



Discovery Investment Services Core Income Fund

Supplementary Product Disclosure Statement - 9 December 2011

Important notice

This is a Supplementary Product Disclosure Statement ('SPDS') to the Discovery Core Income Fund Product Disclosure Statement ('PDS') dated 30 April 2008 as amended by the Supplementary Product Disclosure Statement dated 23 October 2008 and the Supplementary Product Disclosure Statement dated 23 April 2011.

You should read this SPDS together with the PDS.

This SPDS covers the following investment product:

- Discovery Investment Services Core Income Fund ARSN 122 452 457 ('Fund')

This SPDS is issued by Australian Unity Funds Management Limited ('Australian Unity Funds Management', 'we', 'us', 'our') ABN 60 071 497 115, AFS Licence No. 234454, as the Responsible Entity for the Fund.

Australian Unity Funds Management Limited (AUFM), the Responsible Entity for the Australian Unity High Yield Mortgage Trust (High Yield), has advised investors that it believes that it is in the best interests of all investors to terminate and wind up High Yield, effective 9 December 2011. From that date, High Yield will close to new investment and AUFM will commence an orderly liquidation of the assets of High Yield and progressively return capital to all investors. The Fund is and will remain an investor in High Yield until the wind up is completed, but will not make any new investment. The Fund will receive cash payments during the wind up process in an equitable manner along with other investors, and those payments will be used where appropriate to make the periodic withdrawal offers as described in this SPDS.

Amendment to withdrawal procedures

Australian Unity Funds Management advises that, effective 9 December 2011, the withdrawal procedures for the Fund have been amended.

This affects one-off withdrawal requests as well as the Regular Monthly Withdrawal Facility.

As a result of these amendments, you will only be able to withdraw from the Fund if we make a withdrawal offer.

When we make a withdrawal offer, we will send to you all the information you need to request a withdrawal.

We currently intend to make withdrawal offers for the Fund on a biannual basis; however this is at our discretion and subject to the availability of sufficient liquidity to support withdrawal offers.

The withdrawal offer will be made in writing to all investors. The withdrawal offer will specify the period during which the offer will remain open (at least 21 days after the offer is made); the assets to be used to satisfy withdrawal requests (generally cash); the amount of money available to meet withdrawal requests; and the method for dealing with withdrawal requests if the money available is insufficient to satisfy all requests.

If an investor wishes to take up the withdrawal offer, the investor must notify us in writing by making a withdrawal request by the closing date of the offer. We will not make any payments to investors until after the closing date of the offer. The unit price investors will receive will be the effective unit price on the closing date of the offer.

We must satisfy withdrawal requests within 21 days of the closing date of the offer, however we will endeavour to make payments as soon as possible after the withdrawal offer closes. If the total amount of withdrawal requests exceeds the amount of money available, requests will be met using a formula that is based on a pro-rata allocation, and that is fair and equitable to all investors.

Under a withdrawal offer, investors may request to withdraw part or all of their investment in the Fund. The minimum withdrawal amount is \$2,000 subject to the requirement that investors maintain a minimum balance of \$2,000 or their request may be treated as a full withdrawal. We reserve the right to vary these minimums at any time at our discretion.



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Changes to the PDS

What does the Fund invest in?

As a result of the termination of High Yield, the wording on page 4 in paragraph 3 under subheading "What does the Fund invest in?" no longer applies.

As a result of the changed withdrawal options for the Fund, the section titled 'withdrawing' on page 7 of the PDS is replaced with the following:

WITHDRAWING

If you wish to withdraw part, or all of your investment, this may be achieved through a withdrawal offer made by us. On a periodic basis, at least biannually, we will assess the liquid assets of the Fund. We may make a withdrawal offer for the Fund if sufficient liquid assets are available to support a withdrawal offer. We may make additional withdrawal offers at any time during the year.

The withdrawal offer will be made in writing to all investors. The withdrawal offer will specify the period during which the offer will remain open (at least 21 days after the offer is made); the assets to be used to satisfy withdrawal requests (generally cash); the amount of money available to meet withdrawal requests; and the method for dealing with withdrawal requests if the money available is insufficient to satisfy all requests. For example, we **may** increase the amount available to accommodate the excess requests or meet requests using a formula that is substantially based on a pro-rata allocation, and that is fair and equitable to all investors.

If an investor wishes to take up the withdrawal offer, they must notify us in writing by making a withdrawal request by the closing date of the offer. We will not make any payments to investors until after the closing date of the offer. The unit price investors will receive will be the effective unit price on the closing date of the offer.

Subject to the terms of the withdrawal offer, any withdrawal requests (up to the amount of acceptance) are required to be paid within 21 days of the closing date of the offer. However, we will endeavour to make payments as soon as possible after the withdrawal offer closes. Under a withdrawal offer, investors may request to withdraw part or all of their investment in the Fund.

The minimum withdrawal amount is \$2,000 subject to the requirement that investors maintain a minimum balance of \$2,000 or the request may be treated as a full withdrawal. We reserve the right to vary these minimums at any time at our discretion."

In the section titled '6. Payments from your investment' on page 25 of the Application Form, delete the subsection titled 'Regular withdrawals' as this is currently not available for the Fund.

Except to the extent amended by this SPDS or updated on the website, the PDS remains in full force.

Contact Us

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