounts provides.

Your existing holdings of listed securities can be transferred into your investment in the Linear Managed Accounts as long as:

- the securities are beneficially owned by you (which may include those held in custody names by other services);
- we receive appropriately signed transfer forms, and
- we receive the cost history of each transferred parcel.

Transaction fees apply for selected investments. Refer to the Fees and Other Costs section of this PDS starting on page 33 for more detail about transaction fees.

IN-SPECIE TRANSFERS OUT

If you no longer wish to hold securities or interests in a Managed Fund through the Linear Managed Accounts, then you may be able to transfer them out by requesting an In-specie Transfer, and hold them directly in your own name or through another structure or service.

You can also transfer securities out of a Model Portfolio into your Self-directed Investments if you wish to take over the management of the securities.

MODEL PORTFOLIOS

Portfolio Code	Portfolio Name	Strategy	Min Invest	Fee (% pa)	Page Ref.
Index Portfolios					
LAMXTLF	Linear S&P/ASX 20	Index	\$25,000	0.275	17
LAMXMDP	Linear S&P/ASX MidCap 50	Index	\$25,000	0.275	17
LAMXSOP	Linear S&P/ASX Small Ordinaries	Index	\$25,000	0.275	17
LAMXPJF	Linear S&P/ASX 200 A-REIT	Index	\$25,000	0.275	17
LAMXMTP	Linear S&P/ASX MidCap Industrials	Index	\$25,000	0.275	18
LAMXMRF	Linear S&P/ASX MidCap Resources	Index	\$25,000	0.275	18
LAMXSIP	Linear S&P/ASX Small Industrials	Index	\$25,000	0.275	18
LAMXSRP	Linear S&P/ASX Small Resources	Index	\$25,000	0.275	19
LAMXTIP	Linear S&P/ASX 100 Industrials	Index	\$25,000	0.275	19
LAMXTRP	Linear S&P/ASX 100 Resources	Index	\$25,000	0.275	19
Actively Managed Portfolios					
LAUBDAC	Ausbil Australian Concentrated Equity	Active	\$25,000	0.55 ¹	20
LAUBDAE	Ausbil Australian Emerging Leaders	Active	\$25,000	0.715 ¹	20
LRAMHYAS	Ralton High Yield Australian Shares	Active	\$25,000	0.80	22
LRAMSMCO	Ralton Smaller Companies	Active	\$25,000	0.95	22
LRAMLEAD	Ralton Leaders	Active	\$25,000	0.65	22
LRAMAUSH	Ralton Australian Shares	Active	\$25,000	0.85	22
LUBSAEF	UBS HALO (High Alpha Long Only)	Active	\$25,000	0.60	24
LUBSSCO	UBS Australian Small Companies	Active	\$25,000	0.80	24
LUBSPSF	UBS Australian Property Securities	Active	\$25,000	0.60	24
LBENX20	Bennelong Ex-20 Australian Equities	Active	\$25,000	0.77 ¹	25
LAUIPAE	AUI Platypus Australian Equities SMA Portfolio	Active	\$25,000	0.66 ¹	26
Continuously Protected Portfolios					
LAM0004AU	Linear S&P/ASX 20 Continuously Protected	Index	\$25,000	0.275 ²	27
LAM0006AU	Ralton Leaders Continuously Protected	Active	\$25,000	0.65 ²	27
LUBSHCP	UBS HALO (High Alpha Long Only) Continuously Protected	Active	\$25,000	0.60 ²	27
LAUIPCP	AUI Platypus Australian Equities SMA Portfolio Continuously Protected	Active	\$25,000	0.66 ^{1,2}	27

All quoted fees are inclusive of GST.

¹ Performance fee may be charged, please refer to the Performance Fee section on page 36 of the PDS.

² The fee does not include the cost of Continuous Protection as outlined on pages 38 and 39 of this PDS.

INVESTMENT MENU

SELF-DIRECTED INVESTMENTS

Self-directed Investments cover a range of possible investment options including Managed Funds, ASX Securities and term deposits.

Managed Funds

For the investment menu of Managed Funds available to Investors in the Linear Managed Accounts, please refer to the website at www.linearmanagedaccounts.com.au. When deciding to invest in Managed Funds you should read the PDS of the relevant Managed Fund for all details including fees and charges.

ASX Securities

ASX Securities refer to any of the listed securities that are traded on the ASX. You are able to transfer any existing holdings you may have into the Linear Managed Accounts. Alternatively, you can also provide Linear with Investment Instructions to buy or sell ASX Securities.

Term Deposits

The available interest rates and the associated terms of investment for term deposits vary on a regular basis. For a current listing of the available term deposits on offer, please refer to the website at www.linearmanagedaccounts.com.au.

It is important to note that the Investment Menu may change from time to time. For a complete list of all available investments please refer to the Linear Managed Accounts website at www.linearmanagedaccounts.com.au. A copy of the complete Investment Menu is available on request without charge.

INDEX PORTFOLIOS



The range of Index Model Portfolios available through the Linear Managed Accounts provide convenient and passive exposure to Australian Equities. As the Investment Manager, Linear rebalances all Index Model Portfolios quarterly, or as advised by Standard and Poor's. Standard and Poor's are the supplier of the Multi Sector and the Global Industry Classification Standard (GICS) Indices.

Index Replication

Index Model Portfolios available under this PDS will attempt to partially or fully replicate the underlying index. Index replication refers to the manner in which Index Model Portfolios are constructed and maintained. Full replication means that all securities in the index are purchased in line with the constituent weightings. Partial replication means that a sample of the securities from the index will be purchased. As an example, the S&P/ASX 200 Industrials (Sector) Index is comprised of over 32 securities, however in order to reduce transaction costs, only the 15 largest securities will be purchased.

Linear offers complete replication on all indices including those listed as only partial. This is provided on request and subject to minimum investment sizes.

Customisations

All Index Model Portfolios can be customised to include or exclude certain securities or to "lock" tax parcels. Information is provided in this PDS - in particular the Transacting and Taxation sections starting on pages 10 and 31 respectively.

Tracking Error

The performance of the Index Model Portfolios may differ from the underlying benchmark due to partial replication, customisation, "locking" of tax parcels, the charging of fees on the Model Portfolio(s) or the reinvestment of dividends.

About S&P/ASX Indices

The S&P/ASX Australian indices are closely aligned with Standard & Poor's global suite of indices, and are recognised internationally as Australia's principal investable equity indices. Standard & Poor's global indices are liquid, tradable and easily replicable, allowing extensive use by institutional Investment Managers, mutual fund managers and professional advisers. With over A\$200 billion managed and benchmarked to the S&P/ASX 200, the index is regarded as Australia's equity benchmark.

The S&P/ASX indices are real-time, market capitalisation-weighted indices that include the largest and most liquid stocks in the Australian market. The S&P/ASX 200 covers approximately 80% of the Australian equity market by capitalisation, with a constituency that is highly liquid and tradable. Such characteristics ensure that the S&P/ASX 200 is representative of the Australian market while maintaining a limited number of eligible securities.

About GICS

The (GICS) was developed by Morgan Stanley Capital International Inc. (MSCI), an independent provider of global indices and benchmark related products and services, and Standard & Poor's® (S&P®), an independent international financial data and investment services company and a leading provider of global equity indices.

The GICS classifications aim to enhance the investment research and asset management process for financial professionals worldwide. It is the result of numerous discussions with asset owners, portfolio managers, and investment analysts around the world and is designed to respond to the global financial community's need for an accurate, complete, and standard industry definition.

The GICS structure consists of 10 sectors, 24 industry groups, 67 industries and 147 sub-industries. The GICS methodology has been widely accepted as an industry analysis framework for investment research, portfolio management and asset allocation. Its universal approach to industries worldwide has contributed to transparency and efficiency in the investment process. In addition, the current trend towards sector-based investing has also greatly benefited from

ACTIVE MANAGERS

The following pages provide details regarding the Investment Managers that provide actively managed Model Portfolios offered under this PDS. The Investment Managers either construct or provide advice to Linear Asset Management on the construction of the Model Portfolios using their experience and expertise and as such the exact makeup of any Model Portfolio is considered to be the Investment Manager's intellectual property. By signing the Application Form for your investment in the Linear Managed Accounts, you hereby agree that the individual securities making up the Model Portfolios remains the intellectual property of the Investment Managers and that it will be kept confidential between you, your Representative (if applicable) and your financial adviser and will not be disclosed to any other person.

INVESTMENT MENU - INDEX MODEL PORTFOLIOS

Portfolio Name	LAM S&P/ASX 20	LAM S&P/ASX MidCap 50	LAM S&P/ASX Small Ordinaries	LAM S&P/ASX 200 A-REIT
Portfolio Code	LAMXTLF	LAMXMDP	LAMXSOP	LAMXPJF
Investment Manager	Linear Asset Management	Linear Asset Management	Linear Asset Management	Linear Asset Management
Strategy	Index	Index	Index	Index
Benchmark	S&P/ASX 20 Accumulation Index	S&P/ASX MidCap 50 Accumulation Index	S&P/ASX Small Ordinaries Accumulation Index	S&P/ASX 200 A-REIT Accumulation Index
Investment Objective	To replicate the performance of the above Index by holding all securities with the index.	To replicate the performance of the above Index by holding the Index's top 15 securities, measured by market capitalisation.	To replicate the performance of the above Index by holding the top 15 securities, measured by market capitalisation.	To replicate the performance of the above index by holding all securities within the index.
Description	The index includes actively traded and highly liquid stocks that are among the 20 largest securities listed on the ASX. It is the narrowest capitalisation-based index in the S&P/ASX index family, covering 46% of Australian equity market capitalisation.	The index is comprised of companies included in the S&P/ASX 100 but not in the S&P/ASX 50. The Index covers approximately 11% of Australian equity market capitalisation.	The index is comprised of companies included in the S&P/ASX 300, but not in the S&P/ASX 100. This index covers approximately 7% of Australian equity market capitalisation.	The index contains the listed vehicles classified as property trusts (REITs). Property trusts own property and derive income from rental returns. A GICS property trusts sector has been created for the Australian market, where property trusts are treated almost as a separate asset class to equity, and are often managed on a separate basis.
Asset Allocation Ranges	Aust Equities: 100%	Aust Equities: 100%	Aust Equities: 100%	Aust Equities: 100%
No of Securities	20	15	15	20
Investment Timeframe	5 years +	5 years +	5 years +	5 years +
Investment Fee (% pa inc GST)	0.275	0.275	0.275	0.275
Performance Fee (% pa inc GST)	N/A	N/A	N/A	N/A
Customisation	Yes	Yes	Yes	Yes
Minimum Investment Amount	\$25,000	\$25,000	\$25,000	\$25,000
Continuous Protection	No	No	No	No

INVESTMENT MENU - INDEX MODEL PORTFOLIOS

Portfolio Name	LAM S&P/ASX MidCap Industrials	LAM S&P/ASX MidCap Resources	LAM S&P/ASX Small Industrials
Portfolio Code	LAMXMTP	LAMXMRF	LAMXSIP
Investment Manager	Linear Asset Management	Linear Asset Management	Linear Asset Management
Strategy	Index	Index	Index
Benchmark	S&P/ASX MidCap Industrials Accumulation Index	S&P/ASX MidCap Resources Accumulation Index	S&P/ASX Small Industrials Accumulation Index
Investment Objective	To replicate the performance of the above Index by holding the Index's top 15 securities, measured by market capitalisation.	To replicate the performance of the above index by holding all securities within the index.	To replicate the performance of the above Index by holding the Index's top 15 securities, measured by market capitalisation.
Description	The index is comprised of Industrials companies included in the S&P/ASX MidCap 50. Securities classified in Industrials indices are those not classified in the Energy sector or the Metals & Mining industry.	The index is comprised of Resources companies included in the S&P/ASX MidCap 50. Securities classified in Resources indices are those classified in the Energy sector or the Metals & Mining industry.	The index is comprised of Industrials companies included in the S&P/ASX Small Ordinaries. Securities classified in Industrials indices are those not classified in the Energy sector or the Metals & Mining industry.
Asset Allocation Ranges	Aust Equities: 100%	Aust Equities: 100%	Aust Equities: 100%
No of Securities	15	9	20
Investment Timeframe	5 years +	5 years +	5 years +
Investment Fee (% pa inc GST)	0.275	0.275	0.275
Performance Fee (% pa inc GST)	N/A	N/A	N/A
Customisation	Yes	Yes	Yes
Minimum Investment Amount	\$25,000	\$25,000	\$25,000
Continuous Protection	No	No	No

INVESTMENT MENU - INDEX MODEL PORTFOLIOS

Portfolio Name	LAM S&P/ASX Small Resources	LAM S&P/ASX 100 Industrials	LAM S&P/ASX 100 Resources
Portfolio Code	LAMXSRP	LAMXTIP	LAMXTRP
Investment Manager	Linear Asset Management	Linear Asset Management	Linear Asset Management
Strategy	Index	Index	Index
Benchmark	S&P/ASX Small Resources Accumulation Index	S&P/ASX 100 Industrials Accumulation Index	S&P/ASX 100 Resources Accumulation Index
Investment Objective	To replicate the performance of the above Index by holding the Index's top 20 securities, measured by market capitalisation.	To replicate the performance of the above Index by holding the top 15 securities, measured by market capitalisation.	To replicate the performance of the above index by holding all securities within the index.
Description	The index is comprised of Resources companies included in the S&P/ASX Small Ordinaries. Securities classified in Resources indices are those classified in the Energy sector or the Metals & Mining industry.	The index is comprised of Industrials companies included in the S&P/ASX 100. Securities classified in Industrials indices are those not classified in the Energy sector or the Metals & Mining industry.	The index is comprised of Resources companies included in the S&P/ASX 100. Securities classified in Resources indices are those classified in the Energy sector or the Metals & Mining industry.
Asset Allocation Ranges	Aust Equities: 100%	Aust Equities: 100%	Aust Equities: 100%
No of Securities	20	15	18
Investment Timeframe	5 years +	5 years +	5 years +
Investment Fee (% pa inc GST)	0.275	0.275	0.275
Performance Fee (% pa inc GST)	N/A	N/A	N/A
Customisation	Yes	Yes	Yes
Minimum Investment Amount	\$25,000	\$25,000	\$25,000
Continuous Protection	No	No	No


Ausbil Dexia Limited
 Australia

Ausbil Dexia Limited ('Ausbil') is an Australian equities specialist with approximately \$10 billion in funds under management as at 30 June 2008. Established in April 1997, Ausbil is a joint venture between senior members of the Australian investment/management team and Dexia Asset Management, the asset management arm of the Dexia Group, a major European bank.

Ausbil offers their clients the focus and specialisation of an employee-owned boutique backed by the financial integrity of a global banking partner.

Ausbil believes that the Australian equity market is relatively efficient, but not perfect. The basic premise of their philosophy is that stock prices ultimately follow earnings and earnings revisions. They believe that the market places excessive emphasis on the current situation and does not sufficiently take into account the likelihood of future changes to the earnings profile of individual companies and sectors.

Their process seeks to identify earnings and earnings revisions at an early stage, and hence to pre-empt stock price movements.

STYLE NEUTRAL INVESTMENT PROCESS

The investment style is classified as core "style neutral"; wherein at certain stages of the cycle the portfolio may have a value or growth tilt as markets provide opportunities for particular types of stocks to enjoy earnings growth.

Stage 1

Seeks to assess the current market conditions impacting on the Australian equities market to determine Ausbil's view of the macro framework and thus set an overall portfolio strategy.

Stage 2

The Application of Stage 1 conclusions to each sector to identify at an early stage, sectors subject to earnings revisions both upward and downward over the coming 12 month period.

Stage 3

Identification of those stocks we believe will achieve the greatest 12 month outperformance within the investment universe. Given our belief that earnings and earnings revisions lead stock prices, the analyst's primary objective is to investigate and assess all facets impacting on each company's earnings profile. Analysts undertake fundamental analysis, a program of company visitations and utilise our proprietary quantitative ranking model.

Stage 4

Portfolio construction team creates a robust, appropriate and risk aware portfolio which conforms to (and optimises) the conclusions of the previous three stages of the process.

Portfolio Name	Ausbil Australian Concentrated Equity	Ausbil Emerging Leaders
Portfolio Code	LAUBDAC	LAUBDAE
Investment Manager	Ausbil Dexia Limited	Ausbil Dexia Limited
Strategy	Active	Active
Benchmark	S&P/ASX 300 Accumulation Index	Composite benchmark (consisting of 70% S&P/ASX MidCap 50 Accumulation Index and 30% S&P/ASX Small Ordinaries Accumulation Index)
Investment Objective	To invest in a broad range of listed shares, assessed by Ausbil's investment team to provide the greatest opportunities of appreciation over the coming twelve months and to provide long term capital growth.	To provide capital growth over the medium to long term by managing a portfolio of assets comprised mainly of Australian equities listed on the Australian Securities Exchange.
Description	Securities listed on the ASX or due to be listed in the next twelve months. The model is appropriate for an Investor seeking medium to long term capital growth and is prepared to accept some fluctuations in short term returns.	Securities listed on the ASX or due to be listed in the next twelve months selected from the S&P/ASX MidCap 50 Accumulation and S&P/ASX Small Ordinaries Accumulation Indexes. The model is appropriate for an Investor seeking medium and long term capital growth. Investors should be prepared to accept fluctuations in short term returns.
Asset Allocation Ranges	Aust Equities: 90 - 100% Cash: 0 - 10%	Aust Equities: 90 - 100% Cash: 0 - 10%
No of Securities	10 - 30	25 - 40
Investment Timeframe	5 years +	5 years +
Investment Fee (% pa inc GST)	0.55	0.715
Performance Fee (% pa inc GST)	22% of benchmark outperformance	16.5% of benchmark outperformance
Customisation	No	No
Min Investment Amount	\$25,000	\$25,000
Continuous Protection	No	No



RALTON ASSET MANAGEMENT

Boutique Management, Value Investing, SMA Specialists

Ralton Asset Management Limited ("Ralton") is a successful boutique Australian fund manager, owned and operated by its directors and senior executives. As a pioneer in Australia's managed accounts industry, Ralton has been offering its investment capabilities exclusively through separately managed accounts, or SMA's, since 2001, and currently manages portfolios on behalf of a wide range of Investors, including charitable trusts, corporations, superannuation funds, family trusts and individuals.

Ralton specialises in the active management of Australian share portfolios, and its disciplined, value-oriented investment approach has delivered strong and tax-efficient returns since inception. From the very beginning, their objective has been to design and build high quality, value-adding Investment Portfolios, and they have achieved this by packaging the investment services in a managed account structure rather than a unit trust, offering Investors professional portfolio management with all the benefits of direct share ownership.

The Ralton investment team is well resourced and consists of experienced professionals with diverse backgrounds, all sharing a talent and passion for investing. This unique blend of experience and ability promotes insightful analysis and debate and brings a high degree of rigour to Ralton's fundamental research-driven investment process.

Investment Philosophy

Ralton's proven investment approach has been designed to identify quality businesses that are trading at a considerable discount to valuation, and is guided by the following fundamental beliefs:

- Markets are not perfectly efficient and the true value of a business is not always reflected in its share price.
- Undervalued companies can be identified through detailed and intensive research; and
- Capital preservation is critical to wealth creation.

The companies that Ralton typically invests in are those with strong and reliable management, good profit and dividend growth expectations, reasonably predictable future profits and cash flows, and a very clear business model. In contrast, Ralton tends to avoid investing in businesses that 1) lack pricing power in their relevant market, or 2) are higher risk, early-stage research & development or exploration based companies.

A Three Stage Investment Process

Intensive bottom-up research is the cornerstone of the entire process, supplemented by top-down economic and thematic views. The process is disciplined and consistently applied, using a number of proprietary qualitative and quantitative techniques to ensure that targeted companies have been thoroughly scrutinised.

Stage 1: Defining the Investment Universe

The first stage of the process is to narrow the number of stocks in the investment universe by applying a number of screens. This approach systematically eliminates companies that do not meet certain minimum standards, allowing the investment team to focus more intensely on companies of potential interest.

Stage 2: Bottom-up Fundamental Company Research

Ralton's research programme is focused on understanding the key drivers of business performance and returns, namely people, operations, products and services, and market dynamics. For companies remaining in the investment universe, Ralton undertakes a detailed assessment of executive management, interviews competitors and suppliers, reviews financials, and forms a clear view on the outlook for the company's industry.

Stage 3: Portfolio Construction

Risk management and capital preservation are key themes underlying the portfolio construction framework. With a focus on actively managing down-side portfolio risk for Investors, Ralton constructs an efficiently diversified portfolio of high quality, undervalued companies, and invests for the long term (typically at least 3 to 5 years) in an effort to maximise after-tax returns.

INVESTMENT MENU - ACTIVELY MANAGED MODEL PORTFOLIOS

Portfolio Name	Ralton High Yield Australian Shares	Ralton Small Companies	Ralton Leaders	Ralton Australian Shares
Portfolio Code	LRAMHYAS	LRAMSMCO	LRAMLEAD	LRAMAUSH
Investment Manager	Ralton Asset Management	Ralton Asset Management	Ralton Asset Management	Ralton Asset Management
Strategy	Active	Active	Active	Active
Benchmark	S&P/ASX 300 Accumulation Index	S&P/ASX Small Ordinaries Accumulation Index	S&P/ASX 100 Accumulation Index	S&P/ASX 300 Accumulation Index
Investment Objective	To provide Investors with a consistent, tax-efficient and growing cash dividend yield and long term capital growth.	To provide Investors with long-term capital growth from a concentrated portfolio of smaller capitalisation Australian shares and some tax effective income.	To provide Investors with long-term capital growth and tax effective income from a portfolio of blue-chip Australian shares.	To provide Investors with long term capital growth from a concentrated model portfolio of Australian securities and some tax effective income.
Description	To invest in quality ASX listed companies that are assessed as likely to provide Investors with attractive long term returns (capital growth, plus above average yield and franking) and, at the time of purchase, are either included in the S&P/ASX 300 index or are one of Australia's largest 300 companies by market capitalisation.	To invest in quality smaller capitalisation companies that are assessed as likely to provide Investors with attractive long term returns, and at the time of purchase are listed, or are about to be listed on the S&P/ASX Small Ordinaries, combined with a maximum of 20% of the portfolio invested in the S&P/ASX MidCap 50.	To invest in quality larger capitalisation companies that are assessed as likely to provide Investors with attractive long term returns relative to the index, and at the time of purchase are either included in the S&P/ASX 100 index or are one of Australia's largest 100 companies by market capitalisation.	To invest in quality companies that are assessed as likely to provide Investors with attractive long term returns, and at the time of purchase are listed, or about to be listed on the ASX.
Asset Allocation Ranges	Aust Equities: 90 - 100% Cash: 0 - 10%	Aust Equities: 85 - 100 Cash: 0 - 15%	Aust Equities: 90 - 100% Cash: 0 - 10%	Aust Equities: 90 - 100% Cash: 0 - 10%
No of Securities	20-35	25-40	25-40	20-35
Investment Timeframe	5 years +	5 years +	3-5 years	5 years +
Investment Fee (% pa inc GST)	0.80	0.95	0.65	0.85
Performance Fee (% pa inc GST)	N/A	N/A	N/A	N/A
Customisation	Yes	Yes	Yes	Yes
Minimum Investment Amount	\$25,000	\$25,000	\$25,000	\$25,000
Continuous Protection	No	No	No	No



UBS Global Asset Management in Australia provides investment products and services to institutional Investors, intermediaries and private clients.

UBS Global Asset Management is a leading asset manager in Australia with offices in Sydney, Melbourne, Perth and Brisbane. Its clients include superannuation (pension) funds, financial institutions, corporates, financial intermediaries and private clients.

UBS offer a comprehensive range of investment fund products across all major asset classes.

For some time, UBS Global Asset Management has made its extensive capabilities accessible to Australian retail Investors and offers sector specific funds in cash, fixed income and equities, both domestic and international as well as a variety of multi-sector balanced funds.

UBS Global Asset Management is committed to being a major player in wholesale investment funds across the globe. Australia is one of our key markets and, accordingly, we are delighted to offer a range of funds to suit the needs of individuals and financial advisers alike.

UBS offer a broad range of equity strategies across the style spectrum and with varying return and risk objectives. Country, regional and global strategies are available to retail/wholesale and institutional clients worldwide.

UBS' equity capabilities are grouped into three investment pillars:

- Core/Value;
- Growth Investors; and
- Structured Equities.

Each pillar offers distinctive strategies, a unique heritage and enduring style attributes.

Every pillar offers dedicated teams of experts who are passionate about their distinctive investment approaches.

INVESTMENT MENU - ACTIVELY MANAGED MODEL PORTFOLIOS

Portfolio Name	UBS HALO (High Alpha Long Only)	UBS Australian Small Companies	UBS Property Securities
Portfolio Code	LUBSAEF	LUBSSCO	LUBSSPSF
Investment Manager	UBS Global Asset Management	UBS Global Asset Management	UBS Global Asset Management
Strategy	Active	Active	Active
Benchmark	S&P/ASX 200 Accumulation Index	S&P/ASX 300 Small Ordinaries Accumulation Index	S&P/ASX 300 Property Accumulation Index
Investment Objective	To provide investors with a total return in excess of the S&P/ASX 200 Accumulation Index over the course of a market cycle.	To provide Investors with a total return in excess of the S&P/ASX 300 Small Ordinaries Accumulation Index over the course of a market cycle.	To provide Investors with a total return in excess of the S&P/ASX 200 Property Accumulation Index when measured over rolling three year periods via an actively managed investment strategy.
Description	The model is suited to investors who want exposure to a more concentrated portfolio of Australian equities listed on the ASX. The strategy should be viewed on a medium term investment horizon.	The model is suited to Investors that want exposure to a well diversified portfolio of Australian small capitalisation equities listed on the ASX. The strategy should be viewed on a medium term investment horizon.	The model is suited to Investors that want exposure to a well diversified portfolio of property securities listed on the ASX. The strategy should be viewed on a medium term investment horizon.
Asset Allocation Ranges	Aust Equities: 90 - 100% Cash: 0 - 10%	Aust Equities: 95 - 100% Cash: 0 - 5%	A-REITS: 90 - 100% Cash: 0 - 10%
No of Securities	20	25 - 30	10 - 20
Investment Timeframe	5 years +	5 years +	5 years +
Investment Fee (% pa inc GST)	0.60	0.80	0.60
Performance Fee (% pa inc GST)	N/A	N/A	N/A
Customisation	No	No	No
Minimum Investment Amount	\$25,000	\$25,000	\$25,000
Continuous Protection	No	No	No

INVESTMENT MENU - ACTIVELY MANAGED MODEL PORTFOLIOS



Bennelong's investment process aims to consistently deliver above-benchmark returns over the long term, while controlling risk within appropriate parameters. Bennelong seeks to identify stocks that are likely to deliver above-average earnings growth in the foreseeable future and are also attractively priced relative to the market.

The Fund is suitable to investors who:

- are primarily seeking capital growth from a portfolio of Australian stocks;
- are seeking some income via dividends and franking credits; and
- have a high tolerance to risk.

Bennelong's team of highly experienced analysts undertakes comprehensive ongoing research to assess the earnings prospects and relative valuations of the stocks in their investment universe. Bennelong's analysts assess each company's competitive position and the relative attractiveness of the industry in which it operates.

Quantitative and qualitative assessments for each company are combined in an overall company score, which is a primary input into Bennelong's portfolio construction process. Other inputs to this process include stock liquidity constraints, constraints on the size of individual stock positions, market sentiment and corporate/market activity considerations.

The companies within the portfolio will be selected primarily from, but not limited to, the S&P/ASX 300 Index ex the S&P ASX 20 Leaders Index. The Fund may invest in securities listed on other exchanges where such securities relate to ASX listed securities.

The first formal stage of the investment process applies a series of simple but important tests which must be satisfied before a stock is considered as part of the investment universe. The investment criteria that BAEP applies to the opportunity set is summarised below;

- market capitalisation typically above \$250m
- the stock must have an earnings history
- the stock must have reasonable liquidity in the trading of its shares.

Portfolio Name	Bennelong ex-20 Australian Equities
Portfolio Code	LBENX20
Investment Manager	Bennelong Funds Management Ltd
Strategy	Active
Benchmark	S&P/ASX 300 Accumulation Index ex the S&P/ASX 20 Accumulation Index
Investment Objective	To provide investors with a concentrated exposure to the S&P/ASX 300 Accumulation index outside of the large weighting associated with the top 20 stocks within the index.
Description	The Investment Manager's investment process aims to consistently deliver above-benchmark returns over the long term, while controlling risk within appropriate parameters. The Investment Manager seeks to identify stocks that are likely to deliver above-average earnings growth in the foreseeable future and are also attractively priced relative to the market.
Asset Allocation Ranges	Aust Equities: 90 - 100% Cash: 0 - 10%
No of Securities	20-35
Investment Timeframe	5 years +
Investment Fee (% pa inc GST)	0.77
Performance Fee (% pa inc GST)	16.5% of performance in excess of high water mark
Customisation	No
Minimum Investment Amount	\$25,000
Continuous Protection	No



At Australian Unity Investments we focus on improving the financial wellbeing of our investors and creating investments that are genuinely different to the rest of the market. Platypus Asset Management was established in 1998 and became joint venture partners with Australian Unity in February 2006.

The Model Portfolio is designed for investors who:

- are looking to enhance the performance of their existing Australian equities portfolio;
- seek an opportunity for capital growth from the sharemarket over the medium to long-term;
- feel comfortable with the potential volatility of the sharemarket; and
- have at least a five year investment outlook.

The investment strategy of the AUI Platypus Australian Equities SMA portfolio is to invest in quality ASX listed companies that are assessed as likely to provide investors with attractive long-term returns (capital growth plus above average yield and franking).

There is a 4 step investment process.

Identify opportunities and investment themes

The starting point of Platypus' investment process is to complete a screening of investable stocks to identify those that indicate strong earnings potential. The health or otherwise of the economy, individual industries and sectors is also assessed, and any identified themes are then applied to the following detailed quantitative analysis.

Analyse earnings potential

This produces a list of about 100 – 150 stocks. Platypus conducts detailed quantitative analysis on the industry outlook, the company's position within its industry, historic profit growth, earnings forecasts and balance sheet strength. Critical to this process is the use of independent sources such as brokers and specialist economics forecasting groups, combined with in-house research and expertise.

Platypus assesses each stock's capability of delivering strong returns typically around 20% pa over the following three year period before the stock is included or removed from the portfolio.

Assess durability and risk

In assessing the durability of a company's earnings, the company's growth profile, and the likelihood of any earning surprises, Platypus uses quantitative and qualitative screening techniques and uses a variety of information sources and may conduct company visits where appropriate.

Platypus assesses the ability of the company's management to deliver its forecast earnings, the source of funding for the expected growth in the share price, and any potential catalysts or external factors that may contribute to over or under performance.

The output of this process typically leaves around 30-40 investable stocks.

Portfolio construction

From here Platypus selects stocks to be included or removed from the portfolio. The relative weightings of each stock within the portfolio is set with due consideration given to (but not limited to) the stock's market capitalisation, liquidity, expected return profile and risk controls.

Consistency with Platypus' investment process and with its views on industry or sector trends, is also a key factor when selecting stocks.

Portfolio Name	AUI Platypus Australian Equities SMA Portfolio
Portfolio Code	LAUIPAE
Investment Manager	Platypus Asset Management
Strategy	Active
Benchmark	S&P/ASX 300 Accumulation Index
Investment Objective	To outperform the S&P/ASX 100 Accumulation Index by 4 % per annum (pre fees) over rolling three-year periods. To deliver positive returns at all cycles of the Australian equities market.
Description	A high conviction portfolio typically consisting of 15 to 30 stocks with the expectation that at least 75% of investments will be chosen from the largest (by market capitalisation) 100 companies and trusts listed on the ASX. The Trust may also invest in the next 25 largest companies and trusts listed on the ASX or securities that are likely to be included in the S&P/ASX 100 Accumulation Index in the short to medium term.
Asset Allocation Ranges	Aust Equities: 0 - 100% Cash: 0 - 100%
No of Securities	15-30
Investment Timeframe	5 years +
Investment Fee (% pa inc GST)	0.66
Performance Fee (% pa inc GST)	16.5% of performance in excess of high water mark
Customisation	No
Minimum Investment Amount	\$25,000
Continuous Protection	No

INVESTMENT MENU - CONTINUOUSLY PROTECTED MODEL PORTFOLIOS

Portfolio Name	LAM S&P/ASX 20	Ralton Leaders Continuously Protected	UBS HALO (High Alpha Long Only) Continuously Protected	AUI Platypus Australian Equities SMA Portfolio Continuously Protected
Portfolio Code	LAM0004AU	LAM0006AU	LUBSHCP	LAUIPCP
Investment Manager	Linear Asset Management	Ralton Asset Management	UBS Global Asset Management	Platypus Asset Management
Strategy	Index	Active	Active	Active
Benchmark	S&P/ASX 20 Accumulation Index	S&P/ASX 100 Accumulation Index	S&P/ASX 200 Accumulation Index	S&P/ASX 300 Accumulation Index
Investment Objective	To replicate the performance of the above Index by holding all securities with the index.	To provide Investors with long-term capital growth and tax effective income from a portfolio of blue-chip Australian shares.	To provide investors with a total return in excess of the S&P/ASX 200 Accumulation Index over the course of a market cycle.	To outperform the S&P/ASX 100 Accumulation Index by 4% per annum (pre fees) over rolling three-year periods. To deliver positive returns at all cycles of the Australian equities market.
Description	The index includes actively traded and highly liquid stocks that are among the 20 largest securities listed on the ASX. It is the narrowest capitalisation-based index in the S&P/ASX index family, covering 46% of Australian equity market capitalisation.	To invest in quality larger capitalisation companies that are assessed as likely to provide Investors with attractive long term returns relative to the index, and at the time of purchase are either included in the S&P/ASX 100 index or are one of Australia's largest 100 companies by market capitalisation.	The model is suited to investors who want exposure to a more concentrated portfolio of Australian equities listed on the ASX. The strategy should be viewed on a medium term investment horizon.	A high conviction portfolio typically consisting of 15 to 30 stocks with the expectation that at least 75% of investments will be chosen from the largest 100 companies and trusts listed on the ASX) The Trust may also invest in the next 25 largest companies and trusts listed on the ASX or securities that are likely to be included in the S&P/ASX 100 Accumulation Index in the short to medium term.
Asset Allocation Ranges	Aust Equities: 0 - 100% Cash: 0 - 100%	Aust Equities: 0 - 100% Cash: 0 - 100%	Aust Equities: 0 - 100% Cash: 0 - 100%	Aust Equities: 0 - 100% Cash: 0 - 100%
No of Securities	20	25-40	20	15-30
Investment Timeframe	5 years +	3-5 years	5 years +	5 years +
Investment Fee (% pa inc GST)	0.275*	0.65*	0.60*	0.66*
Performance Fee (% pa inc GST)	N/A	N/A	N/A	Yes
Customisation	No	No	No	No
Min Investment Amount	\$25,000	\$25,000	\$25,000	\$25,000
Continuous Protection	Yes	Yes	Yes	Yes
Continuous Protection Premium (inc GST)	Initial: 0.50% Ongoing: 0.55% pa	Initial: 0.50% Ongoing: 0.55% pa	Initial: 0.65% Ongoing: 0.715% pa	Initial: 0.65% Ongoing: 0.715% pa

* Excludes the cost of Continuous Protection. See pages 38 and 39 of this PDS for further details.

ABOUT CONTINUOUS PROTECTION

Under this PDS it is possible to apply Continuous Protection to a number of the Model Portfolios. Continuous Protection is applied to these Model Portfolios by selecting the appropriate Model Portfolio in the Application Form of this PDS. The aim of Continuous Protection is to limit the amount by which the value of your investment in the Model Portfolio may decline by no more than 20% of its previously observed highest ever value.

There is no minimum investment term and this Continuous Protection can be removed from the Model Portfolio without the need to liquidate the underlying securities in the Model Portfolio i.e. you can remain invested in the Model Portfolio.

When you select a Continuously Protected Model Portfolio in the Application Form of this PDS, the Responsible Entity will create a separate Investment Portfolio that contains an allocation to cash and to the underlying non-protected Model Portfolio.

An overview of the structure of this Investment Portfolio is provided in the diagram below.

HOW DOES CONTINUOUS PROTECTION WORK

Continuous Protection is achieved through the Dynamic Rebalancing between the Model Portfolio and cash. In addition the Responsible Entity enters into a Synthetic Portfolio Protection Swap Contract (SPP Swap) which operates a synthetic portfolio using the same model and algorithm as the Linear Managed Accounts. This synthetic portfolio will be used to make calculations under the SPP Swap, including any payout following a Gap Event. The SPP Swap Provider is JPMorgan Chase Bank, N.A. The following diagram provides an overview of the Account structure when applying Continuous Protection to a Model Portfolio.

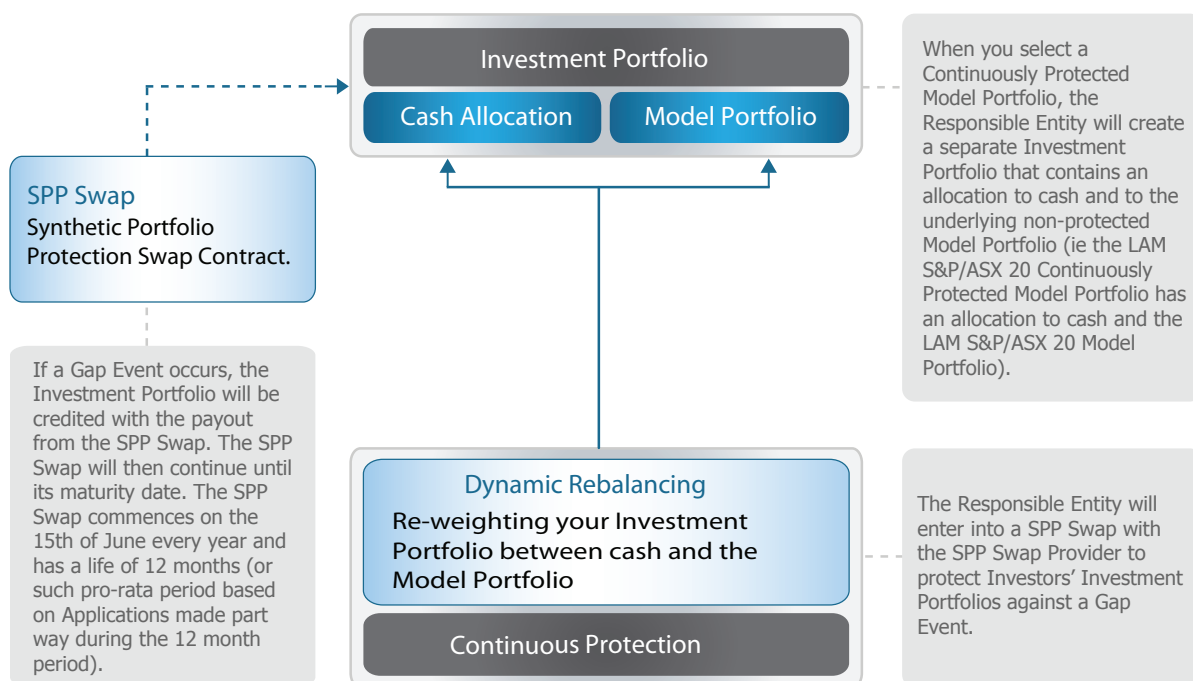
DYNAMIC REBALANCING

To ensure the value of your Investment Portfolio will not decline further than the Lock-in Level a Target Exposure is calculated daily using a predefined algorithm.

In simple terms, the Target Exposure aims to increase the allocation to the Model Portfolio (which invests in Australian Equities) when it is increasing in value and similarly to decrease the exposure to the Model Portfolio when it is decreasing in value.

Any increase or decrease in the allocation to your Model Portfolio will result in a corresponding alteration to the cash component of your Investment Portfolio held outside of the Model Portfolio.

Where the actual asset allocations of your Investment Portfolio differ to the Target Exposure by more than an allowable amount under the algorithm, the Investment Portfolio will be rebalanced so that it has the same asset allocations as the Target Exposure. The amount of your Investment Portfolio allocated to cash can therefore vary from 100% to 0%. The amount of your Investment Portfolio allocated to the Model Portfolio and therefore Australian Equities can vary from 100% to 0%, depending on the asset allocation of the particular Model Portfolio. Investors may request more information on the calculation of the Target Exposure and the operation of the algorithm from the Responsible Entity.



➤ HOW YOUR PORTFOLIO CAN BE PROTECTED

SYNTHETIC PORTFOLIO PROTECTION CONTRACT (SPP SWAP)

How does the SPP Swap work?

The Responsible Entity will enter into a SPP Swap, a derivative contract, with the SPP Swap Provider. If the value of the notional synthetic portfolio (and therefore the corresponding Model Portfolio) drops, and a Gap Event occurs the Investment Portfolio for the Investor will be credited with the payout from the SPP Swap. If you have more than one Investment Portfolio, e.g. if you have selected more than one Model Portfolio under this PDS, then a Gap Event may occur to one or more of your Investment Portfolios at any time.

It is important to note that the payout under the SPP Swap following a Gap Event is calculated by reference to the notional Australian equities in the synthetic portfolio under the SPP Swap, not the actual Australian equities held in the Model Portfolio. The synthetic portfolio and Model Portfolio may differ from time to time, it is possible that the SPP Swap pays out less (or in some limited circumstances more) than an Investor might expect if the SPP Swap was paying out based on the actual Model Portfolio following a Gap Event. Investors should also note that the SPP Swap only applies to the synthetic portfolio of equities under the SPP Swap and does not apply to any cash held within the Investor's Account (including cash held within the Investment Portfolio).

Importantly, the SPP Swap provides the payout to the Responsible Entity on behalf of the Linear Managed Accounts and does not guarantee the performance of any Model Portfolio or any Investment Portfolio in any way.

What is the term of the SPP Swap?

Each SPP Swap has a life of 12 months. The Responsible Entity envisages each SPP Swap will commence on the 15th of June of each year; however, it has the discretion to commence the SPP Swap earlier. At the end of the 12 month period, the Responsible Entity will enter into a new SPP Swap on the same (or similar) terms. If the SPP Swap cannot be entered into on the same terms or if the Responsible Entity can negotiate more favourable terms, then it can enter into the SPP Swap on those amended terms.

The Responsible Entity must ensure that any SPP Swap entered into, on behalf of the Scheme, allows it, with the Dynamic Rebalancing, to provide the required Continuous Protection. There is no guarantee the SPP Swap will be available in future periods.

How is it charged?

The cost of the SPP Swap is charged on a 'user pays' basis. The cost is deducted from your Account when you initially invest in a Continuously Protected Model Portfolio under this PDS (on a pro-rata basis depending on the timing of an Investor's investment) and then annually in advance at the beginning of each SPP Swap term. Additional costs will be deducted from your Account on a pro-rata basis if you make additional investments to a Continuously Protected Model Portfolio during the term of a SPP Swap.

Cost details associated with the SPP Swap are on page 38 of this PDS.

What happens at the maturity date?

At the maturity of the SPP Swap, your Investment Portfolios which have allocations to Continuously Protected Model Portfolios will automatically roll into the new SPP Swap entered into by the Responsible Entity and you will be charged the applicable fees for the new SPP Swap.

If you do not want to automatically roll into the new SPP Swap, then you will need to transfer your holdings to a Model Portfolio which does not include the Continuous Protection strategy. Further details on how to transfer your Investment Portfolio or exit the Linear Managed Accounts are provided on pages 12 and 13 of this PDS.

What happens after a Gap Event?

If a Gap Event occurs, the Investment Portfolio will be credited with the payout from the SPP Swap. The SPP Swap will continue to apply to the Investment Portfolio.

At the time of a Gap Event, the Responsible Entity may seek instructions from you or your Representative regarding whether you wish to continue your investment, however is not obliged to do so.

There are risks associated with a Gap Event occurring, e.g. if it results in a zero allocation to the Model Portfolio. Refer to the Risks section starting on page 6 of this PDS for further details.

Can you cancel the Continuous Protection strategy?

If at any time you no longer want to receive the Continuous Protection, then you can transfer your holdings to a Model Portfolio which does not include the Continuous Protection strategy. You can also exit the Linear Managed Accounts at any time and your holdings can be sold or transferred to your personal account as you require.

Refer to the Fees and Other Costs section for details of any costs or charges associated with this process. Further details on how to transfer holdings from your Investment Portfolio or exit the Linear Managed Accounts are provided on pages 12 and 13 of this PDS.

The tax consequences associated with the Continuous Protection strategy are outlined on pages 31 and 32 of this PDS.

Additional Information

In addition to the information already provided in this, PDS investors should be aware that there are additional benefits, risks, fees and charges and taxation implications associated with applying Continuous Protection to a Model Portfolio.

For information on the additional benefits refer to page 5.

For information on the additional risks, refer to pages 8 and 9.

For information on the additional fees and charges, refer to page 38.

For information on the additional taxation implications, please refer to page 31.

Information on the SPP Swap Provider is provided on page 45.

Further information on the Continuous Protection facility is also provided online at www.linearmanagedaccounts.com.au.

You can access all of the information relating to your Investment Portfolio via your Online Client Access. Online Client Access will be provided to you once your Account has been opened. We will only accept Applications from Investors who agree to receive their reports electronically. By signing the Application Form for your investment, you agree to this requirement.

Once your Application has been accepted, and your Account has been set up, we will provide you with a user ID and password. The first time you log in, you will be asked to change this password. Your Account information and Investment Portfolio can be viewed online once your Account is established.

Your password access is governed by terms and conditions which are set out in detail on page 45.

ACCOUNT INFORMATION

The following information about your Account is available through your client login:

- your Account details including a list of the investments in your Investment Portfolio;
- the performance of your Investment Portfolio over varying periods;
- valuations of your Investment Portfolio, updated daily;
- a sector and asset allocation analysis;
- a list of your cash account transactions;
- any investment purchases and sales made on behalf of your Investment Portfolio on a delayed basis;
- details of distributions and dividends paid;
- any brokerage charged to your Account; and
- any fees and other charges deducted from your Account.

Investors should note that when we are buying and selling securities within your selected Model Portfolios, or carrying out your Investment Instructions in relation to Self-directed Investments, you will not be able to see the exact composition of your Investment Portfolio until we have finished trading in securities or for a longer period at the Investment Managers' discretion. Once this is completed, your Account will then be updated to reflect the current position as at the close of the previous Business Day. Your cash balance and holding will be the balance of your Account as at the close of business on the previous Business Day.

CONFIRMATIONS

By completing and signing the Application Form attached to this PDS, you agree that all confirmations of transactions involving your Investment Portfolio will be provided to you electronically through your individual Online Client Access accessed using your user ID and password.

Your Online Client Access will show the date and details of each transaction made for your Investment Portfolio, including the amount paid for the securities and any associated fees, costs and charges that have been deducted from your Account.

TAX REPORTS

Tax reports such as CGT, an income summary, GST reporting, fees, and a tax summary are available from your Online Client Access, at any time to assist you with your tax planning or in the preparation of your tax return.

AUDIT REPORT

Each year, we will obtain an external auditor's report on the accounting systems and controls applied to the Scheme. A copy of this report will be made available via your Online Client Access when it is received.

OTHER REPORTS AND INFORMATION

You will also receive an annual audit report of the Scheme that supports the accuracy of the information in Investors' annual transaction and valuation statements. This will be available through your Online Client Access and on our website within three months of the financial year-end.

We endeavour to ensure that our website also contains the latest PDS for each of the Managed Funds available through the Linear Managed Accounts.

COMMUNICATIONS IN RELATION TO YOUR UNDERLYING INVESTMENT

As the investments in your Account are held in the custodian's name, we receive notices about corporate actions and other communications that relate to Managed Funds and your Self-directed Investments. If you would like a copy of these communications, then please contact us on 1300 669 891. We may charge a fee for this service (see Fees and Other Costs starting on page 33 for more information).

The following taxation information in this PDS is intended as a guide only and should not be relied upon by Investors as specific taxation advice. The information is based on the Responsible Entity's understanding of the current Australian tax law and how it relates to Australian resident Investors and is current at the date of this PDS. Investors should be aware that laws and interpretations may change from time to time.

Investors are advised to seek their own independent professional tax advice in relation to an investment in the Linear Managed Accounts, as taxation treatments may differ according to individual circumstances.

TAXATION OF THE LINEAR MANAGED ACCOUNTS

Investors are the beneficial owners of all of the assets in their Investment Portfolio. Therefore the Linear Managed Accounts do not pay tax. Further, Investors have an interest in the assets held through the Linear Managed Accounts which cannot be defeated or terminated. Any income or gain attributable to assets (e.g. securities) in your Investment Portfolio is deemed as having accrued directly to you.

TAX ON GAP EVENT

For those Investors who select a Model Portfolio that offers Continuous Protection, where a Gap Event occurs the Investment Portfolio for the Investor will be credited with the proceeds from the SPP Swap. This event may lead to a taxable gain or loss under the provisions of the Income Tax Assessment Act 1997 (C'th).

TAX ON SPP SWAP INITIAL PREMIUM

For those Investors who select a Model Portfolio that offers Continuous Protection, the initial premium for the SPP Swap may lead to a tax loss under the CGT provisions of the Income Tax Assessment Act 1997 (C'th) where the investor holds the investment on capital account.

TAX ON INCOME

Any income derived from your Investment Portfolio (e.g. dividends, interest, gains on the disposal of investments) is taxable. However, you may be able to offset part or all of any resulting tax liability if you receive tax credits (e.g. franking credits or foreign tax credits).

Please note that your holding of the underlying securities which generated any franking credits will affect your entitlement to use such credits to obtain a tax refund or offset tax. The general rule is that you are only entitled to the credit if you have held the securities in question at risk for more than 90 days for preference securities and more than 45 days for ordinary securities. Investors should seek their own independent professional tax advice, because there may be relevant exemptions. Through our online tax reporting, you can see the approximate tax credits generated by your Investment Portfolio.

TAX ON CAPITAL GAINS

Disposal of investments in your Investment Portfolio may arise from your decision to make a withdrawal or switch between Model Portfolios, investment decisions made by an Investment Manager or for those Investors who have selected Model Portfolios that offer Continuous Protection, as a result of Dynamic Rebalancing. These disposals may lead to a taxable gain or loss under the CGT provisions of the Income Tax Assessment Act.

A benefit of the Linear Managed Accounts is that if you reconstruct your Investment Portfolio by switching between Model Portfolios, the movement of securities between Model Portfolios should not result in a disposal for CGT purposes. This is because there will be no sale or disposal of a security in your Investment Portfolio, where a security was held in your old Model Portfolio and is held in your new Model Portfolio, to the extent that the holdings offset each other.

Where a disposal occurs, CGT is imposed on the sale price less the cost base of the asset. Investors may be entitled to a CGT discount where they have held the asset disposed of for more than 12 months.

A feature of the Linear Managed Accounts is that you can transfer existing holdings of securities into your Model Portfolio and maintain your existing cost base, provided we have been supplied with the cost history for the securities. The Linear Managed Accounts also offers a choice of tax parcel accounting methods to suit your own circumstances. Holdings transferred in without a cost history will be held separately from your Investment Portfolio or sold and the proceeds invested according to your Model Portfolio selection.

Any capital loss that may arise from a disposal (within or outside the Linear Managed Accounts) may be able to offset against capital gains arising in that year or subsequent years. However, any such capital loss cannot be offset against other income. The reason for this is because gains and losses are not quarantined or isolated to your Investment Portfolio, but consolidated based on your overall tax position.

In certain circumstances, you may not be subject to CGT. Instead, gains and losses on the disposal of investments may be taxed on revenue account. For example, when you are in the business of trading securities, gains and losses are taxed on revenue account. Investors are advised to seek independent professional tax advice in this regard.

TAX REPORTING

Each Investment Portfolio will receive a separate unique tax report containing the amount assessable for income tax, deductible expenses, and a summary of realised capital gains (showing both those eligible for a discount and those ineligible for a discount), and realised losses for the financial year. This information is relevant for the preparation of an Investor's tax return for that financial year. The Linear Managed Accounts' independent auditors audit the accounting system and the controls applied to produce that summary. The audit report is provided with the taxation summary report each year.

The taxation summary report is prepared on the assumption that underlying Investors have a tax status as an Investor subject to the CGT rules (including exempt Investors) rather than as traders.

TAXATION OF OPTIONS

Option activity gives rise to either a realised capital gain or loss when the position is closed. Since options generally have a life of less than 12 months, gains are not usually subject to any discount.

FOREIGN INVESTMENTS

Generally speaking, foreign income (e.g. foreign dividends) is taxable in Australia with a foreign tax credit available to offset any withholding tax paid (if any) in the country from which the income is derived.

Foreign income attribution rules (e.g. Australia's Foreign Investment Fund provisions) may apply to Investors who invest in certain foreign entities. Investors are advised to seek independent professional tax advice in this regard as an individual's circumstances dictate whether these rules apply.

PROVIDING YOUR TAX FILE NUMBER (TFN)

You are not obliged to quote your TFN, Australian Business Number (ABN), or exemption in the Application Form attached to this PDS. However, if you provide neither, we are obliged by Australian Tax Office requirements to deduct tax from any income received on your behalf at the highest marginal rate plus the Medicare levy.

GOODS AND SERVICES TAX (GST)

GST will be charged on, or incorporated into, various expenses paid by the Linear Managed Accounts including the fees charged for managing the Model Portfolios and administering the Linear Managed Accounts.

All fees quoted in this PDS are inclusive of GST.

TAX MANAGEMENT

Tax Parcel Management

With a direct equity Model Portfolio, one of the key benefits is the ability Investors have to manage the capital gains exposure on an individual basis. By realising capital gains or losses in any given financial year, Investors, in conjunction with their financial adviser, can target a particular CGT outcome. This is commonly referred to as tax gain or loss harvesting (tax harvesting).

The Linear Managed Accounts allows Investors to communicate which holding they require to be bought or sold to realise a specified gain or loss. Such transactions are undertaken by Linear as the operator of the Linear Managed Accounts and are done independently of the Investment Manager. The process involves Linear rotating the security to give rise to a CGT event. Any such transactions are undertaken in accordance with ASX trading rules.

Investors should be aware that there is a risk that, due to price movements of securities during any tax harvesting period, they may incur investment losses as a direct result of stock rotations. In addition, there are transaction costs associated with tax harvesting.

Investors can also elect to change the treatment of tax parcels to alter the CGT outcome, this includes applying FIFO, Min Gain and Max Gain. Please consult your financial adviser for further information.

Please note: all taxation management instructions must be communicated to Linear by you or your Representative.

Locking Holdings

Within some Model Portfolios it is possible to specifically "lock" certain holdings so they are not sold either indefinitely or within a given period in order to maximise any concessional tax treatment or receive imputation credits. Please note, however, that locking is only available for certain Model Portfolios and could affect the performance of your Investment Portfolio in comparison to the Model Portfolio. Locking forms part of customising a Model Portfolio, and you should check the Application Form as to whether your selected Model Portfolio(s) allow this. You will also need to complete a Customisation Form for each Model Portfolio you wish to customise.

Model Portfolio Tax Awareness

It is important to note that the tax position of individual Investors is not taken into account by the Investment Managers when making investment decisions within their Mandate i.e. realising gains within a certain timeframe or keeping turnover low.

Your adviser may be able to assist you in targeting after-tax position outcomes by customising your Model Portfolio(s). Please consult your financial adviser for more information.

➤ 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 fund balance rather than 1% could reduce your final return by up to 20% over a 30 year period (for example, reduce it from \$100,000 to \$80,000).

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

You may be able to negotiate to pay lower contribution fees and management costs where applicable. For more information, please contact 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.

FEES AND COSTS

This PDS shows fees and other costs that you may be charged. Under the Constitution these fees are payable to the Responsible Entity. These fees and costs may be deducted from your money, from the returns on your investment or from the Linear Managed Accounts assets as a whole.

Taxes are set out in another part of this PDS.

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

Fees and costs for particular investment options are set out in the Investment Menu section starting from page 14 of this PDS.

All fees are quoted inclusive of GST less any reduced input tax credits.

Type of fee or cost	Amount	How and when paid
Fees when your money moves in or out of the Linear Managed Accounts		
Establishment Fee The fee to open your investment.	Nil	Not Applicable
Contribution Fee The fee on each amount contributed to your investment.	Between 0% and 3.3% of contributions.	Deducted immediately from your Application Money or further contribution (including cash or In-specie Transfers), calculated as a percentage of each amount you contribute and paid to your financial adviser. The amount of this fee can be negotiated with your financial adviser.
Withdrawal Fee The fee on each amount you take out of your investment.	Nil	Not Applicable
Termination Fee¹ The fee to close your investment.	Nil	Not Applicable
Management Costs The fees and costs for managing your investment.		
Administration Fee² The fee for operating the Linear Managed Accounts.	0.44% pa from \$0 to \$1 million 0.33% pa from \$1 million to 4 million 0.22% pa from \$4 million to \$10 million 0.11% pa from \$10 million to \$25 million of your total Account balance.	Deducted from your Account monthly in arrears, calculated on a daily basis, based on the daily balance of your Account. The amount of this fee can be negotiated if your Account balance is \$25 million or more.
Investment Fee³ The amount you pay for investing in a specific Model Portfolio or Managed Fund	Each Model Portfolio and Managed Fund has its own investment fee structure which may range from nil to 1.5% per annum of net asset value. Please refer to page 14 of this PDS for details.	Model Portfolio Deducted from your Account monthly in arrears, calculated based on the aggregate value of the funds invested in the Model Portfolio(s) selected over the month. Managed Fund The responsible entity of the fund calculates and deducts its fee as described in the relevant PDS.
Performance Fee The fee payable for the investment performance of a Model Portfolio or Managed Fund.	Each Model Portfolio and Managed Fund has its own fee structure and may charge a performance fee of up to 25% of the outperformance over the relevant benchmark. Please refer to page 14 of this PDS for details.	Model Portfolio The performance fee, if applicable, is deducted from your Account monthly in arrears and paid to the Investment Manager. Managed Fund The performance fee, if applicable, is calculated and deducted by the responsible entity of the Managed Fund as described in the relevant PDS.

cont...

➤ FEES AND OTHER COSTS

Type of fee or cost	Amount	How and when paid
Management Costs (cont)... Transaction Fee The amount you pay for processing transactions of Self-directed Investments.	The greater of \$27.50 or 0.275% of the transaction amount.	Deducted from your Account at the time of the transaction.
Service Fees⁴ Investment Switching Fee The fee for changing investment options.	Nil	Not applicable

1. No Termination Fee is payable, however any Management Costs and Service Fees accrued but not yet paid would be deducted from your Account prior to the investments in your Account being transferred out.
2. The Administration Fee is tiered – the first \$1 million invested would be charged at 0.44%pa and for amounts higher than this please refer to “Administration Fee” in the “Additional Explanation of Fees and Costs” section starting on page 36 of this PDS.
3. Refer to “Investment Fees” in the “Additional Explanation of Fees and Costs” section starting on page 36 for more details. Additionally, there are other fees you may incur depending on your selection of Self-directed Investments. For example, the Fund Managers of Managed Funds charge fees. See the Investment Menu on page 14 and the relevant PDS of the Managed Funds.
4. Refer to “Adviser Service Fee” on page 38.

ADDITIONAL EXPLANATION OF FEES AND COSTS

The total fees and charges you will pay will also include the costs of investing through the Linear Managed Accounts as well as the cost of any investments you choose. It is important that you understand the fees of any investments you choose, and that those fees are in addition to the fees charged by the Responsible Entity for the Linear Managed Accounts, together with transaction and account costs incurred on your behalf. Please refer to the Investment Menu on page 14 for details about the fees and costs associated with each Model Portfolio. Please refer to the relevant PDS for details of fees and costs associated with Managed Funds.

All fees and costs outlined in this section are inclusive of GST unless otherwise specified.

ADMINISTRATION FEE

The administration fee is charged to cover the costs of administering the Linear Managed Accounts. The fee accrues on a daily basis and is payable monthly in arrears on the aggregate value of the assets standing to the credit of your Account, which includes other assets, for example cash, that are not allocated to a Model Portfolio. It is a tiered fee, calculated as a percentage of your daily Account balance. This is illustrated below:

Account Balance	Fee (%)	Max Tier Fee (\$ pa)	Max Cumulative Fee (\$ pa)
\$0 to \$1 million	0.44	\$4,400	\$4,400
\$1 million to \$4 million	0.33	\$9,900	\$14,300
\$4 million to \$10 million	0.22	\$13,200	\$27,500
\$10 million to \$25 million	0.11	\$16,500	\$44,000
\$25 million and above	neg.		

If your Account balance is \$25 million or more, this fee is negotiable.

INVESTMENT FEES

Where you have selected a Model Portfolio or Managed Fund, the Investment Manager or Fund Manager will apply their own fee structures to the Model Portfolio or Managed Fund they manage.

Investment Fee for Managed Funds

For Managed Funds, the investment fee will be calculated and deducted as described in the relevant PDS. The deduction of the fee will generally be reflected in the unit price for the fund.

Please refer to the PDS of the relevant Managed Fund for more detail.

Investment Fee for Model Portfolios

For Model Portfolios, the fee is generally deducted monthly in arrears and is calculated daily based on the aggregate value of the funds invested in the Model Portfolio. The fee is not linked to the performance of the Model Portfolio.

Where Linear is the Investment Manager, we may receive an investment fee for managing the Model Portfolio. Under this PDS the investment fee payable to Linear is 0.275% p.a. of the aggregate value of funds invested in the Model Portfolio over the month (e.g. \$137.50 for every \$50,000 invested).

Where your Model Portfolio includes Managed Funds the investment fee charged by the Investment Manager of the Managed Fund will be in addition to the investment fee charged by the Model Portfolio investment fee.

Please refer to the Investment Menu for details of the investment fee charged for each Model Portfolio.

PERFORMANCE FEES

Performance fee for Managed Funds

Some Managed Funds available through the Linear Managed Accounts may charge a performance fee. If a performance fee is charged, then it will be calculated and deducted as described in the relevant PDS. The deduction of the fee will generally be reflected in the unit price for the fund.

Please refer to the PDS of the relevant fund for more detail.

Performance Fee for Model Portfolios

A performance fee is applied to some Model Portfolios where the Investment Manager has outperformed a specified benchmark.

If Linear is an Investment Manager, then the maximum performance fee it can apply is 25% of the amount of any outperformance of a Model Portfolio in excess of its most recent high water mark. The fee is charged monthly (see example on the following page).

The performance fee is calculated after the deduction of any applicable investment fees and before any administration fees or adviser service fees and is payable only where the outperformance is still positive net of any such fees.

Performance fees are subject to a Model Portfolio outperforming a benchmark or a high water mark. This prevents Investment Managers levying fees more than once if a Model Portfolio rises then falls then rises again, ensuring the Investment Manager is only rewarded for fresh outperformance. Any underperformance of the Model Portfolio from the high water mark is carried forward and the underperformance must be recouped before a performance fee can be charged for a subsequent outperformance.

The performance fee is client-specific rather than Model Portfolio-specific. This means that as Investor's circumstances vary in terms of entering and exiting Model Portfolios, it is possible that two or more Investors may be charged different performance fees despite being invested in the same Model Portfolios.

Please note, a performance fee will not be applied to Model Portfolios which allow customisation. Please refer to the Investment Menu for information on whether your chosen Model Portfolio will apply a performance fee.

➤ FEES AND OTHER COSTS

The following table shows how a Performance Fee would be calculated for an Investor with an initial contribution of \$50,000 and initial Model Portfolio weights of 50% into Model Portfolio A and 50% into Model Portfolio B. For illustration purposes only, the example assumes floating weights and that no investment fee is charged for either Model Portfolio. The Performance Fee is payable on a monthly basis, but for simplicity, only 3 days are shown in the example with no prior performance applicable to either Model Portfolio.

Performance Fee Calculation Example	Model A	Model B
Value of allocation to each Model Portfolio	\$24,500	\$24,500
Model Portfolio performance for Day 1	0.50%	1.00%
Benchmark performance for Day 1	0.65%	0.80%
Value attributed to Model Portfolio - close of Day 1	\$24,622.50	\$24,745.00
Model Portfolio performance - value added Day 1	\$122.50	\$245.00
Benchmark performance - value Day 1	\$159.25	\$196.00
Out-performance (value added) - Day 1	-\$36.75	\$49.00
Base for Performance Fee at close of Day 1	-\$36.75	\$49.00
Model Portfolio performance for Day 2	1.00%	0.75%
Benchmark performance for Day 2	0.35%	0.90%
Value attributed to Model Portfolio - close of Day 2	\$24,868.73	\$24,930.59
Model Portfolio performance - value added Day 2	\$246.23	\$185.59
Benchmark performance - value added Day 2	\$86.31	\$222.26
Out-performance (value added) - Day 2	\$159.92	-\$36.67
Base for Performance Fee at close of Day 2	\$123.17	\$12.33
Model Portfolio performance for Day 3	-2.00%	1.00%
Benchmark performance for Day 3	-1.14%	0.20%
Value attributed to Model Portfolio - Close of Day 3	\$24,371.35	\$25,179.90
Model Portfolio performance - value added Day 3	-\$497.37	\$249.31
Benchmark performance - value Day 3	-\$282.10	\$49.84
Out-performance (value added) - Day 3	-\$215.27	\$199.47
Base for Performance Fee at end of Month	-\$92.10	\$211.80
Overall value added for the Period	-\$92.10	\$211.80
Performance Fee payable (11% inc GST)	\$0.00	\$23.30
Loss carried forward	-\$92.10	\$0.00

PAYMENTS TO YOUR FINANCIAL ADVISER

Contribution Fee

Linear will pay the whole of any contribution fee to the licensee of your financial adviser. Your financial adviser will receive some, or all, of this fee based on their arrangement with the licensee. Linear does not keep any part of the contribution fee. The contribution fee under this PDS is between 0% and 3.3% of the amount you invest (e.g. up to \$1,650 for every \$50,000 you invest). This amount can be negotiated with your financial adviser.

You and your financial adviser will determine the amount of the contribution fee that will apply and note this on the Application Form. This amount will apply to any future contributions (including those made under a Regular Contributions Plan) until you advise us otherwise in writing. If no contribution fee is stated on the Application Form (e.g. if the section is left blank), then Linear will not make any deduction from your contributions for this fee.

Please note, the contribution fee will be deducted immediately from your Application Money or future contribution and will be inclusive of GST.

Adviser Service Fee

You may agree with your financial adviser to pay an adviser service fee, which can be:

- a fixed-dollar amount deducted from your Account monthly in arrears; or
- an annual percentage (up to 1.65%) of the value of your Account, which includes the value of any cash and other investments held, such as securities, (calculated on the closing value on a daily basis).

If instructed by you, Linear will deduct the adviser service fee from your Account and pay it on your behalf.

Linear calculates this fee daily, based on the closing value of your Account over the month and deducts it monthly in arrears from the available cash allocations of each Investment Portfolio. The amount deducted will be inclusive of GST. You should seek taxation advice about the taxation implications and the deductibility of these payments.

You and your financial adviser will determine the amount or percentage of the adviser service fee that will apply and note this on the Application Form. The amount can be negotiated with your financial adviser. If no adviser service fee is stated on the Application Form (e.g. if the section is left blank), then Linear will not make any deduction from your Account for this fee. We will continue to pay the adviser service fee until you advise us otherwise in writing.

EXPENSE RECOVERIES

Generally, expenses are allocated to Investors on a user-pays basis. However, under the Constitution, the Responsible Entity has a right to be reimbursed for all losses, damages and costs incurred in the course of its administration of the Scheme, which includes the Linear Managed Accounts. Linear does not currently exercise its right to be reimbursed in relation to certain costs, such as legal fees or custody fees; however, it does recover certain expenses, such as Continuous Protection and transaction costs, by debiting individual Investor's Accounts for the costs in proportion to their Account balance (as a proportion of the whole of the Scheme).

TRANSACTION FEES AND COSTS

Transaction Costs for Model Portfolios

Transaction costs are an additional cost to Investors who invest in Model Portfolios. When we buy or sell investments in your Account (via the Model Portfolio) we will incur costs. These costs may include brokerage fees, bank charges and government taxes such as stamp duty.

Where Linear or any other company in the Linear Group directly implement transactions, it may earn brokerage. Linear or any other company in the Linear Group will not seek to profit from transaction costs and will not rebate brokerage and transaction costs to Investment Managers.

Transaction costs will be allocated on a pro-rata basis amongst Investors' Accounts where the transaction costs are incurred by more than one Investor's Account. We expect that wholesale brokerage rates of approximately 0.11% of the value of the trade will be applied to Investor's Accounts.

Where possible, Linear or its agents will endeavour to "net" trades between Investors in order to preserve the buy/sell benefit. At present we cannot determine how many trades will be able to be netted in this way and thus are unable to provide an estimate of the reduction in brokerage fees that may apply.

Transaction Costs for Self-directed Investments

For Self-directed Investments, where you instruct the Responsible Entity to buy or sell securities, such as listed Australian Equities, or Managed Funds, the Responsible Entity is entitled to receive a fee equal to the greater of \$27.50 or 0.275% of the transaction amount. This fee will cover the costs of processing the transaction and will include the brokerage fee charged. For example, a transaction of \$50,000 of Australian Equities would incur a transaction fee of \$137.50, being the greater of \$27.50 and 0.275% of the transaction amount.

We deduct this fee from your Account at the time of the transaction.

CONTINUOUS PROTECTION

The following applies to those Investors who select a Model Portfolio that offers Continuous Protection.

The Responsible Entity will incur costs for entering into the SPP Swap which are passed on to Investors who select a Model Portfolio with Capital Protection. These costs are payable to the SPP Swap Provider and are debited from your Account by the Responsible Entity. There is an initial premium cost and an ongoing premium cost, as follows:

Initial Premium

An initial premium of between 0.50% and 0.65% (pro-rata where the investment is less than a year until the maturity date of the SPP Swap) of the value of your investment when entering into the relevant Model Portfolio (including any amount held in cash within the Model Portfolio).

Each year on the 15th of June or the next Business Day, a further initial premium will be payable on the value of your investment at the time when the SPP Swap is reset (i.e. between \$250 and \$325 for every \$50,000 invested).

➤ FEES AND OTHER COSTS

Ongoing Premium

An ongoing premium of between 0.55% and 0.715% per annum of the value of your investment in the relevant Model Portfolio (including any amount held in cash within the Model Portfolio), calculated daily and deducted monthly in arrears (i.e. between \$275 and \$357.50 p.a. for every \$50,000 invested).

These costs are calculated and charged when an Investor invests through a Continuously Protected Model Portfolio, reapplies for the Continuous Protection, or makes an additional investment to a Model Portfolio with Continuous Protection.

MAXIMUM FEES OR WAIVED FEES

The Constitution entitles the Responsible Entity to charge the following fees (exclusive of GST), which are waived by the Responsible Entity in whole or part:

- Contribution fee - up to 4.0% of the value of Application Money or further contributions. This fee is payable on any contribution including cash and In-specie Transfers.
 - Administration fee - up to 4.0% per annum of the aggregate value of the assets in an Investor's Account calculated on a daily basis. Lower administration fees are charged as stated in the table on page 36.
 - Investment fee - up to 4.0% per annum of the aggregate value of the Assets attributable to a Model Portfolio. However, Investment Fees are charged and the actual fee depends on the Model Portfolio you select.
 - Withdrawal fee - up to 2% of the value of assets the subject of a withdrawal request. This fee has been waived.
 - Derivative issuer fee - a fee of up to 1% of the notional value of an over-the-counter derivative contract while the contract is in place. Currently the Responsible Entity waives this fee.
 - Performance fee - the Responsible Entity has the ability to charge a performance fee of up to 25% of the amount of the outperformance of a Model Portfolio in excess of its most recent high water mark.
 - Cash holdings fee - up to 1% per annum of the value of all cash holdings in the Scheme, including the Linear Managed Accounts. This fee has been waived.
 - Finance arrangement fee - when the Responsible Entity arranges a margin loan or any other finance facility, then it may charge up to 1% of the maximum limit of the facility or loan. This fee has been waived.
 - In-specie Transfer fee - up to \$100 for each in-specie transfer to or from an Investor (or its nominee) as a processing fee. This fee has been waived.
 - Transaction fee - a fee for processing any transaction of financial products of a maximum amount equal to the greater of \$35 or 0.25% of the value of the assets the subject of the transaction. The Responsible Entity currently only charges the greater of \$27.50 or 0.25% of the value of the transaction in relation to Self-directed Investments only.
- Dishonour fee - up to \$25 for each payment which is dishonoured or rejected. This fee has been waived.
 - Communications fee - a fee of up to \$25 per copy of each communication the Responsible Entity (or its nominee) sends to an Investor. This fee has been waived.
 - Switching fee - a fee of up to \$50 per request to change the allocation of any money or assets. This fee has been waived.
 - Custody fee - if the Responsible Entity should act as custodian and hold any of the assets of the Linear Managed Accounts, then it may charge a fee of up to 0.2% per annum of the value of the assets it holds.

VARIATION OF FEES

Under the Constitution, the Responsible Entity may waive, reduce or refund any part of the fees specified in this PDS. The Constitution sets out the limits for the fees that the Responsible Entity may charge and the method of recovery, the recurrence of the recovery and the timing of the recovery of the fees. If a change in fees results in an increase in fees or costs, then the Responsible Entity will give notice to Investors 30 days before the change takes effect.

INDIVIDUAL FEE ARRANGEMENTS AND SERVICE PROVIDER ARRANGEMENTS

We may be liable to pay fees to entities who recommend the Linear Managed Accounts to you. We may make payments to, and provide services to, service providers in return for the promotion of the Linear Managed Accounts.

These payments can be made at our discretion, and as such may be one-off payments or recurring payments and will be based on a percentage of funds under management in the Linear Managed Accounts. Such payments are not an additional cost to the Investor and will be paid out of our fees.

We may also provide benefits to licensed financial advisers, dealer groups and master trust operators. These benefits may include professional development, sponsorship and entertainment. These benefits are not an additional cost to the Investor and will be paid by us. We are required by IFSA/FPA Industry Codes of Practice to keep a public register on Alternative Forms of Remuneration, which can be inspected. Please contact us using the details set out in the Corporate Directory on page 52 of this PDS if you wish to do so.

DIFFERENTIAL FEES

In accordance with the Corporations Act and ASIC policy, we may individually negotiate or rebate fees with Investors classed as "wholesale" or "professional" Investors.

TAXES

We may charge taxes to your Account. See the Taxation section of this PDS, starting on page 31, for more details.

EXAMPLE OF ANNUAL FEES AND COSTS FOR A MODEL PORTFOLIO

This table gives an example of how the fees and costs for the Linear Managed Accounts LAM S&P/ASX 20 Model Portfolio can affect your investment over a 12-month period. You should use this table to compare this with other managed investment products.

Please note that this is an example. In practice, the actual investment balance of an Investment Portfolio will vary and the actual fees and costs charged are based on the value of the Model Portfolio, which also varies between Model Portfolios.

Example - Model Portfolio		Balance of \$50,000 ¹ with a contribution of \$5,000 during the year.
Contribution Fee	0-3.3% of contributions	For every additional \$5,000 you put in, you will be charged between \$0 and \$165.
PLUS		
Management Costs ²	0.715%	For every \$50,000 you have in the Linear Managed Accounts you will be charged fees of \$354.75 each year.
EQUALS		
Cost of investment in the Linear Managed Accounts		If you had an investment of \$50,000 at the beginning of the year and you put in an additional \$5,000 during that year ³ , you would be charged fees of \$354.75 to \$519.75 ⁴ . What it costs you will depend on the Model Portfolio(s) you choose and the fees you negotiate with Linear or your financial adviser.

1 This example assumes \$49,000 in the Linear Managed Accounts LAM S&P/ASX 20 Model Portfolio and \$1,000 in cash.

2 The Management Costs are made up of:

- Investment management fee (paid to Investment Manager of the Model Portfolio) $\$49,000 \times 0.275\% \text{ pa} = \134.75 , plus
- Administration Fee (fee paid to Linear) $\$50,000 \times 0.44\% = \220 each year.

3 This example does not take into account any returns.

4 Additional Fees may apply. An Adviser Service Fee of between 0% and 1.65% of your Account balance in the Linear Managed Accounts (between \$0 and \$825 if your Account balance was \$50,000 for the whole year).

EXAMPLE OF ANNUAL FEES AND COSTS FOR A MANAGED FUND

This table gives an example of how the fees and costs for the UBS Diversified Fixed Income Fund can affect your investment over a 12-month period. You should use this table to compare this with other managed investment products.

Please note that this is an example. In practice, the actual investment balance of an Investment Portfolio will vary and the actual fees and costs charged are based on the value of the Managed Fund, which also varies between Managed Funds.

Example - Managed Fund		Balance of \$50,000 ¹ with a contribution of \$5,000 ² during the year.
Contribution Fee	0-3.3% of contributions	For every additional \$5,000 you put in, you will be charged between \$0 and \$165.
PLUS		
Management Costs ³	0.86%	For every \$50,000 you have in the Linear Managed Accounts you will be charged fees of \$700.80 each year.
EQUALS		
Cost of investment in the Linear Managed Accounts		If you had an investment of \$50,000 at the beginning of the year and you put in an additional \$5,000 during that year ⁴ , you would be charged fees of \$700.80 to \$865.80 ⁵ . What it costs you will depend on the Managed Fund(s) you choose and the fees you negotiate with Linear or your financial adviser.

1 This example assumes \$49,000 in the UBS Diversified Fixed Income Fund and \$1,000 in cash.

2 During the year there are 10 further investments in the Managed Fund of \$500 each. This example does not take into account any management or contribution fees that may be payable on the further contributions in the Managed Fund.

3 The Management Costs are made up of:

- Administration fee (paid to Linear): $\$50,000 \times 0.44\% \text{ pa} = \220 , plus
- Investment management fee (paid to Fund Manager of Managed Fund): $\$49,000 \times 0.42\% \text{ pa} = \205.80 , plus
- Transaction fees (paid to Linear): $10 \times \$27.50 = \275

4 This example does not take into account any returns.

5 Additional Fees may apply. An Adviser Service Fee of between 0% and 1.65% of your Account balance in the Linear Managed Accounts (between \$0 and \$825 if your Account balance was \$50,000 for the whole year).

Note: The above examples are a reasonable estimate only, and are provided by way of illustration to show the total price paid in acquiring the investments through the Linear Managed Accounts. The actual amount you will pay may vary compared to these examples, and will depend on various factors. Your adviser can provide more information about fees and costs and an estimate of what you will pay in relation to your Account.

STRUCTURE OF THE LINEAR MANAGED ACCOUNTS

An investment through the Linear Managed Accounts is an investment in a registered managed investment scheme. You have rights and protections similar to investors of other managed investment schemes. However, the Linear Managed Accounts is different to a unit trust in that, instead of units, you acquire an "interest" in Linear Managed Accounts when you invest, and you are the beneficial owner of the underlying securities in your Account. You are fully responsible for any liabilities that arise in respect of your investment. In these ways it is similar to a custodial arrangement or service available through a wrap account or other investor-directed portfolio service.

ASIC RELIEF

To operate the Linear Managed Accounts, the Responsible Entity relies on ASIC Class Order 02/296 (*Investor directed portfolio-like service provided through a registered managed investment scheme*). This class order gives relief from the fund-raising and disclosure requirements of the Corporations Act provided the Responsible Entity complies with certain conditions, including providing you with regular reports about your investment in the Linear Managed Accounts.

NO COOLING OFF PERIOD

There are no cooling off rights in relation to an investment in the Linear Managed Accounts because the Responsible Entity relies on the relief provided in ASIC Class Order 02/296.

If you wish to withdraw from the Linear Managed Accounts then the Responsible Entity must take reasonable steps to realise your investment and return your money. However, fees and other costs may apply and also the value of the investments may have changed meaning that you may receive an amount less than your application money. The procedures to withdraw all or part of your investment are set out on page 12 of this PDS.

CONSTITUTION

The Constitution for the Scheme and the Corporations Act govern the rights of an Investor. Under the Constitution, the assets of each Investor's Account are vested in, and held by, us or any custodian we may appoint, on behalf of each Investor for whom an Account has been established under the Linear Managed Accounts.

The Constitution is the primary document governing the relationship between the Responsible Entity and Investors in the Scheme (including Linear Managed Accounts investors). It contains extensive provisions about the legal obligations, rights and powers of both the Investors and the Responsible Entity.

It includes broad powers for the Responsible Entity to carry out its duties and deal with the assets, including the right to fees and reimbursement of expenses, details about how it must comply with Investment Instructions and in what circumstances it is not obliged to act. The Constitution also details the Responsible Entity's entitlement to be indemnified out of the assets for all liabilities, costs, damages or expenses incurred in connection with its office, or in prosecuting or defending any action in respect of a

provision of the Constitution. The liability of the Responsible Entity is limited to the extent of the Scheme's assets (including the assets of an Investor's Account), except where there has been any fraud, negligence or breach of trust by the Responsible Entity.

The absolute beneficial entitlement of Investors to the assets in their Accounts is set out in the Constitution. The liability of Investors is limited under the Constitution to the value of their investment. However, the question of limited liability for investors of managed investment schemes has not been tested in a court of law.

All Investors are bound by the Constitution, and any amendments. A special resolution of Investors at a properly convened meeting is required to amend the Constitution, unless the change does not adversely affect the rights of Investors.

Upon request, you (or your financial adviser) can obtain a free copy of the Constitution.

COMPLIANCE PLAN AND COMPLIANCE COMMITTEE

The Compliance Plan outlines the principles and procedures which the Responsible Entity will invoke to ensure that it complies in all respects with the provisions of the Corporations Act, ASIC policy, and the Constitution.

The Compliance Plan is dated 4 February 2010 and has been lodged with ASIC. The Compliance Plan deals with an extensive range of issues in relation to the operation of the Scheme. The Compliance Plan also focuses on the systems in place to ensure competent management of the Scheme. Procedures for a wide variety of functions, including accounting, valuation, and administration of the Scheme are prescribed.

A compliance committee, consisting of members who are internal and external to the Responsible Entity has been established. The compliance committee will be responsible for monitoring the Scheme's compliance with the Compliance Plan and will be required to report on its findings to the Board.

CUSTODIAN AGREEMENT

The custodian agreement between the Responsible Entity and Sandhurst Trustees Ltd (Sandhurst Trustees) sets out the terms of the relationship in relation to the Linear Managed Accounts. Under the agreement, Sandhurst Trustees is directed to hold all assets in the Linear Managed Accounts and to deal with these assets only as instructed by the Responsible Entity. Sandhurst Trustees may only act in accordance with the terms of the custodian agreement and has no liability (including for negligence or breach of trust) or responsibility to members of the Linear Managed Accounts for any act or omission in accordance with proper instructions or otherwise, in accordance with the terms of the custodian agreement. The custodian agreement may be terminated by either party issuing a termination notice in accordance with the custodian agreement. Sandhurst Trustees has not authorised or prepared this PDS and is not its issuer and takes no responsibility for the accuracy of any representation made in any part of this PDS.

COMPLAINTS HANDLING POLICY

You have a right to complain if you are not satisfied with the performance of the Responsible Entity. Linear takes all complaints seriously and will provide you with a copy of the complaints handling policy on request and at no charge. The Constitution details how complaints can be made and how the Responsible Entity must deal with them.

If you have a complaint, then you should notify the Responsible Entity in writing. Once a complaint is made, the Responsible Entity will acknowledge the complaint within five Business Days and will provide a written response as soon as practicable, but no later than 20 Business Days from receipt. If a satisfactory resolution cannot be reached, then you may lodge your complaint with the Financial Ombudsman Service (FOS) (details below), of which the Responsible Entity is a member. Please note that FOS will not deal with your complaint unless you have first raised your concerns with Linear.

You can contact FOS via telephone on 1300 780 808 or by mail at:

GPO Box 3
Melbourne VIC 3001

PRIVACY

The Privacy Act 1988 ("Privacy Act") and amendments made to the Privacy Act by the Privacy Amendment (Private Sector) Act 2000 govern the use of an individual's personal information gained by an organisation from dealings with the individual. The National Privacy Principles of the Privacy Act govern the way in which organisations should treat personal information.

We are committed to managing and only using personal information in ways that comply with the Privacy Act. As a result, we will apply the National Privacy Principles to all information you provide to us when you make an Application to invest in the Linear Managed Accounts.

If you complete an Application Form you will be providing personal information to Linear as Responsible Entity for the Linear Managed Accounts. The personal information is collected by us and will be disclosed within Linear and to our custodians, the systems and software providers, any brokers we might use, and any other party we believe necessary to facilitate the operation and maintenance of your Account.

Linear holds and uses that personal information in order to:

- assess your Application;
- service your needs as an Investor;
- provide facilities and services that you request;
- carry out the appropriate administrative services for the Linear Managed Accounts; and
- comply with any laws which Linear is required to comply with (such as the anti-money laundering legislation discussed in more detail on page 46).

If you have notified us that you have a financial adviser, either on the Application Form or in writing (at a later date), you acknowledge that details of your investment will be provided to them. This will continue until you notify us otherwise in writing.

We may provide your personal information to related entities. We may also use the personal information collected from Investors for the purpose of providing direct marketing material that we believe may be of interest to you. We will stop providing this information if you request us to do so.

You may request access to the information held by Linear about you and your investment in the Linear Managed Accounts by contacting the Linear Privacy Officer as follows:

In writing:

Linear Privacy Officer
PO Box 7283
St Kilda Road VIC 8004

Email : admin@linearam.com.au
Telephone : 1300 669 891

A copy of our Privacy Policy and the National Privacy Principles is available on our website or by contacting the Responsible Entity or by logging onto your Online Client Access.

CONSENTS OF EXPERTS AND NAMED PARTIES

Each of the parties named in this PDS has given its consent to be named in this PDS in the form and context in which it is named. Each of the parties has not caused the issue of this PDS and does not make, nor purport to make, any statement in this PDS. Each of the parties has not, before the issue of this PDS, withdrawn its consent to be named. Each of the parties expressly disclaims and takes no responsibility for any part of this PDS other than the reference to its name.

Sandhurst Trustees Limited (ABN 16 004 030 737) has given its consent to being named as the custodian for the Linear Managed Accounts.

JPMorgan Chase Bank, N.A. has given its consent to being named as the swap counterparty with the Responsible Entity.

The Investment Managers have not been involved in the preparation of the references applicable to their Model Portfolios on pages 14 to 27 of this PDS.

CASH

Our preferred method for receiving your Application Monies and further contributions is via an electronic transfer. However, you can send us your Application Monies by cheque attached to your Application Form and made out to "Sandhurst Trustees Limited/ Investor name".

To transfer your funds electronically, you can sign the Direct Debit Request Form, in which case we will collect money from your nominated bank account. If you do not use the Direct Debit Request Form, you must organise the transfer of your funds to your Account electronically with your own financial institution. Application Monies received before we activate your Account will be held by the Responsible Entity and will not earn interest.

TRANSFERS OF SECURITIES

Alternatively, once your Account has been activated, you may be able to transfer existing holdings of CHESS eligible securities into your Account. Unless you tell us otherwise we will attempt to sell any CHESS eligible securities transferred into the Linear Managed Accounts if they do not form part of your selected Model Portfolio(s).

You or your financial adviser will need to send us the original documents to complete the opening of your Account. Upon receiving your completed Application Form, together with your Application Monies and any In-specie Transfers, we will activate your Account.

Once your Account is active, the amount you have invested will be applied (according to your Investment Instructions) to your selected Model Portfolios, Managed Funds, or to be held as Self-directed Investments. We generally process Investment Instructions the next Business Day after we receive them.

AUTHORISATIONS

Upon receiving your completed Representative Form (if applicable), and your Application Form, we will be authorised to take instructions directly from your Representative in relation to your Account. We expect most Investors will nominate their financial adviser as their Representative. However, you are not under any obligation to make your financial adviser your Representative or to appoint a Representative. Refer to page 45 for more details of this authorisation.

Generally, we require all instructions to transact in the Linear Managed Accounts on your behalf to be made by you or your Representative. However, your Representative cannot set up a Regular Contribution Plan on your behalf or change the details of your Account to pay withdrawal proceeds to you.

You can give most instructions to us online through your Online Client Access portal, or by writing to us either by post or via fax. However, we will not act on any instructions until we receive the appropriate form signed by you and/or your Representative. All forms can be downloaded from your Online Client Access or you can phone 1300 669 891 and request forms to be sent to you. There are terms and conditions relating to fax and online instructions and these are set out on page 45.

MAKING ADDITIONAL INVESTMENTS

You can make additional investments at any time by electronically transferring cash, arranging a direct debit or by transferring CHESS eligible securities into your Account. Any additional investments will be invested in the Model Portfolio(s) as selected by you or your Representative (if applicable) on the next available trading day, or held as Self-directed Investments if you request. If you contribute CHESS eligible securities, then they will be applied to your Model Portfolio(s), or held as Self-directed Investments if you request. Unless you advise us otherwise, additional investment funds will be added to your Investment Portfolio in accordance with your existing Investment Instruction.

You can also make single or ad hoc contributions that can be invested differently to the portfolio weightings of your Investment Portfolio. To do this, you will need to complete an additional Application Form available from your Online Client Access, stating your client code, and the way in which the particular contribution is to be invested. Investments of this nature must be made by attaching a cheque to the Application Form for the full investment amount, payable to "Sandhurst Trustees Limited/Investor name", and sent to Linear using the contact details in this PDS. Alternatively, you may complete the Direct Debit Request Form, or the In-specie Transfer Form for the full investment amount.

ONGOING INVESTMENTS

Ongoing investments can be made to your investment in one of two ways. First, you may authorise us to debit an agreed amount from your bank account each month (a "Regular Contribution Plan"). Alternatively, you may instruct your bank to pay an agreed amount into your Linear Managed Accounts on a regular basis ("Your Own Savings Plan").

Option 1 – Regular Contribution Plan

If you choose a Regular Contribution Plan, then you must nominate an account from which we will withdraw at least \$100 per month on or about the 15th of each month. By nominating a financial institution on your Direct Debit Request Form, we will arrange for the transfer of funds each month and you do not have to do anything further. Investors should note that not all bank accounts permit direct debits to be made, and if you wish to change your financial instruction and/or financial institution, then you must complete and lodge with us a new Direct Debit Request Form. We will not charge you a fee if you stop, change or reduce your Regular Contribution Plan at any time, but we require two days notice to effect such a change.

Option 2 – Your Own Savings Plan

If you instruct your bank to pay an agreed amount into your Account on a regular basis, we will not restrict the amount, frequency, or timing of these payments. You will be provided with the bank account details to direct your regular payments to once your Account is opened.

Whichever option you choose, the money that is transferred will be invested in accordance with your Investment Instructions when it reaches a Tradeable Parcel Size. Unless you advise us otherwise, additional contributions will be added to your Investment Portfolio in line with your Investment Instruction.

Regular contributors should retain a copy of this PDS together with any updated information in their records. The most recent edition of the PDS will be available via your Online Client Access. You will be informed by email each time a new PDS or Supplementary PDS is issued.

MARGIN LENDING

Investors may choose to invest in the Linear Managed Accounts using a margin lending facility approved by the Responsible Entity. If you wish to make an Application for a margin lending facility, then you should complete the relevant forms which are available by contacting your financial adviser, the Responsible Entity or by logging into your Online Client Access.

If your Application to invest in the Linear Managed Accounts using a margin lending facility is approved by the margin lender you selected, then you or your Representative (if applicable) will be able to draw down from your margin loan subject to funds being available for investing into your Account.

If you choose to fund your Account using a margin lending facility, all or part of the investments in your Account are used as security for the facility. The Responsible Entity does not enter into a lending agreement with the margin lender as a means of providing this security. The margin lender's interest is limited to your Account balance only, and it is not entitled to any recourse against other Scheme assets.

A margin lending facility may be subject to additional risks not set out in this PDS. You should discuss this in detail with your Representative before considering taking a margin loan.

LABOUR STANDARDS OR ENVIRONMENTAL, SOCIAL OR ETHICAL FACTORS

Unless otherwise stated, the Investment Managers and Fund Managers whose products are offered through the Linear Managed Accounts do not take into account labour standards or environmental, social or ethical considerations in relation to investment decision-making relating to their Mandates or investment strategies. They may, however, take into account these considerations if they become aware of them, but only to the extent that they financially affect the investments. The primary focus of the Investment Managers and Fund Managers is on economic and financial outcomes.

CONTINUOUS DISCLOSING ENTITY

While the Linear Managed Accounts has more than 100 Investors, then it will be a 'disclosing entity' under the Corporations Act and will therefore become the subject of regular reporting and disclosure obligations, including obligations to disclose when an important event occurs. Any half-yearly reports and disclosures of important information will be lodged with ASIC and can be obtained from ASIC or by asking us. We will also put copies of these on our website, so you can see them there.

INVESTMENT AUTHORITY TO RESPONSIBLE ENTITY

- By becoming an Investor in the Linear Managed Accounts you are deemed to be authorising us to make investments on your behalf in accordance with the Investment Instruction(s) that you or your Representative provide.
- Under this authority, we will invest your contributions by buying or selling investments according to changes made to your selected Model Portfolio(s) by the Investment Managers, subject to the applicable risk and return profile.
- We will accept instructions to change the composition of your Investment Portfolio from you or your Representative on your behalf.
- By investing in the Linear Managed Accounts, you are providing us with a standing authorisation to pay funds into and withdraw funds from your Account in accordance with Investment Instructions from you or your Representative and also to make payments for settlement of trades and related fees. This authorisation continues until you withdraw from the Linear Managed Accounts.

ONLINE TERMS AND CONDITIONS

When your Account is activated you will be provided with online access to the Linear Managed Accounts by entering your password in conjunction with your user ID. We will not generally be liable for any loss incurred by you if your password is used by someone without your authority, except to the extent that such liability is attributable to our own negligence. However, you need to be aware that, when accessing your Account by entering your password, you discharge, release and agree to indemnify us from and against all proceedings, actions, liabilities and claims arising out of the use of your password. Investors should take care to store their password separately from their Linear Managed Accounts records.

ONLINE AND FAX INSTRUCTIONS

Investors should note that persons with access to your Account details may provide us with fraudulent or other unauthorised instructions. Therefore, you agree to indemnify and release the Responsible Entity from all potential actions and liabilities arising from us acting on what appeared to be genuine instructions from you or from your Representative on your behalf.

APPOINTMENT OF A REPRESENTATIVE

When you invest in the Linear Managed Accounts you may appoint a Representative (generally your financial adviser) who can provide instructions to us on your behalf.

To appoint a Representative, you must complete and sign question 14, part (a) and (b), of the Application Form for us to authorise your Representative with information about your Investment Portfolio. The appointment of a Representative is subject to the following terms and conditions. Investors should read these terms and conditions carefully.

Your Representative will be permitted to:

- Make Applications on your behalf, with the exceptions of setting up a Regular Contribution Plan or changing the nominated bank account for withdrawals;
- Transmit your requests relating to your Account and all investments of your Account including (without limitation), making additional investments or withdrawals from your Account, changing your Account details, or selecting and switching investment, including Model Portfolios and Self-directed Investments;
- Obtain information regarding the assets that make up your Account and make enquiries about your investment strategy; and
- Transmit your requests to the Responsible Entity on your behalf in relation to the transactions listed above and any incidental transactions.

If we receive directions or an enquiry from a person who we reasonably believe is your Representative, then we will act on such directions and enquiries as if they were your personal acts. Until we receive a written cancellation of the appointment, we will continue to act on any instructions from your Representative.

We reserve the right to cancel or vary the terms of the appointment of a Representative upon providing you with 14 days' notice.

Where your Representative is a company or partnership, all actions taken by any director, partner, or authorised officer of the Representative is deemed to be an act of the Representative.

The Linear Group is not responsible for and does not provide personal advice in relation to your investments. The Linear Group, our successors, and assigns disclaim any liability for direct or consequential loss, damage or injury arising from your appointment of a Representative. You agree that the Linear Group is not responsible for acts, matters and things done or purported to be done by your Representative even if not authorised by you, provided we have no reasonable reason to believe that they are not your Representative. Neither you nor any person making a claim on your behalf will have any right or claim against the Linear Group, our successors, and assigns regarding any matter, act, or thing done or purported to be done by your Representative.

Any payment made, requested or received by your Representative shall constitute a release of our obligations and neither you nor any person making a claim on your behalf will have any cause of action against the Linear Group.

JPMORGAN CHASE BANK, N.A.

The SPP Swap is not a deposit with JPMorgan Chase Bank, N.A., or any of its related bodies corporate and is subject to investment risk, including possible delays in repayment and loss of premium paid. Neither JPMorgan Chase Bank, N.A. nor any of its related bodies corporate guarantees the performance of, sponsors, promotes or endorses the Linear Managed Accounts.

Linear is required to comply with the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (AML legislation). Under the AML legislation, we are required to adopt a thorough identification and verification process to verify your identity prior to accepting an Application from you.

Where you invest through a financial adviser, they may request and collect the verification materials we require. If you invest with us directly, then we will collect the information.

The information we require is set out below (although we may request additional information from time to time, if we consider it is appropriate to do so).

COLLECTION OF INFORMATION

Individuals

An individual (other than an individual who notifies Linear that he or she is an Investor in his or her capacity as a sole trader) must provide the following:

- i) Full name;
- ii) Date of birth;
- iii) Residential address (e.g. not a PO Box);
- iv) Nationality (e.g. country(ies) of citizenship, residence); and
- v) Source of funds including the origin of funds (e.g. employment, investments, other(s) please specify).

An Investor who is investing in his or her capacity as a sole trader must provide the following (in addition to (i) to (v) above):

- vi) Full business name (if any) under which you carry on your business;
- vii) Full address of your principal place of business (if any) or residential address (e.g. not a PO Box); and
- viii) Any ABN issued to you.

Companies

A company must provide the following:

- i) Full name of the company as registered by ASIC;
- ii) Full address of the company's registered office and principal place of business (if any);
- iii) ACN issued to the company;
- iv) Whether the company is registered by ASIC as a proprietary or public company (tick box on Application Form); and
- v) For proprietary companies, the name of each director of the company.

Trusts

A "person" who notifies Linear that they are an Investor in the person's capacity as the trustee of a trust, must provide the following:

- i) Full name of the trust;
- ii) Full business name (if any) of the trustee in respect of the trust;

- iii) Type of trust;
- iv) Country in which the trust was established;
- v) If any of the trustees is an individual – the information required to be collected from an individual (see Individuals above);
- vi) If any of the trustees is a company – the information required to be collected from a company (see Companies above);
- vii) Full name and address of any trustee in respect of the trust; and
- viii) Full name of any beneficiary or if the terms of the trust identify the beneficiaries by reference to membership of a class details of the class.

VERIFICATION OF INFORMATION

Investors must provide current (e.g. documents that have not expired) and certified copies of the documents listed below.

A "certified copy" means a document that has been certified as a true copy of an original document by a lawyer with a current practising certificate, a Justice of the Peace, a member of the Institute of Chartered Accountants in Australia, CPA Australia or the National Institute of Accountants with two or more years of experience or any other person authorised under the Anti-Money Laundering and Counter-Terrorism Financing Rules Instrument 2007 (No 1).

Individuals

In order to verify the information provided for an individual, please attach:

- i) A certified copy of your current driver's licence that contains a photograph or current passport; or
- ii) A certified copy of your birth certificate together with a certified copy of a notice that was issued by a utilities provider (e.g. telephone, gas or electricity).

Companies

In order to verify the information provided for a company, please attach:

- i) A search of the relevant ASIC database (e.g. an ASIC company extract) or a search of a licence or other records of a relevant regulator; and
- ii) If a proprietary company, then for each beneficial owner (e.g. any individual who owns more than 25% of the issued capital in the company), please attach the documents required for Individuals above.

Trusts

In order to verify the information provided for a Trust, please attach:

- i) A current certified copy or certified extract of the trust deed; and
- ii) For all individual trustees and beneficiaries, please attach the documents required for Individuals and Companies above.

IMPORTANT INFORMATION

If you have received this PDS (and any supplementary documents) electronically, we will provide a paper copy free of charge upon request. If you make this PDS available to another person you must give them the entire electronic file or printout. If you are printing an electronic copy of this PDS you must print all pages including the Application Form.

This PDS can only be used by Investors receiving it (electronically or otherwise) in Australia. It is not available in any other country and only Applications from Australian residents will be accepted.

You cannot invest in the Linear Managed Accounts unless you use the Application Form attached to, or accompanying, either a paper or electronic copy of this PDS.

HOW TO APPLY

1. Complete the Application Form (including the Representative Form if you want to appoint a Representative and the Direct Debit Request Form) and have all Applicant(s) and the Representative (if applicable) sign where indicated.
2. Send the originals of the Application Form (including the Representative Form (if applicable) and Direct Debit Request Form) to Linear using the contact details at the end of this section, including any details of In-specie Transfers to be completed.

An Application will only be processed when we have received the original documentation together with payment of the Application Monies and/or an In-specie Transfer of securities, plus the relevant identification documentation.

We believe it is important for you to obtain independent professional advice about your financial circumstances and needs and whether the Linear Managed Accounts is a suitable investment for you. We therefore generally will not accept an Application unless it comes through your financial adviser.

HOW TO COMPLETE THE APPLICATION FORM

All questions marked with an asterisk (*) are mandatory. Your Account will not be opened unless all of these fields are completed.

All fields marked with an "▶" require a signature.

1&2. Applicant's Details

Please complete all relevant fields.

- For joint Applications, all Investors must sign the Application Form.
- A parent or guardian may invest as trustee for a child. The Application Form should be completed in the adult's name followed by "for and on behalf of [name of child]". Where the child has no Tax File Number the Tax File Number of the adult should be provided.
- Corporate investors should record their ABN or ARBN.

3. Address and Contact Details

Please provide either your residential or postal address, or both along with details of how we can contact you should it be necessary. Your preferred address should be noted first.

4. Annual Report

Please indicate whether you would like to receive a printed copy of the Annual Report for the Scheme. An electronic version will be available from your Online Client Access.

5. Account Operating Instructions

Please indicate the way any instructions received from you or your Representative should be signed.

6. Nominated Bank Account Details

You are required to nominate an Australian bank, building society, or credit union account. Unless otherwise specified by you, all cash withdrawals from your Account will be paid to this bank account and (where applicable) direct debits relating to a Regular Contribution Plan or fee offsets will be taken from this bank account.

7. Preferred Tax Parcel

Investors can adopt strategies or options available to assist in a preferred taxation outcome for their yearly tax assessment. Depending on their circumstances, this may include valuation of investments under an average cost or FIFO basis or realisation of profits and losses on investments before year end to minimise or maximise gains or losses. Please consult your financial adviser for further information.

8. Investment Instructions

You should indicate here how your initial investment will be made (cheque, direct debit/credit or In-specie Transfer).

9. In-specie Transfer

If you are investing in the Linear Managed Accounts via an In-specie Transfer of securities, please complete the In-specie Transfer question listing all securities to be transferred. You must also provide a cost history for each security. If you do not provide the cost history, your securities will be sold once they reach your Account and the proceeds invested in line with your Investment Instruction.

10. Investment Selection

You should indicate here how you would like your investment in the Linear Managed Accounts to be invested between the available Model Portfolios. For Self-directed Investments, an Investment Instruction Form is available from your adviser, the Responsible Entity or by logging into your Online Client Access. Once your Account has been setup you can amend your selection at any time either by writing directly to us or through your Representative.

11. Withdrawal Instructions

If you would like a regular amount of income to be paid from your Investment Portfolio, please indicate either (i) a fixed monthly amount or (ii) payment of any dividend or distribution income received into your Investment Portfolio.

Please note that if you are a trustee or director of a trustee company for a self-managed superannuation fund, you must ensure that these payments are in accordance with the fund's investment strategy and that the eligibility criteria for the withdrawal of monies from the superannuation environment have been met.

Please complete the withdrawal table to indicate how your withdrawal instructions are to be processed.

12. Customisation

Please complete the customisation question if you would like to customise any of your selected Model Portfolios, where available. For further information on customising, please refer to the information in the PDS in the Transacting section starting on page 10 and the Investment Menu section starting on page 14.

13. Direct Debit

This question should be completed by Investors who want us to debit their nominated bank account to collect their initial or subsequent investment(s), or to top up their investment on a regular basis. Full details can be found in this PDS in the Transacting section starting on page 10.

14. Representative

This question is to be completed with the details of your financial adviser.

If you are appointing a financial adviser (as your Representative), to transact on your behalf, please complete and sign section (b), together with your Representative.

Please also refer to the information in the Authorisations section of this PDS starting on page 45.

15. Adviser Service Fees

The adviser service fee that you have agreed to, will be paid to Linear and should be included here. Additional information on the adviser service fees can be found in this PDS under the headings Contribution Fee and Adviser Service Fee in the Additional Explanation of Fees and Costs starting on page 38 of this PDS.

16. Declaration and Signature

Individual or joint Applications - the forms must be signed by the Applicant. If a joint Application is made, all Applicants must sign.

Power of Attorney - if signed under power of attorney, an originally certified copy of the relevant power of attorney must be attached to the Application Form and the attorney must declare the he/she has not received a notice of revocation of the power.

Company - if the Applicant is a company, the forms must be signed either:

- under seal (if required);
- by two directors or a director and company secretary; or
- by the sole director (if applicable).

Please state your title - Director, Company Secretary or Sole Director as applicable.

W8BEN FORM

Applicants must complete a W8BEN Form which needs to be signed and sent in as part of your Application Form. This is a requirement for all Australian Investors when purchasing/trading any securities that are listed on an exchange within the United States. This form is included in the Application Form of this PDS. A W8BEN Form can also be downloaded from your Online Client Access.

WHERE SHOULD THE FORMS BE RETURNED TO?

The completed and signed Application Form and any other completed forms and documentation should be mailed to:

Linear Asset Management Ltd
PO Box 7283
St Kilda Road VIC 8004

INVESTMENT CHECKLIST

Have you:

1. Completed all sections of the Application Form?
2. Completed the Investment Instructions and selections in the Application Form?
3. Provided certified identification documents for each signatory and any other documents required as outlined on page 46?
4. Completed the W8BEN Form?
5. Signed the Application Form where required?
6. Attached your cheque or completed the Direct Credit or Direct Debit Request Form for your investment amount?

Have you also completed the following sections (if applicable):

1. Representative Details
2. Direct Debit Request
3. Customisation
4. In-specie Transfer

APPLICATION FORM



Date: 9 March 2010
 Linear Managed Accounts ARSN: 128 111 857
 Linear Asset Management Ltd
 ABN: 11 119 757 596 AFSL: 304542
 You should read the Product Disclosure Statement dated 9 March 2010 before completing this Form.

APPLICATION FORM

Use a blue or black pen. Print in CAPITAL letters where a choice is required, please mark the box with an X
 All questions marked with an asterisk (*) must be completed.

1* APPLICANTS DETAILS

Are you an existing client? Yes No

If yes, what is your client code?

2* 1ST INVESTOR / TRUSTEE

Title Given Names
 Surname
 Date of Birth / / Nationality
 Tax File Number (or exemption reason)

2ND INVESTOR / TRUSTEE

Title Given Names
 Surname
 Date of Birth / / Nationality
 Tax File Number (or exemption reason)

OR

COMPANY/TRUSTEE COMPANY

Business Name/Trust Name (if applicable)/Superannuation Fund Name

Is the Company registered by ASIC as a Proprietary or a Public Company? Proprietary Public

Contact Name

ABN/TFN

Director / Secretary / Member 1
 First Name

Surname

Director / Secretary / Member 2
 First Name

Surname

Trust Details

Type of Trust Fixed Discretionary Superannuation Fund

Country in which Trust was established

Beneficiaries or details of the class (refer to page 46 of the PDS for explanation)

3* ADDRESS DETAILS

Residential Address

Suburb State Post Code Preferred

Postal Address

Suburb State Post Code Preferred

CONTACT DETAILS

Please provide at least one point of contact

Email

PH (A/H) Preferred

PH (B/H) Preferred

PH (mobile) Preferred

Facsimile Preferred

Client Initial

4 Do you want to receive a printed copy of the Annual Report for the Scheme? No Yes
Note that an electronic version will be available from your Online Client Access.



5* **ACCOUNT OPERATING INSTRUCTIONS**

Please select the account operating instructions for your Account

- Any one to sign
- All to sign
- Other (please specify below)

6* **NOMINATED BANK ACCOUNT DETAILS**

Financial Institution

Account Name

BSB Number

Account Number

7* **PREFERRED TAX PARCEL ACCOUNTING METHOD**

Please select one option only.

- First In First Out (FIFO) (Default method if not selected)
- Maximise capital gains/minimise capital losses
- Maximise capital losses/minimise capital gains

8* **INVESTMENT INSTRUCTIONS**

Source of funds including the origin of funds for this investment: (i.e. employment, investments, other/s, please specify)

Please state your initial investment amount: \$, initial funds will be provided via (please select below)

- (i) Cheque \$ Cheque attached Cheque payable to "Sandhurst Trustees Limited/Investor Name"
- (ii) Direct Debit \$ Complete question 13, Direct Debit Request
- (iii) Direct Credit \$ Linear to advise account details for your transfer upon initial investment
- (iv) In-specie Transfer: \$ Please complete question 9*

You may need to complete an Australian Standard Transfer Form if the transfer will constitute a change in beneficial ownership. An Australian Standard Transfer Form must be signed by both the buyer and the seller of the securities. Please see your financial adviser if you have any questions.

Client Initial

9 IN-SPECIE TRANSFER

Please complete if you have securities for In-specie Transfer into the Linear Managed Accounts.



If you wish to transfer your existing Participant sponsored or Issuer (Company) sponsored holdings to the Linear Managed Accounts, please complete this question.

If you are transferring securities from more than one Participant, please use an additional form (available from our website at www.linearmanagedaccounts.com.au) for each additional Participant.

Section A Participant Sponsored Details			
Name of new sponsoring Participant:	SANDHURST TRUSTEES LIMITED	PID:	20082
Name of existing sponsoring Participant:			
Address of existing sponsoring Participant:			
Holder Identification Number (HIN):		PID:	
Account Name:			
Account Designation:			
Registration Address:			

Section B Issuer or Participant Sponsored Holding Details					
Securities to be transferred. Please attach a copy of your latest Issuer or Participant sponsored statement(s).					
ASX Code	Security Name & Description	Number of securities	SRN or HIN (if HIN, also include PID)	Cost History Attached Y/N	Include in Model Portfolio(s) Y/N

Cost history should include information on the original purchase price and number of shares, any further purchases (price and number) and any dividend reinvestments that have occurred since the original purchase.

If you choose to include holdings in your selected Model Portfolio(s), and they do not form part of the Model Portfolio(s) we will sell them and use the proceeds to invest in the selected Model Portfolio(s). Excluded holdings will be held as Self-directed Investments and will not be transacted on unless requested by you.

DECLARATION AND SIGNATURE

I / We declare that I / we:

- Have received and read the current PDS for the Linear Managed Accounts (and any supplementary PDS or website updates).
- Agree to any fee that may be applicable to the transfers indicated on this form.
- I / We authorise and direct my/our sponsoring Participant to transfer my/our shareholdings in accordance with the ASX Business Rules to Sandhurst Trustees Limited - CHESS PID 20082.

Individual applications should be signed personally or under power of attorney. In the case of companies or trusts, the form should be signed by two directors, one director and secretary or sole director, by the trustee personally or under power of attorney.

When documents are signed under a power of attorney, a certified copy of the power of attorney must be enclosed with the Application Form. The attorney certifies that he/she has not received notice of revocation of that power.

Signature - Investor 1

Name

Please circle one Date

Title (Director/Secretary/Sole Director/Trustee)

Signature - Investor 2

Name

Please circle one Date

Title (Director/Secretary/Sole Director/Trustee)

IMPORTANT - Please remember to attach a copy of your latest Issuer or Participant sponsored statement(s) and ensure you have included the anti-money laundering information appropriate to you (see page 46 of the PDS for details)..

Intermediary use only:	Adviser Code: <input style="width: 100px;" type="text"/>	Client Account Number: <input style="width: 150px;" type="text"/>
Please send a copy to the client's sponsoring Participant and fax a copy to Linear on 03 9866 6441		



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10* INVESTMENT SELECTION (must be completed)

In the table below, please indicate how you would like your Application Monies invested in the available investment types.

Investment Type	Allocation (\$)
Model Portfolios	
Cash	
Self-directed Investments	Allocation (\$)
Managed Funds	
ASX Securities	
Term Deposits	

Note: A minimum of 2% of your Investment Portfolio must be held as cash. If no allocation to cash is allowed for in the table on the left, your other investment selections will be reduced on a pro-rata basis in order to allocate 2% to cash. If you would like an allocation to cash greater than 2%, please indicate in the table on the left.

To advise us of your specific Investment Instructions, you can either:

- (i) complete the tables below and overleaf; or
- (ii) once your Account is activated, complete an Investment Instruction form online.

To complete an Investment Instruction form online, please log on to your Online Client Access once your Account has been activated.

MODEL PORTFOLIOS

Model Portfolio Name	Portfolio code	Value (\$)	Customisation
Index Portfolios			
Linear S&P/ASX 20	LAMXTLF		
Linear S&P/ASX MidCap 50	LAMXMDP		
Linear S&P/ASX Small Ordinaries	LAMXSOP		
Linear S&P/ASX 200 A-REIT	LAMXPJF		
Linear S&P/ASX MidCap Industrials	LAMXMTP		
Linear S&P/ASX MidCap Resources	LAMXMRF		
Linear S&P/ASX Small Industrials	LAMXSIP		
Linear S&P/ASX Small Resources	LAMXSRP		
Linear S&P/ASX 100 Industrials	LAMXTIP		
Linear S&P/ASX 100 Resources	LAMXTRP		
Actively Managed Portfolios			
Ausbil Australian Concentrated Equity	LAUBDAC		
Ausbil Australian Emerging Leaders	LAUBDAE		
Ralton High Yield Australian Shares	LRAMHYAS		
Ralton Smaller Companies	LRAMSMCO		
Ralton Leaders	LRAMLEAD		
Ralton Australian Shares	LRAMAUSH		
UBS HALO (High Alpha Long Only)	LUBSAEF		
UBS Australian Small Companies	LUBSSCO		
UBS Australian Property Securities	LUBSPSF		
Bennelong Ex-20 Australian Equities	LBENX20		
AUI Platypus Australian Equities SMA Portfolio	LAUIPAE		
Continuously Protected Portfolios			
Linear S&P/ASX 20 Continuously Protected	LAM0004AU		
Ralton Leaders Fund Continuously Protected	LAM0006AU		
UBS HALO (High Alpha Long Only) Continuously Protected	LUBSHCP		
AUI Platypus Australian Equities SMA Portfolio Continuously Protected	LAUIPCP		

Please ensure that the total value of the Model Portfolio(s) listed above is equal to the allocation of your Application Monies to the Model Portfolios investment type.

Please turn overleaf to complete the table for Self-directed Investments.

Client Initial



SELF-DIRECTED INVESTMENTS

If you are completing the Self-directed Investment tables below and require additional room to select investments, please annex an Investment Instruction form to this Application Form. This form is available from your financial adviser or from Linear.

Managed Funds

APIR Code	Managed Fund Name	Value (\$)

Please ensure that the total value of the Managed Funds listed above is equal to the allocation of your Application Monies to the Managed Funds investment type.

ASX Securities

ASX Code	Security Name	Value (\$)

Please ensure that the total value of the ASX Securities listed above is equal to the allocation of your Application Monies to the ASX Securities investment type.

Term Deposits

Code	Term Deposit Issuer	Value (\$)

Please ensure that the total value of the Term Deposits listed above is equal to the allocation of your Application Monies to the Term Deposits investment type.

Client Initial



11 WITHDRAWAL INSTRUCTIONS

Regular Income Stream Nomination

This is paid to you on the 15th of each month or the next business day.

- Yes, I nominate \$ to be paid to my nominated bank account every month
- Yes, I nominate to be paid any dividend or distribution income received each month to my nominated bank account
- No, I do not want a regular income stream at this time

Your withdrawals will be processed in line with your Investment Instruction unless otherwise specified below.

Investment name	Code	%	Withdrawal allocation \$

12 CUSTOMISATION

Only complete for Model Portfolio investments if you have ticked the customisation column in question 10.

Please detail below the customisation(s) required for your Model Portfolio.

For further details on customising your Investment Portfolio, please refer to page 11 of this PDS.

Lock Model

Please complete if you choose to lock one or more Model Portfolio(s). Locked Models will not be transacted on until we receive instructions to do so.

Portfolio code

To unlock any Model Portfolio you will need to complete a separate Customisation Form accessible via your Online Client Access.

Future Transfer

Please complete if you wish to transfer funds from a Cash or Fixed Interest Model Portfolio to a new or existing Model Portfolio.

Date of transfer	Existing Portfolio code	% or \$	New Portfolio code

Exclude Securities

Portfolio code	ASX code

IMPORTANT: The dollar value of excluded securities will be redistributed across the remainder of the Model Portfolio.

Client Initial

13 DIRECT DEBIT REQUEST

Only complete if direct debiting Application Monies or future contributions as indicated in question 8.



Applicant's Details

Account Name (in full)

New plan

Amendment to an existing plan

One time only Investment by Direct Debit

(Complete this section for a one time only contribution into the Linear Managed Accounts)

Contribution amount

\$

Would you like this investment to be processed

immediately

other - please specify the date (DD/MM/YYYY)

OR

Regular Contribution Plan Details

(Complete this section to set up a regular contribution into the Linear Managed Accounts)

Regular investment amount (minimum \$100 per month)

\$

Starting from (month/year)

Details of the account to be debited (you cannot nominate a third party account)

Name of financial institution

Branch name

BSB number

 -

Account number

Account name

Declaration (Applicable for Regular Contribution Plan only)

The Regular Contribution Plan service is an optional service which allows you to set up regular investments into the Linear Managed Accounts from accounts operated by certain other approved financial institutions which permit the processing of direct debits. Adelaide Bank (ABN 54 061 461 550) is the operator of the Regular Contribution Plan service. Your use of the Regular Contribution Plan service is subject to the following terms and conditions:

- The account held by your nominated financial institution must be in the same name or names as your Account in the Linear Managed Accounts.
- Where the due date for a debit does not fall on a Business Day, your nominated financial institution may vary the timing of the direct debit.
- You must allow 2 Business Days from the date of receipt by us for funds invested via the Regular Contribution Plan service to be cleared.
- Third parties authorised to transact on your account may not set up a Regular Contribution Plan on your behalf.
- You must notify us immediately if you know or suspect any unauthorised transactions have occurred in relation to your Regular Contribution Plan. You should also notify your financial institution as soon as possible.
- You must ensure that there are sufficient cleared funds in your nominated account to honour the direct debit request under the Regular Contribution Plan service.
- Your nominated financial institution may, in its absolute discretion, decide the order of priority of payment by it of any monies pursuant to this request or any equivalent authority or mandate.
- Your nominated financial institution may in its absolute discretion, at any time by notice in writing to you or us, terminate this request as to future debits.
 - We may, by 7 days prior notice in writing to you, vary the timing of future debits.
- You can modify or defer your use of the Regular Contribution Plan service at any time by giving us notice in writing. Your request will normally be processed within 7 days of receiving your properly completed request.
- You can stop your use of the Regular Contribution Plan service at any time by giving Linear Asset Management Ltd 7 days notice in writing.
- When your Account in the Linear Managed Accounts is closed, all regular investments under the Regular Contribution Plan service will cease.
- Your use of the Regular Contribution Plan service may be automatically cancelled if 3 consecutive direct debit payments are dishonoured due to insufficient funds in your nominated account. If this occurs, we will notify you that your use of the service has been cancelled. We will also charge to your Account the cost of any dishonour costs (whether or not your use of the plan is automatically cancelled).
- You acknowledge that we may be required to reveal details of your direct debit request to our sponsor bank to assist with the checking of any incorrect or wrongful debits to your nominated account.
- You acknowledge that you may not have the current PDS for a Managed Fund at the time we make an acquisition on your behalf pursuant to the Regular Contribution Plan.

Signature (To be signed by nominated account holders - not third party authorised signatories)

I/We request you, until further notice in writing, to debit the nominated account with any amount which Adelaide Bank ABN 54 061 461 550 may debit or charge me/us in connection with my/our Linear Managed Accounts Regular Contribution Plan, through the BECS (Bulk Electronic Clearing System). I/We have completed all relevant sections of this form.

Signature - Investor 1

Name

Please circle one

Date

Title (Director/Secretary/Sole Director/Trustee)

Signature - Investor 2

Name

Please circle one

Date

Title (Director/Secretary/Sole Director/Trustee)



14* REPRESENTATIVE

Complete part (a) to appoint a representative.

Complete part (b) to authorise your representative to also transact on your Account.

(a) Appointing a Representative (Financial Adviser)

Given Names

Surname

Office/Licensee

Authorised Rep Number

Street Address

Town/Suburb

State Postcode

Phone Number

Email

Financial Adviser's Signature

Financial Adviser's Stamp

(b) Authorising your Representative to Transact

Tick I/We authorise my Representative to transact on my Account in the Linear Managed Accounts in accordance with page 45 of this PDS.

Signature - Investor

Name

Signature - Investor

Name

15* ADVISER SERVICE FEES

I/We instruct Linear Asset Management Ltd to deduct the fees set out below from my/our Account and pay them to my/our financial adviser whose details appear in question 14, in accordance with the terms and conditions of the PDS (fees stated must include GST).

Contribution Fee (up-front) Percentage % pa

Adviser Service Fee: choose either (a), (b) or (c).

(a) Tiered Fee (percentage of your portfolio value)

From	To	Fee
\$ <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	\$ <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/> % pa
\$ <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	\$ <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/> % pa
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(b) Adviser Service Fee (on-going) - Percentage % pa

(c) Adviser Service Fee (on-going) - Monthly Fixed Dollar Amount \$



16* DECLARATION AND SIGNATURE

Account Name (in full)

Individual Applications should be signed personally or under power of attorney. In the case of companies or trusts, the Application Form and (if required) the Representative Form should be signed by two directors, one director and secretary or sole director, by the trustee personally or under power of attorney.

When documents are signed under a power of attorney, a certified copy of the power of attorney must be enclosed with the Application Form. The attorney certifies that he/she has not received notice of revocation of that power.

I/We declare that I/we:

- (a) Have had the opportunity to seek independent professional advice regarding the legal, tax and financial implications of investing in the Linear Managed Accounts. I/We have read and understood, in the context of my/our objectives, needs and financial situation, the PDS to which this Application applies and agree to the offer contained in it and to be bound by the provisions of the Constitution governing the Scheme.
- (b) Have received and read the PDS dated 9 March 2010 (and any supplementary PDS or website updates) personally or a printout of it, accompanied by, or attached to the Application Form before making an Application.
- (c) Have legal power to invest in accordance with the PDS.
- (d) If investing as trustee, on behalf of a superannuation fund or trust, I/we confirm that I/we am/are acting in accordance with my/our designated powers and authority under the trust deed. In the case of a superannuation fund, I/we also confirm that it is a complying fund under the Superannuation industry (Supervision) Act.
- (e) In the case of joint applications, the joint Applicants agree that unless otherwise expressly indicated on this form, the interests in the Linear Managed Accounts will be held as joint tenants and either Investor is able to operate the account and bind the other Investor for future transactions.
- (f) Sole signatories signing on behalf of a company confirm that they are signing as sole director and sole secretary of the company.
- (g) Have agreed to the terms of the Adviser Service Fees, including any Contribution Fee (up-front) and/or Adviser Service Fee (on-going) specified.
- (h) The details of my investment can be provided to my/our Representative or financial adviser, as nominated by me/us from time to time.
- (i) I/We have not relied on any statements or representations made by anybody (including Linear or its officers, employees or agents) prior to applying, other than those representations made in this PDS.
- (j) I/We have made an offer to become an Investor in the Linear Managed Accounts and that offer cannot be revoked.
- (k) Declare this form is completed and lodged according to the PDS and that all statements made by me/us are complete and accurate.
- (l) Agree to provide any further information the Responsible Entity requests to enable it to comply with its obligation under the AML legislation.

Signature - Investor 1

Name

Please circle one

Date

Title (Director/Secretary/Sole Director/Trustee)

Signature - Investor 2

Name

Please circle one

Date

Title (Director/Secretary/Sole Director/Trustee)

Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding

→ Section references are to the Internal Revenue Code. → See separate instructions.
→ Give this form to the withholding agent or payer. Do not send to the IRS.

OMB No. 1545-1621

Do not use this form for:

- A US citizen or other US person, including a resident alien individual.....W-9
 - A person claiming that income is effectively connected with the conduct of a trade or business in the United States.....W-8ECI
 - A foreign partnership, a foreign simple trust, or a foreign grantor trust (see instructions for exceptions).....W-8ECI or W-8IMY
 - A foreign government, international organisation, foreign central bank of issue, foreign tax-exempt organisation, foreign private foundation, or government of a U.S. possession that received effectively connected income or that is claiming the applicability of section(s) 115(2), 501(c), 892, or 1443(b) (see instructions)W-8ECI or W-8EXP
 - A person acting as an intermediary.....W-8IMY
- Note: *These entities should use Form W-8BEN if they are claiming treaty benefits or are providing the form only to claim they are a foreign person exempt from backup withholding.*
- Note: *see instructions for additional exemptions.*

Instead, use Form

Part I Identification of Beneficial Owner (See instructions)

1. Name of individual or organisation that is the beneficial owner	2. Country of incorporation or organisation
3. Type of beneficial owner:	
<input type="checkbox"/> Individual <input type="checkbox"/> Corporation <input type="checkbox"/> Disregarded entity <input type="checkbox"/> Partnership <input type="checkbox"/> Simple trust <input type="checkbox"/> Grantor trust <input type="checkbox"/> Complex trust <input type="checkbox"/> Estate <input type="checkbox"/> Government <input type="checkbox"/> International organisation <input type="checkbox"/> Central bank of issue <input type="checkbox"/> Tax-exempt organisation <input type="checkbox"/> Private foundation	
4. Permanent residence address (street, apt. or suite no., or rural route). Do not use a PO box or in-care-of address.	
City or town, state or province. Include postal code where appropriate.	Country (do not abbreviate)
5. Mailing address (if different from above)	
City or town, state or province. Include postal code where appropriate.	Country (do not abbreviate)
6. U.S. taxpayer identification number, if required (see instructions) <input type="checkbox"/> SSN or ITIN <input type="checkbox"/> EIN	7. Foreign tax identifying number, if any (optional)
8. Reference number(s) (see instructions)	

Part II Claim of Tax Treaty Benefits (if applicable)

9. I certify that (check all that apply):

- a The beneficial owner is a resident of Australia within the meaning of the income tax treaty between the United States and that country.
- b If required, the U.S. taxpayer identification number is stated on line 6 (see instructions).
- c The beneficial owner is not an individual, derives the item (or items) of income for which the treaty benefits are claimed, and, if applicable, meets the requirements of the treaty provision dealing with limitation on benefits (see instructions).
- d The beneficial owner is not an individual, is claiming treaty benefits for dividends received from a foreign corporation or interest from a U.S. trade or business of a foreign corporation, and meets qualified resident status (see instructions).
- e The beneficial owner is related to the person obligated to pay the income within the meaning of section 267(b) or 707(b), and will file Form 8833 if the amount subject to withholding received during a calendar year exceeds, in the aggregate, \$500,000.

10. Special rates and conditions (if applicable - see instructions): The beneficial owner is claiming the provisions of Article of the treaty identified on line 9a above to claim a% rate of withholding on (specify type of income:.....)

Explain the reasons the beneficial owner meets the terms of the treaty article:.....

.....

Part III Notional Principal Contracts

11. I have provided or will provide a statement that identifies those notional principal contracts from which the income is not effectively connected with the conduct of a trade or business in the United States. I agree to update this statement as required.

Part IV Certification

Under penalties of perjury, I declare that I have examined the information on this form and to the best of my knowledge and belief it is true, correct and complete. I further certify under penalties of perjury that:

- 1 I am the beneficial owner (or am authorised to sign for the beneficial owner) of all the income to which this form relates,
- 2 The beneficial owner is not a US person,
- 3 The income to which this form relates is (a) not effectively connected with the conduct of a trade or business in the United States, (b) effectively connected but is not subject to tax under an income tax treaty, or (c) the partner's share of a partnership's effectively connected income, and
- 4 For Participant transactions or barter exchanges, the beneficial owner is an exempt foreign person as defined in the instructions.

Furthermore, I authorise this form to be provided to any withholding agent that has control, receipt, or custody of the income of which I am the beneficial owner or any withholding agent that can disburse or make payments of the income of which I am the beneficial owner.

Sign Here



Signature of beneficial owner (or individual authorised to sign for beneficial owner)

Date (MM-DD-YYYY)

Capacity in which acting



THIS PAGE HAS BEEN LEFT BLANK INTENTIONALLY.

ABN	Australian Business Number.
Account	Each Investor's Investment Portfolio including all cash and non-cash assets.
Applicant	A person who submits an Application Form in accordance with this PDS.
Application	The Application for an investment in the Linear Managed Accounts, as evidenced by completion of the Application Form and payment of the Application Monies.
Application Form	The Application Form included in this PDS to be used by persons wishing to invest in the Linear Managed Accounts.
Application Monies	The monies or non-cash assets received or transferred in connection with the offer pursuant to this PDS and the Constitution.
ASIC	Australian Securities and Investments Commission.
ASIC CO 02/296	ASIC class order 02/296 <i>Investor directed portfolio-like services provided through a registered managed investment scheme</i> and any supplementary and amending instrument which varies, supplements or replaces it.
ASX	Australian Securities Exchange.
ASX Securities	Listed securities that are traded on the ASX.
Australian Equities	Australian listed and unlisted shares or managed investment schemes.
Business Day	A day on which banks are open for business in Melbourne other than a Saturday, Sunday or public holiday, or such other day as the Responsible Entity determines.
CGT	Capital Gains Tax.
Compliance Plan	The Compliance Plan dated 4 February 2010 that establishes a framework for monitoring the operation of the Scheme, as amended from time to time.
Constitution	The constitution of the Scheme dated 11 October 2007, as amended from time to time.
Continuous Protection	Equal to 80% of the highest value achieved by the Investment Portfolio.
Corporations Act	Corporations Act 2001 (Cth) and the associated regulations, as amended from time to time.
Derivative Structures	A security providing a payoff that is contingent on the value of other assets, such as stock prices or market index values.
Dynamic Rebalancing	The process of re-weighting your Investment Portfolio between cash and the Model Portfolio.
FIFO	First in First out (FIFO) method refers to tax parcels which are acquired first and also disposed of first.
Fixed Interest Asset	Debt securities issued by corporations, corporate mortgage and asset backed securities, term deposits and bank bills. Some of these fixed interest instruments may be issued in the form of subordinated debt, which would rank behind the primary debt security issued by the issuers listed above.
Floating Rate	A form of security carrying an interest rate calculated by a fixed margin over a variable benchmark rate such as the Bank Bill Swap Rate ("BBSW") or London Interbank Overnight Rate ("LIBOR"). These securities can offer either a fixed term or open ended perpetual term.
Fund Managers	The responsible entities of the Managed Funds.
Gap Event	An event where the value of your Investment Portfolio declines to less than the Lock-in Level.
GST	Australian Goods and Services Tax pursuant to the A New Tax System (Goods and Services) Tax Act 1999.
In-specie Transfer	A transfer of securities where there is no change in the beneficial ownership of the securities.
International Securities	International listed and unlisted shares or managed investment schemes.
Investment Instruction	The standing order as to how initial and further Application Monies are invested in an Investor's Investment Portfolio.
Investment Managers	Investment Managers who either construct or provide advice to Linear on the construction of the Model Portfolios, as listed in the Investment Menu section of this PDS.
Investment Portfolio	The portfolio of each Investor incorporating the Model Portfolio or combination of Model Portfolios and any other assets as selected by the Investor or their Representative as Self-directed Investments.
Investor	An Investor in the Linear Managed Accounts, referred to as "you" or "your".
Linear Group	Linear Asset Management Ltd and its related bodies corporate.

DEFINED TERMS

Lock-in Level	The value of your Investment Portfolio against which Continuous Protection is provided.
Managed Funds	Registered managed investment schemes in which you may invest under the Linear Managed Accounts.
Mandate	The instructions of the Investment Manager on how it manages each Model Portfolio according to that Model Portfolio's risk and return profile and in order to achieve a stated investment objective.
Max Gain	Maximise capital gains or, if no capital gains are available, minimise your capital losses.
Min Gain	Maximise capital losses or, if no capital losses are available, minimise your capital gains.
Model Portfolio	A portfolio of assets described in the Model Portfolio Investment Menu section of this PDS, invested by an Investment Manager according to the Mandate of the model portfolio.
National Privacy Principles	The National Privacy Principles set out in Schedule Three of the Privacy Act 1988 (Cth).
Online Client Access	You will be provided with a User ID and Password to login to a secure internet website to view your Account details.
Participant	A participant is an ASIC registered and licensed company that deals with ASX securities.
PDS	This product disclosure statement, including any supplementary product disclosure statement.
Property	Australian and international listed or unlisted property funds or property related securities, direct property or hybrid type vehicles.
Regular Contribution Plan	A regular investment in the Linear Managed Accounts whereby the Responsible Entity direct debits a set amount each month from an Investor's nominated bank account.
Representative	A person who an Investor nominates as their Representative and is authorised to transact on behalf of the Investor.
Responsible Entity	Linear Asset Management Ltd ABN 11 119 757 596.
Self-directed Investments	The investments you or your Representative select (outside of the Model Portfolios) which you choose to hold through the Linear Managed Accounts.
Scheme	Linear Managed Accounts (ARSN 128 111 857).
SPP Swap	The derivative contract entered into between the Responsible Entity and the SPP Swap Provider. Please refer to page 28 of this PDS for further information.
SPP Swap Provider	JPMorgan Chase Bank, N.A.
Target Exposure	The percentage allocation to the Model Portfolio and cash under the Dynamic Rebalancing rules.
Tradeable Parcel Size	A minimum number of shares that is required by Linear to validate the brokerage cost of the transaction.

RESPONSIBLE ENTITY

Linear Asset Management Ltd
ABN 11 119 757 596
AFSL 304542
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Melbourne VIC 3004
PO Box 7283
St Kilda Road VIC 8004
Phone 1300 669 891
Fax 03 9866 6441
Website www.linearassetmanagement.com.au
Email admin@linearam.com.au

CUSTODIAN

Sandhurst Trustees Ltd
ABN 16 004 030 737
Level 5
120 Harbour Esplanade
Docklands VIC 3008
Website www.sandhursttrustees.com.au

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Investor Enquiries

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