

SELECTOR AUSTRALIAN EQUITIES FUND

ARSN 108 161 486

Product Disclosure Statement

Dated 15 October 2004

Responsible Entity & Issuer

DDH Graham Limited

ABN 28 010 639 219

Australian Financial Services Licence No.226319

Asset Manager

Selector Funds Management Limited

ABN 85 102 756 347

SELECTOR
Funds Management

Selector Australian Equities Fund
Supplementary Product Disclosure Statement No.1
Dated: 1 January 2006

This Supplementary Product Disclosure Statement (SPDS) supplements, and should be read in conjunction with the Selector Australian Equities Fund Product Disclosure Statement dated 15 October 2004 (PDS) issued by DDH Graham Limited ABN 28 010 639 219 AFSL 223 619.

The terms defined in the PDS have the same meaning where used in this SPDS.

The purpose of this SPDS is to inform investors of:

- a change to the frequency of calculating unit prices for applications;
- the inclusion of an additional item to “Fees”, relating to adviser remuneration; and
- changes to the application form.

Change to the frequency of calculating unit prices for applications

From 1 January 2006, unit prices for the purposes of accepting Application Monies will be calculated on a daily basis. This will give investors greater flexibility when managing their portfolios and also gives the Asset Manager access to funds which can be utilised, should opportunities present themselves, in a more timely manner.

Provided your application and cheque for the Application Monies is received by 12pm (Brisbane time) on any Business Day in Brisbane your application will be processed that day. The Application Price for your investment is calculated using the Unit price at the close of that day (see "Unit pricing" on page 10 of the PDS). The Entry Fee will be deducted from your Application Monies before calculating the number of Units to be issued.

Please note that unit prices for redemptions will continue to be calculated and processed on a monthly basis.

Changes to “Fees”

An ongoing adviser service fee has been introduced. This facility allows you, in consultation with your adviser, to remunerate your adviser for ongoing advice and service in relation to this product. **No changes have been made to any other fee or cost.**

From 1 February 2006, the following replaces the “Fees” and “Important Additional Information” sections on pages 15 to 17 of the PDS:

FEES

Initial charges, ongoing charges and expenses applicable to investors in the Fund are set out in the table below. These fees and expenses may be deducted from your Application Monies or from the return on your investment or from the Fund’s assets as a whole.

You should read all of this information about fees and expenses as it is important to understand their impact on your investment in the Fund. The fees set out below are inclusive of GST, adjusted for the impact of reduced input tax credits where applicable.

Type of fee or cost	Amount	How & When Paid
Fees when your money moves in or out of the Fund		
Establishment fee: This is the fee charged to set up your initial investment.	Nil	Not Applicable
Entry fee / Contribution fee: This is the fee charged for the initial and every subsequent investment.	Up to 3.85% of Application Monies (equates to \$770.00 for every \$20,000 invested)	The entry fee will be deducted from the Application Monies before calculating the number of Units to be issued pursuant to your application. The entry fee will be payable to your financial adviser who may allocate all or part of this remuneration to you as additional Units but is not obliged to do so. If no adviser is involved the Responsible Entity will receive a 1.1% entry fee.
Exit fee / Withdrawal fee: This is the fee charged for each withdrawal you make from the Fund.	Nil	Not Applicable
Termination fee: This is the fee charged when you finally close your investment.	Nil	Not Applicable

Transaction Costs: These costs are included in the Application Price and Withdrawal Price of the Fund to cover costs such as brokerage on the transactions required due to investors' entry or withdrawal from the Fund.	+ 0.25% included in Application Price calculation - 0.25% included in Withdrawal Price calculation	See "Important Additional Disclosure Items" for further explanation of these costs.
Management costs		
Ongoing fees: This is the total of all ongoing administration, investment management, expense recovery and other fees charged by the Fund.	<ul style="list-style-type: none"> Asset management fee Responsible Entity fee Expense recoveries 	A breakdown of these fees is shown below.
Breakdown of Ongoing Fees		
Asset management fee: This is the fee for managing the Fund's investments.	1.025%pa (note 1) (equates to \$205.00 for every \$20,000 invested)	Paid from the Fund net assets monthly, in arrears.
Responsible Entity fee: This is the fee for the product issuer's services in overseeing the Fund's operations.	0.5125%pa (note 2) (equates to \$102.50 for every \$20,000 invested)	Paid from the Fund net assets monthly, in arrears.
Expense recoveries: These are estimates of the out of pocket expenses that the Responsible Entity is entitled to recover from the Fund.	The Responsible Entity is able to recover certain Fund related expenses from the Fund provided that such recovery is not prohibited by the Corporations Act.	Paid from the Fund net assets monthly, in arrears.
Performance fee		
Performance fee: This is payable to the Asset Manager for any out performance of the Australian All Ordinaries Accumulation Index.	15.375% of out-performance of the Benchmark ("Important Additional Disclosure Items" below illustrate an example of the calculation)	Paid from the Fund assets annually in arrears as long as the Fund has made a positive return. See material contracts section for details of the calculation.
Additional service fees		
Ongoing adviser service fee (trail): This is the fee charged, with your agreement, by your financial adviser for advice sought about your investment.	Up to 2.2%pa	If charged, the adviser service fee will be redeemed from your investment quarterly, in arrears. See "Important Additional Disclosure Items" for further explanation of these costs.

Note 1 - The asset management fee of 1.025%, will only be payable once the Fund has \$10,000,000 under management. Until this point a \$50,000 per annum fee is payable monthly in arrears.

Note 2 - The Responsible Entity fee of 0.5125%, will only be payable once the Fund has \$10,000,000 under management. Until this point a \$50,000 per annum fee is payable monthly in arrears.

Important Additional Disclosure Items

Entry Fee

The Constitution of the Fund provides for an Entry Fee of up to 5.5% (including GST) of the value of each application. At present the maximum Entry Fee is 3.85% (including GST). As noted above the Entry Fee will be paid to your licensed financial adviser. Where no adviser is involved the Responsible Entity will charge a 1.1% (including GST) Entry Fee.

Estimated Ongoing Fee Measure (OGFM)

Previously known as the Management Expense Ratio (MER), the OGFM is a measure of the fees paid (including administration and investment costs) and other expenses expressed as a percentage of the average net asset value of a Fund over a financial year. Government charges (taxes and stamp duty) and entry fees are excluded from the measure.

The estimated OGFM of 1.9475% including GST is the aggregate of the Fund's management fee and expense recoveries. It is based on funds under management of \$20 million, excluding any performance fee and Transaction Costs. The OGFM is a useful means for comparing the ongoing fees and expenses of investing in the Fund against other investments.

Differential Fees

Under the Corporations Act the Responsible Entity may rebate fees to investors who meet certain criteria. The Responsible Entity may negotiate fees with Wholesale Clients. Investors who invest directly with the Responsible Entity will be charged a 1.1% (including GST) Entry Fee. Any differential fee arrangements will not adversely affect the fees to be paid by other investors.

Expenses Recoveries

Examples of the types of expenses to be recovered by the Manager include but are not limited to custodian fees, registry fee, audit fees, compliance fees, insurance costs and government taxes and duties and disbursements incurred in the acquisition or disposal of assets. It is estimated that the Manager will recover expenses of approximately 0.4% of every \$20,000 invested, which equates to \$80 for every \$20,000 invested. This assumes funds under management of \$20 million.

Transaction Costs

The Application Price and the Withdrawal Price for Units in the Fund will be adjusted to reflect the estimated Transaction Costs. Transaction Costs are an estimate by the Responsible Entity of the acquisition or disposal costs of assets of the Fund incurred as a result of an investor entering or withdrawing from the Fund. These costs include brokerage. Transaction Costs are capped at +0.25% of the value of the assets of the Fund on entry (included in the Application Price calculation) and -0.25% of the value of the assets of the Fund on withdrawal (included in the Withdrawal Price calculation).

Ongoing Adviser Service Fee

If you agree, we can also arrange for your adviser to receive an ongoing adviser service fee. This remunerates your adviser for ongoing advice and service. We do not receive any fees for this service.

You can direct us to pay these fees by completing the "Adviser Remuneration" section of the application form. The fee must be a percentage of the value of your investment in the Fund at the end of each quarter, calculated and accrued daily. For any ongoing adviser fees we will pay your adviser quarterly by redeeming a sufficient number of your units to cover the fee plus GST. These redemptions will generally occur as at the 5th business day after quarter end. Details of all amounts that are paid to your financial adviser and any GST impact will be included on your quarterly statement.

If you wish to change or cancel the ongoing adviser service fee, please advise us in writing. This fee may be tax deductible however investors should seek their own professional tax advice for eligibility.

Fee Examples

Worked Example 1

Robert invested \$20,000 directly (ie. not through an adviser) in the Fund at the beginning of the year. The following table illustrates how fees would be charged to Robert's account:

Fee Type	Fee Rate p.a. (incl. GST)	Fee in \$ (incl. GST)	Paid to
Entry fee on initial contribution of \$20,000	1.1%	220.00	Responsible Entity.
Ongoing fees at estimated OGFm rate (Based on initial contribution less entry fee)	1.9475%	385.22	Paid from the Fund assets, and reflected in the unit price.
Performance fee (See Scenario A from Performance Fee example below)	15.375% of out-performance	243.29	Paid from the Fund assets, and reflected in the unit price.
Ongoing adviser service fee (Based on net value of investment after performance fees. See Scenario B from Performance Fee example below)	Not applicable	0.00	Not applicable.
Total fees paid for Year 1		\$848.51	

Worked Example 2

Sally invested \$20,000 in the Fund at the beginning of the year, via her adviser who charged an entry fee at the maximum rate of 3.85% (including GST), and charged the maximum adviser service fee of 2.2% p.a. (including GST). The following table illustrates how fees would be charged to Sally's account:

Fee Type	Fee Rate p.a. (incl. GST)	Fee in \$ (incl. GST)	Paid to
Entry fee on initial contribution of \$20,000	3.85%	770.00	Sally's adviser.
Ongoing fees at estimated OGFm rate (Based on initial contribution less entry fee)	1.9475%	374.50	Paid from the Fund assets, and reflected in the unit price.
Performance fee (See Scenario B from Performance Fee example below)	15.375% of out-performance	236.53	Paid from the Fund assets, and reflected in the unit price.
Ongoing adviser service fee (Based on net value of investment after performance fees. See Scenario B from Performance Fee example below)	2.2%	481.32	Sally's adviser.
Total fees paid for Year 1		\$ 1,862.35	

Performance Fee Calculation Example

Below is an example of the possible effect of performance fees on the investments of Robert and Sally from the examples above. These figures are not indicative of the returns of the Fund and are only used for illustrative purposes.

	Scenario A <i>Robert</i>	Scenario B <i>Sally</i>
Investment (after entry fees, including GST)	\$19,780.00	\$19,230.00
Assumed Fund performance (after entry fees and OGF, including GST)	15%	15%
Assumed Benchmark performance	7%	7%
Out-performance of Benchmark	8%	8%
Net value of investment (pre performance fee)	\$22,747.00	\$22,114.50
Performance fee (15.375% of out-performance)	\$243.29	\$236.53
Net value of investment (post performance fee) - Year 1	\$22,503.71	\$21,877.97

The above are examples. In practice, your investment balance and the value of the Fund will vary daily. The actual fee charged is based on the value of the Fund and will vary with the value of the Fund.

If you want to work out your own fee structure and the impact this has, then ask your financial adviser for help or visit www.fido.asic.gov.au where ASIC offers a fee calculator to help investors compare fees of different products and to understand the impact of fees over time.

Changes to the Application Form

Adviser remuneration

The "Adviser Remuneration" section of the application form has been amended to include the "Ongoing Adviser Service Fee" arrangements referred to in this SPDS.

Annual report election

We are required by law to provide a copy of the Fund's annual report to each unit holder unless you indicate otherwise. The application form now allows you opt out of receiving an annual report or to receive an electronic copy. If you do not make an election you will receive the hard copy version of the report.

Enquiries about this Supplementary PDS

For enquiries about the Supplementary PDS, please call us toll free on 1800 226 174 during business hours (Brisbane time) or via email at exec@ddhgraham.com.au.

DIRECTORY

Responsible Entity

DDH Graham Limited
ABN 28 010 639 219
AFSL 226319
Level 18
344 Queen Street
Brisbane QLD 4000
Telephone: (07) 3210 2277
Facsimile: (07) 3210 6986
Email: exec@ddhgraham.com.au

Auditor

Moore Stephens WI
Level 5
14 Martin Place
Sydney NSW 2000

Custodian

Australia and New Zealand Banking Group
Limited
Level 25
530 Collins Street
Melbourne VIC 3000

Asset Manager

Selector Funds Management Limited
ABN 85 102 756 347
AFSL 225316
Level 3
7 Bridge Street
Sydney NSW 2000
Telephone: (02) 9241 5830
Facsimile: (02) 9241 6433
www.selectorfund.com.au

Auditor of the Compliance Plan

Moore Stephens WI
Level 5
14 Martin Place
Sydney NSW 2000

Investor Relations

You can obtain information about investing in the Selector Australian Equities Fund including the latest unit price via:

- Telephone – (07) 3210 2277
- Free call – 1800 226 174
- Email – exec@ddhgraham.com.au
- Internet – www.ddhgraham.com.au

Product Disclosure Statement

This Product Disclosure Statement (PDS) is dated 15 October 2004. No person is authorised to give any information or to make any representation in connection with the Offer described in this PDS which is not contained in this PDS. Any information or representation not so contained may not be relied on as having been authorised by the Responsible Entity in connection with the Offer.

Defined terms and abbreviations included in the text of this PDS are explained in the Definitions.

This PDS contains important information and you are advised to read the document in its entirety. The Responsible Entity does not guarantee the performance of the Fund or the repayment of money invested.

The offer of Units under this PDS does not constitute an offer in any jurisdiction other than Australia. This PDS is not an offer to any person or an offer in any place, to which or in which it is unlawful to make such an offer. The Offer of Units under this PDS is only available to persons receiving this PDS (electronically or otherwise) in Australia.

The information in this PDS is general information only and does not take account of your individual objectives, financial situation or needs. If you have any questions, please contact your financial adviser or stockbroker.

If you have any questions regarding the contents of this PDS please contact the Responsible Entity.

If you are printing an electronic copy of this PDS you must print all pages including the Application Form. A paper copy of this PDS can be obtained free of charge on request by contacting DDH Graham Limited. Units in the Fund cannot be issued to you unless you use the Application Form attached to either a paper copy or electronic copy of this PDS. Information relating to the Fund that is not materially adverse information may change from time to time. This information may be updated and made available to you on the DDH Graham Limited website at www.ddhgraham.com.au or by contacting us. A paper copy of any updated information is available free on request.

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PRODUCT OVERVIEW

- The Selector Australian Equities Fund (the Fund) has been established to deliver to investors, superior medium to long-term investment performance. This is achieved by researching and investing in securities that can deliver an above average return.
- Selector Funds Management Limited (Selector) is an independent boutique Asset Manager with a disciplined approach to stock selection.
- Selector is 100% owned by the principals of the business. The principals are experienced fund managers.
- The performance of the Fund is determined by the overall capital gain and dividend income received by Unitholders. The Fund is not constrained by tracking an index or using an industry benchmark.
- The Fund may hold significant positions in securities that do not form part of any particular index due to market capitalisation or other index considerations. Consequently, Selector is not distracted by a short term focus on quarterly or periodic returns.
- Selector measures performance against the most important criteria – returns to investors - driven by a combination of capital gain and dividend income.

FEATURES OF SELECTOR AUSTRALIAN EQUITIES FUND

This is a summary of the features of the Fund. You should read the entire Product Disclosure Statement (PDS) for the details of the Offer before investing.

Fund type	Australian Equities
Investment objectives	Stock selection that provides superior performance over the medium to long-term
Recommended investment timeframe	3-5 years +
Volatility of returns	High
Potential for capital growth	High
Potential for income	Low - medium
Minimum initial investment	\$20,000
Minimum additional investment	\$2,000
Minimum withdrawal	\$2,000
Minimum balance	\$20,000
Distributions	Annual
Reinvestment of distributions	Yes
Unit price frequency	Monthly
Entry fee ¹	Up to 3.5% of Application Monies
Withdrawal fee	Nil
Asset Manager fee ¹	1.0 % of net assets of the Fund per annum
Performance fee ¹	15.0 % per annum of any out performance of the Benchmark
Responsible Entity fee ¹	0.5% of net assets of the Fund per annum
Estimated management expense ratio (MER) ¹	1.9%, see page 15
Transaction Costs on entry ¹	+0.25% included in Application Price calculation
Transaction Costs on exit ¹	-0.25% included in Withdrawal Price calculation
Asset Manager	Selector Funds Management Limited
Responsible Entity	DDH Graham Limited

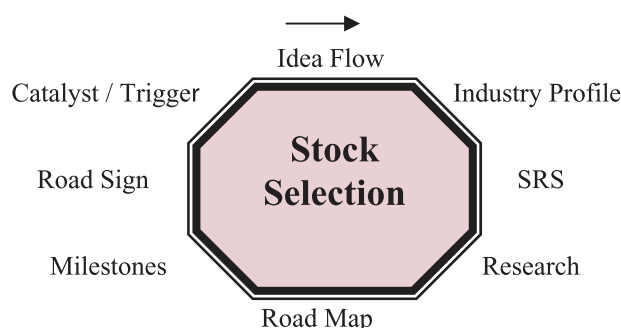
¹ Plus GST

² Your financial adviser may rebate up to 100% of the entry fee.

INVESTMENT STRATEGY

Selector is dedicated to stock selection. Selector uses a bottom up approach to stock selection based on a combination of quantitative and qualitative research. A key feature distinguishing Selector is the application of the Selector Rating System (SRS). Developed in-house, SRS provides a disciplined & systematic approach to fundamental analysis and ultimately assists Selector in the stock selection process. In analysing data, SRS ensures that ratios are systematically calculated, observed, analysed for trends, weighted and scored according to filters set by Selector. SRS is designed as a systematic aid to the discovery stage of the investment process and is equally important in the ongoing review process of the businesses that make up the portfolio.

Selector will build a concentrated portfolio of Australian equities. The majority of investments will be listed on the Australian Stock Exchange (ASX). From time to time, Selector may acquire an investment in an unlisted security where there is a clear strategy for listing on the ASX. This class of investment is restricted to 5% of the portfolio unless otherwise approved by the Responsible Entity. Selector will not purchase derivatives or short sell securities.



Selector will generate ideas from a network of professional relationships. Once a company has been identified and the basis of the business established it is investigated by Selector who call on all resources available. This may include reports from a variety of stockbroking analysts on the company and in particular its competitors and other industry material. While this material is widely available in the public domain, Selector’s approach and disciplines, although simple, differ and add value.

Selector uses a systematic process to build an investment "road map" that has "milestones". These can be duly checked off on the journey and the "road signs" provide warnings along the way.

Building a Selector Road Map

Qualitative			Quantitative		
Management Qualities	Owner Qualities	Focus	Growth	Business Qualities	Balance Sheet
Individuals whom we can trust	Material equity holding in the business	Niche or franchise	Reinvesting in the business	Businesses that we can understand	Low debt levels
Possess the drive to take the business forward	Share a common bond with ordinary shareholders	Adapt to business conditions. Do not succumb to share market pressure	Drive & resources to deliver real earnings growth	Well positioned in chosen industry	Simple structure
Clear articulation and consistency of business strategy	Track record		Free cash flow	Strong or improving financial ratios such as return on equity and return on assets	Manageable capital expenditure requirements

↓
INFORMATION USED TO BUILD AND REVIEW ROAD MAP
↓

1. Selector builds an investment Road Map
2. Road Map has milestones – quantitative & qualitative
3. Milestones may act as triggers – buy / sell / hold
4. Road signs alert Selector to changes in the Road Map
5. Road signs are heeded and investigated
6. Road signs can act as triggers – buy / sell / hold

Selector's investment "road map" consists of the quantitative and qualitative aspects that define a business and its strategy. In presenting the investment case of a company, management articulates a business strategy. Selector will focus on "milestones" that can be measured as the strategy unfolds with time. A "milestone" may be Selector's expectations or forecasts for the business.

Selector will also look for "road signs". These tend to emerge with each change of direction in a business. Typically a "road sign" is a change to quantitative or qualitative factors listed above.

"Milestones" and "road signs" are systematically reviewed. The qualities of the business are reassessed and the review may act as a catalyst to buy or sell a holding in the business.

THE ASSET MANAGER

Selector Funds Management Limited is a specialist manager of Australian equities established to deliver superior medium to long-term investment performance.

Selector's aim is to deliver superior returns in the form of capital growth and dividend income, using Selector's rigorous stock selection process and investment philosophy.

Selector's complete focus is on discovering individual businesses worthy of investment. Selector's disciplined approach to stock selection is based on independent thought and ongoing, extensive research, resulting in the selection of those businesses aimed at delivering above average returns over time.

Selector does not specifically consider the labour standards, environmental, social or ethical implications on the investments in the Fund. However, should the earnings potential of the investments be adversely affected by any of these issues, Selector may consider alternative investments.

Selector People

Martin Greenberg – Non Executive Chairman

Martin is Chairman and Managing Director of Apollan Investments Group and has 30 years experience in financial markets. From 1986 – 1999 Martin was a Director of Babcock & Brown in Sydney. During this period Martin was also a Director of Babcock & Brown Funds Management Limited and AIDC Limited. Martin holds a Bachelor of Business (UTS), Diploma of Commerce (UTS) and is a Fellow CPA. Martin is Chairman of the Selector Funds Management Limited Compliance Committee.

Corey Vincent – Director and Chief Executive Officer

Corey has over ten years of experience in stockbroking in Australia including over five years as Director of an investment company. Corey was a founding Director of VBM Capital and continues as Non Executive Chairman. Corey became an Affiliate of the Australian Stock Exchange in 1999, an Affiliate of the Newcastle Stock Exchange in 2000, an Affiliate of the Securities Institute of Australia - Diploma of Financial Advising in 2000 and a Fellow of the Australian Institute of Company Directors in 2001.

Tony Scenna – Director and Chief Investment Officer

Tony has 20 years of experience in the Australian funds management industry and has developed extensive research skills and money management capabilities. In 1988 Tony was a founder of Harper Bernays Funds Management and was the Managing Director from 1994 to April 2002. Prior to this Tony spent five years as an investment analyst and then investment manager at Perpetual Trustees Australia Limited. Tony has a Bachelor of Economics from the University of Sydney.

NOTIONAL PERFORMANCE

Since January 2003 Selector has produced a notional portfolio based on a \$10,000,000 initial investment. The notional portfolio was established on 21 January 2003. Investments in listed Australian shares were notionally undertaken. Each investment was selected on its individual merit, based on research and analysis undertaken by the investment manager. Where an investment was identified a buy order was notionally entered into using live stock market information. Buy and sell trades were only recorded where volume on either the bid or offer side existed and at the prices shown. All trades included brokerage and GST (where applicable). All trades were recorded on the investment manager's share portfolio database.

The table below shows the performance of this notional portfolio and compares it to the Australian Stock Exchange (ASX) All Ordinaries Accumulation Index.

The All Ordinaries Accumulation Index is an index calculated by the ASX. The All Ordinaries Accumulation Index takes into account both capital appreciation and dividends as a return on the companies in the ASX All Ordinaries Index. The notional portfolio performance was compared on a similar basis where all dividends received were reinvested into the portfolio.

It should be noted that Selector does not invest by reference to the weightings of an index. The underlying assets are chosen through Selector's individual stock selection process and as a result holdings will vary considerably to the make up of the All Ordinaries Accumulation Index. The All Ordinaries Accumulation Index is provided as a reference only.

Selector intends to manage the Fund using the same parameters, investment objectives and risk profiles as were used with this notional portfolio. As no actual trades were undertaken by Selector there can be no certainty that they would have been able to achieve the notional prices recorded or that the notional portfolio would have been effected on the nominated days. However Selector considers that the stock diversity of the notional portfolio and the liquidity of the major portion of the notional portfolio stocks were sufficient to ensure that any impact of limited liquidity would not have had a material impact on the historic performance of the notional portfolio.

While the investment strategy adopted by Selector in constructing the notional portfolio to date is similar to that proposed by the Fund, there can be no guarantee that any similarity will continue or that the performance of the Fund will be similar to the historic performance of the notional portfolio.

The notional investment return in the portfolio is calculated using the following assumptions:

- based on a portfolio of approximately 25 securities;
- returns are pre-tax;
- payment of fees including performance fees, set at the same levels as proposed for the Fund;
- reinvestment of all income received by the Fund; and
- no interest income earned on the cash allocation of the portfolio.

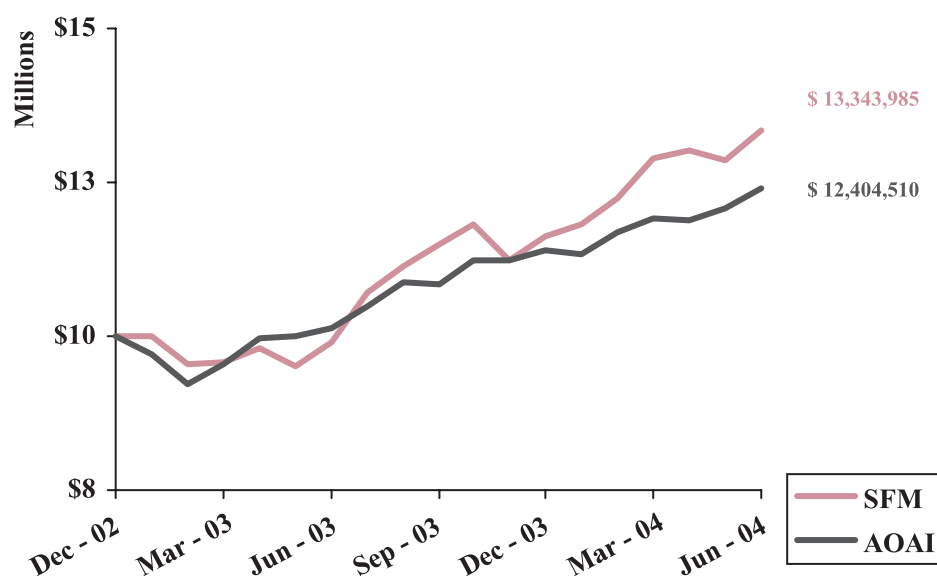
Notional Portfolio

Quarters Since inception	\$ Net valuation	% Net quarterly return	Net return since inception	All Ords Accumulation Index	% AOAI quarterly return	AOAI return since inception
21 Jan 2003	10,000,000	0.00	33.44 %	15,604	0.00	24.05 %
Mar Q1 2003	9,575,114	(4.25)*		14,888	(4.59)*	
Jun Q 2 2003	9,896,221	3.35		15,818	6.25	
Sep Q 3 2003	11,477,980	15.98		16,941	7.10	
Dec Q4 2003	11,631,468	1.34		17,787	4.99	
Mar Q1 2004	12,883,255	10.76		18,581	4.46	
Jun Q2 2004	13,343,985	3.58		19,356	4.17	

Source: Selector Funds Management Limited

* This is not a full quarter.

NOTIONAL NET VALUE OF \$10,000,000 INVESTED SINCE INCEPTION



Source: Selector Funds Management Limited

DISCLAIMER. It should be noted that the performance is based on a notional portfolio of stocks, based on how the portfolio would have been invested through the Selector process. No actual trading of stocks was carried out. These limitations should be considered when drawing any inferences from the data provided above. Past performance, notional or actual, is no guarantee of future performance. Due to volatility of underlying assets of the fund and other risks associated with investing, returns can be negative particularly in the short term. Selector has published this information, on a gross of fees basis, in their quarterly newsletter which is also posted on www.selectorfund.com.au. It has also been used in marketing material in relation to professional investors.

INVESTOR INFORMATION

How to apply

An application for Units can only be made on the Application Form attached to this PDS. The application must be completed in accordance with the instructions set out in the Application Form attached to the PDS. The minimum initial investment is \$20,000. The Application Price will be calculated at the beginning of each month. Units will be allocated to you based on the next Application Price calculated.

The minimum additional investment is \$2,000. The Application Form provided can also be used for additional applications. Should you require further Application Forms please contact the Responsible Entity or visit the website.

Accessing your investment

The minimum withdrawal is \$2,000 and the minimum balance to be held is \$20,000. The Redemption Price is calculated at the beginning of each month. The Withdrawal Price calculated immediately following the redemption request will be used to calculate the redemption.

The proceeds of redemption will be paid to the investor within 14 Business Days after the relevant month end in which the request was received. However the Asset Manager may take longer if it has taken all reasonable steps to realise sufficient assets to satisfy the request and is unable to do so due to circumstances outside its control. Redemptions can be made by way of written instruction to the Responsible Entity.

Distributions

Subject to performance, the Fund will declare a distribution to Unitholders for each financial year. The Responsible Entity will provide to Unitholders an annual distribution statement detailing the components of the distributions that should be disclosed as assessable income for tax purposes. The statement will also include details of any part of a distribution that is non-taxable.

Reinvestment of distributions

The Constitution allows Unitholders to reinvest their distributions in additional Units in the Fund. Unless the Responsible Entity receives written notification, either via the Application Form or other means, before the last day of the relevant distribution period, the Responsible Entity will automatically reinvest the distribution in additional Units. This will continue for each subsequent distribution until written notification is received stating otherwise.

The additional Units will be allotted the first Business Day after the end of the distribution period. No Transaction Costs or entry fee will be included in the price of these additional Units.

Cooling off period

New investors in the Fund have the benefit of a cooling off period. If investors reconsider their investment in the Fund they have 14 days in which to notify the Responsible Entity to be entitled to receive their Application Monies back. This 14 day period starts on the earlier of:

- Receipt of confirmation of investment, or
- The end of the 5th day after the day on which the Responsible Entity issued the Units.

Investors should be aware that any refund of Application Monies is subject to adjustments for market movements in the intervening period and the deduction of reasonable expenses by the Responsible Entity.

Unit pricing

The Unit price will be calculated monthly. The price at which a Unit in the Fund is issued is calculated by using the formula below. This calculation is to be determined at the end of the month in which the Responsible Entity received the application. The entry fee will be deducted from your Application Monies before calculating the number of Units to be issued.

$$\frac{\text{Net Asset Value} + \text{Transaction Costs}}{\text{Number of Units on Issue}}$$

When a redemption is made the Unit price at which the Fund will redeem the Units is calculated by using the following formula. This calculation is determined at the month end following the receipt by the Responsible Entity of the redemption request.

$$\frac{\text{Net Asset Value} - \text{Transaction Costs}}{\text{Number of Units on Issue}}$$

Electronic PDS

This PDS is available in electronic form at www.ddhgraham.com.au. Persons who receive the electronic version of this PDS should ensure that they download and read the entire PDS.

The Offer described in this PDS is available to persons receiving the electronic version of this PDS in Australia. Applications for Units may only be made on a printed copy of the Application Form attached to this PDS.

A paper copy of this PDS will be provided free of charge to any person who requests a copy by contacting DDH Graham Limited.

Overseas investors

No action has been taken to register or qualify the Units or the Offer, or otherwise permit a public offering of the Units, in any jurisdiction outside Australia. The Units have not been and will not be registered under the United States Securities Act of 1933 and may not be offered or sold in the United States or to, or for the account or benefit of United States persons except in transactions exempt from the registration requirements of the Act.

The distribution of this PDS in jurisdictions outside Australia may be restricted by law and therefore persons into whose possession this PDS comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of those laws.

The PDS does not constitute an Offer of Units in any jurisdiction where, or to any person whom, it would be unlawful to issue this PDS.

Where this PDS has been dispatched to any persons domiciled outside Australia, and where that country's securities code and legislation require registration, this PDS is provided for information purposes only.

It is the responsibility of any overseas Applicant to ensure compliance with all the laws of any country relevant to his or her application. The return of any duly completed application will be taken by the Fund to constitute a representation and warranty that there has been no breach of such laws and that all necessary approvals and consents have been obtained.

THE RESPONSIBLE ENTITY

The Responsible Entity is DDH Graham Limited, a Queensland based funds management firm founded in 1986. DDH Graham Limited has relevant experience in trust management and administration. It is the Responsible Entity or trust manager to several property trusts and operates a money market fund. It has in excess of \$1.2 billion in funds under management. DDH Graham Limited is an unlisted public company and is the holder of an Australian Financial Services Licence (Licence No. 226319).

Responsible Entity's duties and obligations

The role of DDH Graham Limited as Responsible Entity is defined by the Corporations Act and is specifically detailed in the Constitution and the Compliance Plan. Broadly, the role of the Responsible Entity is to manage the Fund and to protect the interests of Unitholders. In performing this role, DDH Graham Limited will undertake a number of tasks to ensure the Fund complies with the Corporations Act, the Constitution and the Compliance Plan. DDH Graham Limited will also perform a range of administrative and accounting functions.

Directors of the Responsible Entity

The directors of DDH Graham Limited are:

Name and qualifications	Age	Experience and special responsibilities
<p>Mr David D H Graham</p> <p>Chairman and Managing Director</p> <p>Bachelor of Commerce Bachelor of Economics (Hons) Master of Business Administration Fellow of CPA Australia</p>	62	Managing Director since 1986. Extensive experience in financial advisory and trust management services. Non-executive director of Centro Properties Group.
<p>Mr Peter B Lockhart</p> <p>Executive Director</p> <p>Bachelor of Economics Master of Business Administration</p>	50	Director since 1988. Extensive experience in financial advisory and trust management services.
<p>Mr Ugo C Di Girolamo</p> <p>Executive Director</p> <p>Associate Diploma in Business Member of Finance & Treasury Association Limited</p>	42	Director since 2000. More than 20 years experience in financial markets including 7 years in an executive money market role.

RISKS

In considering an investment in the Fund, investors should carefully consider the various types of risks, which have the potential to influence the performance of the Fund. A number of these risks can be mitigated, however many are external to the Responsible Entity and the Asset Manager and are not subject to their influence. Accordingly, when considering an investment in the Fund these risk factors need to be considered before making an investment decision.

The main factors, which may impact the financial performance of the Fund and the value of investors' holdings, include but are not limited to the following risks:

- The Unit price of the Fund can fall as well as rise, the market value of investments that the Fund purchases can fall as well as rise and share markets can be volatile;
- Past performance of investments managed by the Asset Manager or staff of the Asset Manager is not a guide to future performance;
- The performance of the Fund depends on the expertise and investment decisions of the Asset Manager;
- There are many economic factors that can effect the value of a share investment including, but not limited to inflation, interest rates, employment and consumer demand in Australia and internationally;
- Share prices are dependent upon the financial circumstances of the companies in which the shares are purchased including but not limited to profits, earnings and cash flow;
- Given the Asset Manager's investment methodology, the Fund's returns may differ significantly from investment industry benchmarks;
- It could be argued that a performance fee may encourage behaviour in an Asset Manager that adds to the volatility of the Fund;
- The Fund may be less diversified than other equity funds;
- Investors need to regard an investment in the Fund as a medium to long term proposition.

TAXATION

There are taxation implications that apply when investing in the Fund. The following information is intended as a broad overview and does not cover all taxation implications of investing in the Fund.

Unitholders' tax liability is dependant on their individual circumstances. Therefore it is recommended that professional advice on the taxation implications of investing in the Fund be sought, before any such investment is made.

Under existing income tax legislation, the Responsible Entity is not generally liable for tax in respect of the Fund because of its distribution policy to distribute to Unitholders all net taxable income of the Fund. Income distributed to you (even if it is reinvested or received in another period) will generally be assessable and should be included in your tax return when your entitlement to that income arises ie on the distribution dates. The Fund will also distribute any capital gains, imputation credits and foreign tax credits received. These will also need to be included in Unitholders' tax returns. Again, the extent to which these credits can be used is dependant on the individual Unitholders' circumstances.

Disposal of Units in the Fund may give rise to a capital gains tax liability or a capital loss. Some investors may be entitled to a capital gains tax discount if Units were held for more than 12 months.

Different taxation circumstances apply to investors who are not residents of Australia. Tax will be withheld from their distributions at the appropriate rate and taxation law of the appropriate country will apply.

At the Fund's financial year end, Unitholders will be sent details of any assessable income, capital gains, credits and other relevant information for the preparation of their tax returns.

Tax File Number (TFN)

It is not compulsory to provide your TFN (or exemption) or ABN, however, tax will be deducted, at the highest marginal tax rate, from your income if the Responsible Entity is not provided with this information.

Goods & Services Tax (GST)

The Fund will be required to pay GST on certain expenses including management fees. Where available the Fund will be entitled to reduced input tax credits of 75% of the GST paid. The fees and expenses quoted in this PDS are exclusive of GST.

FEES

Initial charges, ongoing charges and expenses applicable to investors in the Fund are set out in the table below. These fees and expenses may be deducted from your Application Monies or from the return on your investment or from the Fund's assets as a whole.

You should read all of this information about fees and expenses as it is important to understand their impact on your investment in the Fund.

The fees set out below are exclusive of GST.

Significant Fees	Amount	How & When Paid
Establishment fee: This is the fee charged to set up your initial investment.	Nil	There is no establishment fee.
Entry fee / Contribution fee: This is the fee charged for the initial and every subsequent investment.	Up to 3.5% of Application Monies (equates to \$700 for every \$20,000 invested)	The entry fee will be deducted from the Application Monies before calculating the number of Units to be issued pursuant to your application. The entry fee will be payable to your financial adviser who may allocate all or part of this remuneration to you as additional Units but is not obliged to do so. If no adviser is involved the Responsible Entity will receive a 1% entry fee.
Exit fee / Withdrawal fee: This is the fee charged for each withdrawal you make from the Fund.	Nil	There is no withdrawal fee.
Termination fee: This is the fee charged when you finally close your investment.	Nil	There is no termination fee.
Transaction Costs: These costs are included in the Application Price and Withdrawal Price of the Fund to cover costs such as brokerage on the transactions required due to investors' entry or withdrawal from the Fund.	+ 0.25% included in Application Price calculation - 0.25% included in Withdrawal Price calculation	See "Important Additional Disclosure Items" for further explanation of these costs.
Ongoing fees: This is the total of all ongoing administration, investment management, expense recovery and other fees charged by the Fund.	<ul style="list-style-type: none"> • Asset management fee • Performance fee • Responsible Entity fee • Expense recoveries 	A breakdown of these fees is shown below.

Breakdown of Ongoing Fees	Amount	How & When Paid
Asset management fee: This is the fee for managing the Fund's investments.	1.0% per annum (note 1) (equates to \$200 for every \$20,000 invested)	Paid from the Fund net assets monthly, in arrears.
Performance fee: This is payable to the Asset Manager for any out performance of the Australian All Ordinaries Accumulation Index.	15.0% per annum of any out-performance of the Benchmark ("Important Additional Disclosure Items" below illustrate an example of the calculation)	Paid from the Fund assets annually in arrears as long as the Fund has made a positive return. See material contracts section for details of the calculation.
Responsible Entity fee: This is the fee for the product issuer's services in overseeing the Fund's operations.	0.5% per annum (note 2) (equates to \$100 for every \$20,000 invested)	Paid from the Fund net assets monthly, in arrears.
Expense recoveries: These are estimates of the out of pocket expenses that the Responsible Entity is entitled to recover from the Fund.	The Responsible Entity is able to recover certain Fund related expenses from the Fund provided that such recovery is not prohibited by the Corporations Act.	Paid from the Fund net assets monthly, in arrears.

Note 1 - The asset management fee of 1.0%, will only be payable once the Fund has \$10,000,000 under management. Until this point a \$50,000 per annum fee is payable monthly in arrears.

Note 2 - The Responsible Entity fee of 0.5%, will only be payable once the Fund has \$10,000,000 under management. Until this point a \$50,000 per annum fee is payable monthly in arrears.

Important Additional Disclosure Items

Entry Fee

The Constitution of the Fund provides for an entry fee of up to 5% of the value of each application. At present the maximum entry fee is 3.5%. As noted above the entry fee will be paid to your licensed financial adviser. Where no adviser is involved the Responsible Entity will charge a 1% entry fee.

Estimated Management Expense Ratio (MER)

The estimated MER of 1.9% is the aggregate of the Fund's management fee and expense recoveries. It is based on funds under management of \$20 million. It is calculated excluding GST and the performance fee and does not include Transaction Costs. The MER is a useful means for comparing the ongoing fees and expenses of investing in the Fund against other investments.

Differential Fees

Under the Corporations Act the Responsible Entity may rebate fees to investors that meet certain criteria. The Responsible Entity may negotiate fees with Wholesale Clients. Investors who invest directly with the Responsible Entity will be charged a 1% entry fee. Any differential fee arrangements will not adversely affect the fees to be paid by other investors.

Expense Recoveries

Examples of the types of expenses to be recovered by the Manager include but are not limited to custodian fees, registry fee, audit fees, compliance fees, insurance costs and government taxes and duties and disbursements incurred in the acquisition or disposal of assets. It is estimated that the Manager will recover expenses of approximately \$80 per annum or 0.4% of every \$20,000 invested. This assumes funds under management of \$20 million.

Transaction Costs

The Application Price and the Withdrawal Price for Units in the Fund will be adjusted to reflect the estimated Transaction Costs. Transaction Costs are an estimate by the Responsible Entity of the acquisition or disposal costs of assets of the Fund incurred as a result of an investor entering or withdrawing from the Fund. These costs include brokerage. Transaction Costs are capped at +0.25% of the value of the assets of the Fund on entry (included in the Application Price calculation) and -0.25% of the value of the assets of the Fund on withdrawal (included in the Withdrawal Price calculation).

Simple Performance Fee Example

Below is a hypothetical example of the possible effect of performance fees on your investment. These figures are not indicative of the returns of the Fund and are only used for illustrative purposes.

Investment	\$20,000	\$20,000
Assumed Fund net performance	10%	15%
Assumed Benchmark performance	7%	7%
Out-performance of Benchmark	3%	8%
Net value of investment (pre performance fee)	\$22,000	\$23,000
Performance fee (15% of out-performance)	\$90	\$240
Net value of investment (post performance fee)	\$21,910	\$22,760

ADDITIONAL INFORMATION

Complaints

If you have a complaint concerning your investment in the Fund please contact the Responsible Entity on 1800 226 174 or (07) 3210 2277 or put your complaint in writing and send it to:

DDH Graham Limited
Level 18
344 Queen Street
Brisbane QLD 4000

If the action taken by the Responsible Entity is not satisfactory to the Unitholder the complaint can be lodged with Financial Industry Complaints Service Limited, who can be contacted as follows:

Financial Industry Complaints Service Limited
PO Box 579
Collins Street West
Melbourne VIC 8007

Free Call 1300 78 08 08

Fax (03) 9621 2291

Email fics@fics.com.au

Privacy

When an Applicant completes and submits the Application Form, the Fund will be collecting important personal information from the Applicant. The Fund will not be able to process a submitted Application Form unless the Applicant provides all information required by the Application Form.

The Fund needs to collect personal information from investors for the primary purpose of processing applications and issuing Units in the Fund. There are also a number of related purposes for which the personal information will be used. These are to administer Unitholder details and comply with Australian taxation laws and other regulatory requirements.

The information that an Applicant provides to the Fund may be disclosed to certain organisations. The types of organisations or persons to whom the Fund may disclose the information provided by the Applicant include:

- The Australian Taxation Office, ASIC and other government or regulatory bodies as required by law;
- The Applicant's adviser or adviser dealer group;
- Any third party service provider engaged by the Fund to provide administration, custody, technology, auditing, mailing or printing services.

An Applicant has a right to access their personal information, subject to some exceptions allowed by law. If an Applicant would like to do so, they need to contact the Responsible Entity. The Fund reserves the right to charge a fee for searching for and providing access to an Applicant's information.

Interests of the Responsible Entity and its Directors

Except as set out below or elsewhere in this PDS the Responsible Entity or its directors does not have nor has it had at any time in the two years prior to the issue of this PDS, any interest in the formation of the Fund, the Offer or any investments acquired by the Fund.

- The Responsible Entity has an interest in the promotion of the PDS in that it currently owns 10 units in the Fund.
- The Fund may invest in the Bank of Queensland Money Market Deposit Account, which is managed by the Responsible Entity.
- The directors of the Responsible Entity receive their ordinary remuneration and other entitlements as a director of the Responsible Entity.
- The Fund may invest in other entities that the Responsible Entity acts as the responsible entity for or manages.

Facsimile Instructions

You can send written instructions by facsimile to the Responsible Entity subject to the following facsimile instruction service conditions.

By using the facsimile instruction service you release the Responsible Entity from, and indemnify the Responsible Entity against all losses arising from any payment or action made based on any instruction (even if not genuine) that was received by facsimile bearing your account number, a signature apparently yours or that of an authorised signatory on the account. You also agree that neither you nor anyone claiming through you has any claim against the Responsible Entity in relation to these payments or actions.

Material Contracts

This section is a summary of certain material legal documents relating to the Fund. These include:

- Constitution
- Asset Management Agreement
- Custody Agreement
- Compliance Plan

Constitution

The Fund is a Registered Managed Investment Scheme under the Corporations Act and DDH Graham Limited is the Responsible Entity. The main rules governing the operation of the Fund are set out in the Constitution, which is dated 9 March 2004. The Corporations Act, the Compliance Plan and the general law of trusts are also relevant to the rights and obligations of the Responsible Entity and of Unitholders.

The Constitution deals with a wide range of matters including:

- Application procedures
- The life and winding up of the Fund
- Complaints
- The nature of Unitholders' interest
- Income entitlements
- The Responsible Entity's powers
- Unitholder meetings
- Liability of the Responsible Entity and its right of indemnity
- Liability of Unitholders
- The Responsible Entity's fees and right to be reimbursed for expenses.

Copies of the Constitution are available free of charge and can be obtained by contacting the Responsible Entity. The following summary sets out the main provisions of the Constitution that deal with the principal rights and obligations attaching to Units in the Fund and the powers, duties and responsibilities of the Responsible Entity.

This summary is not exhaustive and is not a definitive statement of the rights and liabilities of Unitholders.

The Responsible Entity

DDH Graham Limited is the Responsible Entity of the Fund and is responsible to Unitholders for its operation.

The Responsible Entity may retire in circumstances set out in the Corporations Act. Unitholders may also remove the Responsible Entity by following the procedures set out in the Corporations Act.

Acceptance of applications

Application for Units may be accepted or rejected by the Responsible Entity in whole or in part at the absolute discretion of the Responsible Entity.

Unit pricing

The Constitution provides as to when and how the assets of the Fund or any other assets are required to be valued.

Income entitlements and other distributions

Unitholders on the unit register of the Fund at the close of business on the last day of a distribution period are presently entitled to the distributable income for that period. Each Unitholder is entitled to the distributable income on a pro-rata basis according to the number of Units they hold at that time.

Deductions

The Responsible Entity may deduct from any amount to be paid to a Unitholder, any amount of tax or duty (or an estimate of it), which the Responsible Entity is required or authorised to deduct in respect of that Unitholder by law, or which the Responsible Entity considers should be deducted, whether the amount is paid or payable.

Rights and powers of the Responsible Entity

The Responsible Entity is given very wide powers under the Constitution. It has all the powers in respect of the Fund that is possible under the law to confer on a trustee and as though it were the absolute owner of the assets of the Fund and acting in its personal capacity. The Responsible Entity may appoint agents and delegates pursuant to the Constitution. The Responsible Entity and its associates may hold Units in the Fund subject to the Corporations Act.

Meetings of Unitholders

The Constitution provides that:

- The Responsible Entity may convene meetings of Unitholders and must do so when required by the Corporations Act. The Constitution sets out the manner in which such meetings will be conducted;
- Each Unitholder will be entitled to receive notice of meetings of Unitholders;
- Resolutions passed at meetings duly convened and conducted bind all Unitholders, whether or not they were present at the meeting;
- Meetings of Unitholders are also regulated by the Corporations Act, which, inter alia, provides that each Unitholder will have one vote for each dollar of value of the total interests they have in the Fund (on a poll). On a show of hands, each Unitholder has one vote.

Limitation of liability and indemnity

The Constitution contains provisions, which allow the Responsible Entity to take and act on various opinions, statements and documents without being liable to Unitholders, where it has acted in good faith.

The Constitution provides that the Responsible Entity is not liable for any loss, costs, damages or expenses arising out of any act or omission on its part, except where the act or omission is fraudulent, negligent or in breach of trust or any duty imposed on the Responsible Entity by deed or implied by law.

The Responsible Entity is entitled to be indemnified out of the assets of the Fund for any liability, costs or expenses reasonably incurred by it in properly performing or exercising any of its powers or duties in relation to the Fund. To the extent permitted by the Corporations Act, the indemnity includes any liability incurred as a result of any act or omission of a delegate or agent appointed by the Responsible Entity.

To the extent permitted by the Corporations Act, members of the Fund's Compliance Committee may be indemnified out of the assets of the Fund if they incur a liability in good faith.

Liability of Unitholders

The Constitution contains provisions designed to limit a Unitholder's liability in respect of the Fund to the amount, if any, which remains unpaid in relation to the Unitholder's subscription for their Units. However, the Australian courts have not finally determined the liability of Unitholders in a unit trust.

Remuneration and expenses of the Responsible Entity

Under the Constitution, the Responsible Entity is entitled to fees as follows:

- A fee equivalent to 0.5% per annum of the net assets of the Fund once \$10,000,000 of funds under management is achieved.
- A fee of \$50,000 per annum, payable monthly, is due until funds under management reaches \$10,000,000.

Except as disclosed elsewhere in the PDS, no other fees will be payable. The Responsible Entity will be reimbursed by the Fund for out of pocket expenses in respect to the establishment of the Fund.

The Constitution provides that the Responsible Entity may be reimbursed by the Fund for all expenses incurred in relation to the proper performance of its duties and the administration of the Fund.

The fees described above do not include any amount referable to Goods and Services Tax (GST). If the Responsible Entity becomes liable to pay GST in respect of any matter arising under the Constitution, then in addition to any other amount to which the Responsible Entity is also entitled to be paid or reimbursed from the assets an amount equal to the amount of the GST liability.

Transaction Costs

Under the Constitution the Transaction Costs are capped at +0.5% of the value of the assets of the Fund on entry and -0.5% of the value of the assets of the Fund on withdrawal. Currently, the Manager intends to cap Transaction Costs at +0.25% of the value of the assets of the Fund on entry (included in the Application Price Calculation) and -0.25% of the value of the assets of the Fund on withdrawal (included in the Withdrawal Price calculation).

Termination of the Fund

The Fund will terminate on the earliest of the following events:

1. The date specified by the Responsible Entity as the date of termination in a notice given to Unitholders;
2. The date on which the Fund terminates by law; and
3. 8 March 2084.

Upon termination, the Responsible Entity must realise the assets of the Fund. This must be completed within 180 days if practical and in any event as soon as possible after that. The net proceeds of realisation, after making allowance for all liabilities of the Fund (actual and anticipated) and meeting the expenses (including anticipated expenses) of the termination and the fees referred to above, must be distributed pro-rata to Unitholders according to the number of Units they hold.

Asset Management Agreement

The Responsible Entity has entered into an exclusive agreement with Selector as Asset Manager of the Fund. The duties of the Asset Manager will include investment decisions and management of the portfolio. The Responsible Entity has authorised Selector to be the sole Asset Manager under this agreement. Investment guidelines have been included in the agreement to ensure that the Asset Manager performs its duties under the parameters set out by the Responsible Entity.

In return for their asset management services, Selector is entitled to a management fee and performance fee.

The management fee of 1.0% of funds under management, will only be payable once the Fund has \$10,000,000 under management. Until this point a \$50,000 per annum fee is payable monthly in arrears.

The Asset Manager is entitled to receive a performance fee from the Fund equal to the aggregate of the monthly performance fees for a financial year in accordance with the following formula:

PF = Performance fee for the month

A = Investment return of the Fund for the month

B = Fund Benchmark return for the month

$$\text{PF} = 15\% \times (\text{A} - \text{B})$$

Provided that

- If the aggregate performance fee for a financial year is a negative amount, no fee shall be due to the Asset Manager and the negative amount shall be included in the aggregate of the succeeding financial year, and
- If the aggregate investment return for a financial year is not greater than zero, no performance fee shall be payable to the Asset Manager in respect of that financial year.

The investment return for each month is the amount by which the net asset value of the Fund at the end of the month, exceeds or is less than the net asset value of the Fund at the end of the previous month, excluding any additions to or withdrawals from Fund assets by way of subscriptions for or redemption of Units during the month.

The Benchmark return for each month shall be an amount equal to the prescribed proportion of the net value of the Fund at the end of the last month immediately preceding that month end. For this purpose, prescribed proportion means the percentage by which the All Ordinaries Accumulation Index published by the Australian Stock Exchange increases or decreases over the course of the month.

Performance fees are accrued monthly as a liability of the Fund and paid at the end of the financial year provided that the aggregate performance fee is a positive amount.

The performance fee shall be deemed to accrue from month to month and in the case of any period which is less than a month, a proportionate part of the appropriate fee shall be payable.

Custody Agreement

The Responsible Entity has entered into a Custody Agreement in respect of the Fund with Australia and New Zealand Banking Group Limited.

The Custodian is to enter into contracts to purchase and hold assets on the Responsible Entity's behalf. The Custodian's duties also include opening and maintaining bank accounts to hold Application Monies and other income of the Fund, settling trades on behalf of the Responsible Entity and maintaining proper records and making reports to the Responsible Entity. The Custodian's liability under the Custody Agreement is limited, except in the case of fraud, negligence or breach of the Custody Agreement by the Custodian.

The Custodian is entitled to compensation for expenses incurred in connection with the performance of its duties and the exercise of its powers.

The agreement continues until terminated. Either party may terminate the agreement on 3 months written notice unless a different period is agreed. Either party may terminate the agreement immediately on the occurrence of certain other events, including changes in corporate control, acts of insolvency, and material breaches of the agreement.

Compliance Plan

The Responsible Entity has established a Compliance Plan for the Fund, which is monitored by the Fund's Compliance Committee. The Compliance Plan addresses compliance with laws, regulations, the Fund's Constitution and the Responsible Entity's ethical standards and comprises structural, operational and maintenance elements. Matters covered by the Compliance Plan include procedures for complaints handling, applications and distributions, monitoring and resolution of suspected breaches of the Corporations Act, audits, fees, related party transactions, conflicts of interest and disclosure and reporting requirements.

Copies of the Compliance Plan are available free of charge and can be obtained by contacting the Responsible Entity.

Consents

The Responsible Entity is the Issuer of this PDS. None of the persons named below has authorised or caused the issue of this PDS.

None of the persons named below has:

- Withdrawn their written consent to be named in this PDS in the form and context in which they are named; or
- Withdrawn their written consent to the inclusion in this PDS of the following information in the form and context in which it is included.

Selector Funds Management Limited has given its consent to be named as Asset Manager in this PDS.

Moore Stephens WI has given its consent to be named as auditors of the Fund in the form and context in which it is so named. Moore Stephens WI has not been involved in the preparation of any part of this PDS and specifically disclaims liability to any person in the event of omission from, or false or misleading statement included in this PDS. Moore Stephens WI has not authorised or caused the issue of this PDS and takes no responsibility for its contents.

Australia and New Zealand Banking Group Limited has given its consent to being named in this PDS as Custodian of the Fund. The Custodian has had no involvement in the preparation of any part of this PDS. The Custodian expressly disclaims and takes no responsibility for any other part of this PDS. It makes no statement in this PDS and has not authorised or caused the issue of it. The Custodian does not guarantee the success of the Fund or the repayment of capital or any particular rate of capital or income return.

Authorisation

The Responsible Entity issues this PDS. Each director of the Responsible Entity has consented to the issue of this PDS.

DEFINITIONS

"Applicant" means a person who has made an application for Units in the Fund.

"Application Form" the application form included in this PDS to be used by persons wishing to subscribe for Units in the Offer.

"Application Monies" the monies payable by the Applicant.

"Application Price" the Unit price calculated in accordance with the Constitution.

"Asset Manager" means Selector Funds Management Limited ABN 85 102 756 347.

"ASIC" means the Australian Securities & Investments Commission.

"Benchmark" the ASX All Ordinaries Accumulation Index.

"Business Day" means those days on which the trading banks (as defined in the Banking Act 1959 of the Commonwealth of Australia) are open for business in Brisbane.

"Compliance Committee" means a compliance committee established by the Responsible Entity for the Fund as required or permitted under the Corporations Act.

"Compliance Plan" the compliance plan of Selector Australian Equities Fund dated 9 March 2004.

"Constitution" The constitution of Selector Australian Equities Fund dated 9 March 2004 summarised in the material contracts section of this PDS.

"Corporations Act" Corporations Act 2001 (Cwth).

"Custodian" means the custodian being Australia and New Zealand Banking Group Limited of the Selector Australian Equities Fund as appointed by the Responsible Entity.

"Custody Agreement" the custody agreement with Australia and New Zealand Banking Group Limited dated 11 May 2004.

"Fund" the Selector Australian Equities Fund ARSN 108 161 486.

"Issuer" DDH Graham Limited ABN 28 010 639 219.

"Liquid" has the same meaning as in the Corporations Act.

"Net Asset Value" is the total value of all investments in the Fund including any realised and unrealised movements and accrued income less all liabilities.

"Offer" the offer of Units in the Fund pursuant to this PDS.

"PDS" Product Disclosure Statement.

"Product Disclosure Statement" means this Product Disclosure Statement (including the electronic form of this Product Disclosure Statement) and any supplementary or replacement Product Disclosure Statement in relation to this document.

"Registered Managed Investment Scheme" a trust which is registered with ASIC as a managed investment scheme under the Corporations Act.

"Responsible Entity" the Responsible Entity of a managed investment scheme is the company named in ASIC's records. In terms of the Offer, the Responsible Entity is DDH Graham Limited ABN 28 010 639 219.

"Transaction Costs" are an estimate by the Responsible Entity of the acquisition or disposal costs of assets of the Fund incurred as a result of an investor entering or withdrawing from the Fund. These costs include brokerage. Transaction Costs are capped at +0.25% of the value of the assets of the Fund on entry (included in the Application Price calculation) and -0.25% of the value of the assets of the Fund on withdrawal (included in the Withdrawal Price calculation).

"Unit" unit/s in the Fund.

"Unitholder" means a holder of Unit/s in the Fund.

"Wholesale Client" has the meaning given in Section 761G of the Corporations Act.

"Withdrawal Price" means the Unit price calculated in accordance with the Constitution.

Selector Australian Equities Fund

ARSN 108 161 575

DDH Graham Limited Level 18 344 Queen Street Brisbane QLD 4000

Freecall 1800 226 174 Telephone (07) 3210 2277 Facsimile (07) 3210 6986 www.ddhgraham.com.au

APPLICATION FORM

Investment

Selector Australian Equities Fund – Initial Investment \$

Selector Australian Equities Fund – Additional Investment \$

Investor Number

Investor Details

Individual/ Joint Applicant No. 1

Title Given Name(s) Surname

Tax File Number / Exemption*

Individual/ Joint Applicant No. 2

Title Given Name(s) Surname

Tax File Number / Exemption*

Company / Fund / Trust Name

Designated Account eg <Super Fund A/C>

ABN

Tax File Number / Exemption*

Contact Name

* Quotation of your TFN is optional. Tax may be required to be deducted from any distributions or other income payable to you at the highest marginal tax rate plus the Medicare levy if your TFN is not provided.

Investor Contact Details

Residential Address (Compulsory)

Street Number Street

Suburb State Postcode Country

Postal address (if different from residential address above)

Street Number / PO Box Street

Suburb State Postcode Country

Contact Name

Contact Number: Home

Work

Mobile

Fax

Email

I / We wish to receive the Quarterly Performance Report

Yes

No

Reinvestment#

Reinvest distributions in the Fund

Receive distribution

If neither of the options above are selected, distributions will automatically be reinvested

Annual Report

We are required by law to provide a copy of the Fund's annual report to each unit holder unless you indicate otherwise below.

I do not wish to be mailed a copy of the Annual Report each year.

Please send me an electronic copy of the Annual Report to the email address above.

Bank Account Details

<input type="text"/>	<input type="text"/>	
Account Name	Bank	
<input type="text"/>	<input type="text"/>	<input type="text"/>
Branch	BSB	Account Number

Acceptance & Execution

I/We declare that:

- All details in this application are true and correct
- This application was received attached to a complete Product Disclosure Statement dated 15th October 2004
- I/We hereby agree to be bound by the Constitution dated 9 March 2004 for the Selector Australian Equities Fund
- I/We acknowledge that investments in the Fund are subject to investment risk, including possible delays in repayment and loss of income or capital invested
- I/We acknowledge that DDH Graham Limited does not guarantee the performance of the Fund, not any particular return for the Fund, nor repayment of capital from the Fund
- I/We have legal power to invest in accordance with this application
- I/We have received and accepted this Offer in Australia
- In the case of joint applications, the joint Applicants agree that unless otherwise expressly indicated on this Application Form, the Units will be held as joint tenants and either investor is able to operate the account and bind the other investor for future transactions, including additional deposits and withdrawals, including withdrawals by fax
- If investing as a 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 superannuation funds, I/we also confirm that it is a complying fund under the Superannuation Industry (Supervision) Act

- If signed as a sole director and sole secretary of a company please tick here.
- If signed under a power of attorney, please tick here to certify the attorney has not received notification of revocation of that power.

<input type="text"/>	<input type="text"/>
Signature	Signature
<input type="text"/>	<input type="text"/>
Name	Name
<input type="text"/>	<input type="text"/>
Date	Date

Joint applications require signatures from both parties

The Selector Australian Equities Fund PDS gives information about purchasing Units in the Selector Australian Equities Fund. Any person who gives another person access to the Application Form must also give the person access to the Selector Australian Equities Fund PDS and any supplementary documents. You should read the PDS before completing this Application Form.

Advisor Use Only

I declare that:

- I am a holder of a current Australian Financial Service License (AFSL)
- I have provided the Applicant with a copy of the Product Disclosure Statement
- I have fully disclosed all fees of the Fund to the Applicant
- The Applicant is over the age of 18 years

Advisor Name

Signature

Date

Entry Fee - We request that you deduct a sufficient amount from the application monies to pay the following fee, as detailed in Supplementary Product Disclosure Statement No. 1, to the adviser.

0% 0.55% 1.1% 1.65% 2.2% 2.75% 3.3% 3.85%

Ongoing adviser service fee - I/We request that you redeem a sufficient number of units at the end of each quarter to pay the following fee, as detailed in Supplementary Product Disclosure Statement No. 1, to the adviser.

0% 0.275% 0.55% 0.825% 1.1% 1.375% 1.65%
1.925% 2.2%

Note: Percentage fee rates above are inclusive of GST.

I / We wish to receive the Quarterly Performance Report Yes No

(Available by email only. Please complete email address above.)

Advisors Stamp

Advisory Firm Name

Account Name

Bank

Branch

BSB

Account Number

Applicants Name

Signature

Date

HOW TO INVEST

Investment Instructions

Please read the Product Disclosure Statement in full before completing the Application Form.

Initial applications for Units in the Selector Australian Equities Fund must be made on the Application Form attached to the Product Disclosure Statement. Cheques should be made payable to "ANZ – Selector Australian Equities Fund".

Your completed Application Form and cheque should be forwarded to:

DDH Graham Limited
Level 18
344 Queen Street
Brisbane QLD 4000

HOW TO COMPLETE THE APPLICATION FORM

- Please print in CAPITAL letters
- If you make a mistake, cross it out and initial your changes
- If you have any difficulty completing the application contact your financial advisor.
- The following information is a quick guide that may help you complete the application.

Quick Guide

- 1) The minimum subscription amount for initial investment is \$20,000
- 2) The minimum subscription amount for additional investments is \$2,000
- 3) The Responsible Entity reserves the right to reject any application in part or in whole
- 4) Some investment intermediaries may rebate part or all of their commission. The Responsible Entity will add any rebate of commission to the amount invested in Units upon request from the intermediary.
- 5) Before signing the Application Form you should read the attached Product Disclosure Statement.

Type of Investor	Application Form details required	Signature(s)
Individual	Individual details	Individual
Joint Investors	Details for both Investors	Both Investors
Company	Company details include A.B.N.	<ul style="list-style-type: none">• Two Directors• Director and Company Secretary• Sole Director
Deceased Estate	Executors Details and the Estate name Eg. Mr John Smith A/C Estate Name	Executor
Partnership	Details of the principals, partnership name and ABN Eg. Mr John Smith & Frederick Smith A/C Partnership ABC	Partner
Trust or Superannuation Fund	Details of the Trustee, Trust/Superfund name and ABN Eg. Trustee Name A/C ABC Trust or A/C ABC Superannuation Fund	Trustees

