

Short Form Product Disclosure Statement

Issue No.2

For IDPS Investors

This PDS is dated 12 December 2008.

AUSBIL DEXIA LIMITED
AFS Licence Number 229722
ABN 26 076 316 473

Ausbil Investment Trusts Australian Emerging Leaders Fund

Money does not perform. People do.



IMPORTANT

The Ausbil Investment Trusts – Australian Emerging Leaders Fund ('Fund', 'Australian Emerging Leaders Fund') offered under this Product Disclosure Statement (PDS), and the Incorporated Material Issue no.1 dated 12 December 2008 ('Incorporated Material') are issued by Ausbil Dexia Limited ('Ausbil', 'we', 'us', 'our'). Ausbil is the responsible entity and issuer of units in the Fund offered in this PDS. The Incorporated Material is publicly available on the Ausbil website, www.ausbil.com.au and may be obtained on request free of charge by contacting Investor Services on 1800 287 245 (Toll free).

Neither Ausbil nor any member of the Dexia Group guarantees the performance of the Fund, the repayment of capital or any particular rate of return. Investment in the Fund is not a bank deposit or an investment in or other liability of Ausbil or any member of the Dexia Group. No assurance is given in respect of the Fund that their individual projected asset allocations, sector weightings or stated objectives will be achieved or maintained at the levels disclosed in this PDS.

Staff of Ausbil are remunerated from the management and performance fees earned by Ausbil, received in its capacity of Responsible Entity for the Ausbil Investment Trusts and Investment Manager for the discretionary mandates. Elements of the remuneration received are linked to the performance fees generated from the performance of certain Fund and discretionary mandates.

The Directors are all shareholders of Ausbil or representatives of the majority shareholder, Dexia Asset Management Luxembourg S.A. ('Dexia'). No Directors fees are paid by Ausbil to the directors, who are either remunerated directly by Ausbil or Dexia, or receive dividends pursuant to their shareholding in Ausbil. Certain key executives of Ausbil are shareholders and thus also receive dividends.

The Fund offered in this PDS is a registered managed investment scheme for the purposes of the Corporations Act. The offer of units in the Fund falls under Australian jurisdiction. This PDS is authorised for use by 'indirect investors' who are investors considering investing in the Fund via a master fund, wrap, or similar product (collectively referred to as 'investor directed portfolio services' or 'IDPS'). In this PDS, the operator of the IDPS will be referred to as 'the IDPS operator'.

All fees quoted in this Short form PDS, unless otherwise stated, are quoted inclusive of any Goods and Services Tax (GST) and Reduced Input Tax Credits (RITCs) of 75% of GST paid, which effectively reduces the GST payable by the Fund from 10% to 2.5%.

Obtaining other information before making a decision

Visit our website www.ausbil.com.au for further information which should be read in conjunction with this PDS, including:

- Incorporated Material
- Financial Services Guide
- Fund updates
- Unit prices, performance and asset allocations

We recommend that you obtain and review such information before you invest. Alternatively, you can call us on 1800 287 245 (Toll free) and we will send you the requested information free of charge. The Fund's constitution is also available upon request. If you are unsure as to any aspect relating to the Fund, Ausbil recommends that you consult your financial or other professional adviser.

AUSTRALIAN EMERGING LEADERS FUND

Investment manager	Ausbil Dexia Limited				
ARSN	089 995 442				
APIR code	AAP0104AU				
Objective	<p>The aim of the Fund is to outperform the benchmark over the medium to long term. The Fund invests in a portfolio of listed Australian equities that are primarily chosen from the S&P/ASX 300 Index, but generally exclude securities from the S&P/ASX 50 Leaders Index.</p> <p>The performance benchmark for the Fund consists of 70% S&P/ASX Midcap 50 Accumulation Index and 30% S&P/ASX Small Ordinaries Accumulation Index.</p> <p>The Fund invests in both mid and small cap stocks which possess potential for superior growth.</p>				
Investment philosophy and process	Refer to Ausbil's Australian equities investment philosophy and process on page 3.				
Investment guidelines	<table border="0"> <tr> <td>Australian Equity</td> <td>90-100%</td> </tr> <tr> <td>Cash</td> <td>0-10%</td> </tr> </table>	Australian Equity	90-100%	Cash	0-10%
Australian Equity	90-100%				
Cash	0-10%				
Authorised investments	<p>Authorised Investments of this Fund are Australian:</p> <ul style="list-style-type: none"> • Equities • Cash and short term money market securities • Bank Bill securities • Unit trust units and other unit trust investments • Options to buy or sell Authorised Investments • Derivatives contracts 				
Inception date	May 2002				
Fund size	\$708.3m as at 30 September 2008				
Minimum investment amount	Refer to the IDPS operator				
Minimum switching amount	Refer to the IDPS operator				
Additional investment amount	Refer to the IDPS operator				
Minimum withdrawal amount	Refer to the IDPS operator				
Distribution frequency	Six monthly: 31 December and 30 June				
Unit pricing frequency	Daily				
Buy – sell spread	0.30% buy / 0.30% sell				
Management fee	0.85% p.a.				
Performance fee	15.375% of returns above the benchmark				
Performance and asset allocation information	The latest performance and asset allocations for the Fund are available at www.ausbil.com.au or alternatively please contact our Investor Services Team on 1800 287 245 (Toll Free).				

THE INVESTMENT MANAGER

Ausbil Dexia Limited is an Australian equities specialist with approximately \$9 billion in Funds under management as at 30 September 2008. Established in April 1997, we are a joint venture between senior members of the Australian investment/management team and Dexia Asset Management, the asset management arm of the Dexia Group.

The Dexia Group is rated AA- and as at 30 September 2008 had assets of approximately A\$1,099 billion and shareholders funds in excess of A\$34 billion. The Dexia Group's Funds under management as at 30 September 2008 were in excess of A\$161 billion.

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



Ausbil's company structure embraces four criteria important in the selection of a fund manager:

- Solid parentage providing strong financial integrity of the investment manager;
- Key management incentivised by way of ownership in the business;
- Proven investment processes and performance track record in core areas of expertise with a strong focus on risk management skills;
- A highly experienced and stable team of investment managers.

These four elements are firmly entrenched within Ausbil.

Ausbil has developed as an active fund management business that provides specialist investment skills to both superannuation and non-superannuation clients.

The investment philosophy and corporate goals of Ausbil have been formulated to provide a tightly defined and disciplined

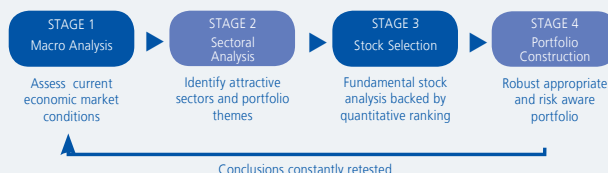
investment management style that is primarily active, but which also incorporates quantitative inputs and is risk averse. Ausbil's style pursues a goal of adding value from a clear set of transparent processes that seek to enhance performance, whilst containing volatility.

Ausbil's Investment Philosophy and Process

Ausbil's broad investment philosophy is that active management of our portfolios facilitates consistent and risk controlled outperformance. Rather than focusing only on growth or value investing, our investment processes allow us to exploit the inefficiencies across the entire market, at all stages of the cycle and across all market conditions.

The basic premise of our philosophy is that stock prices ultimately follow earnings and earnings revisions. Our process seeks to identify earnings and earnings revisions at an early stage, and hence to pre-empt stock price movements. We seek to position our portfolios towards those sectors and stocks which we believe will experience positive earnings revisions and away from those we believe will suffer negative revisions.

Ausbil employs a four-stage process to provide the framework for portfolio construction consistent with its investment philosophy. We believe that stock price moves are a function of macroeconomic, sectoral themes and individual stock influences on earnings. This process is summarised in the diagram below:



THE FUND'S INVESTMENTS

Authorised Investments

Although Ausbil has a broad range of investment powers under the Constitution, Ausbil has determined that the investments of the Fund referred to in this PDS are to be limited to the classes of investments outlined in the description of the Fund earlier in this PDS. For the purposes of this PDS the term "securities" has the meaning given to it in the Corporations Act.

Authorised Investments will be in Australian assets unless otherwise stated.

Labour standards, environment, social and ethical considerations

Ausbil uses an investment approach that considers each investment based on its individual merits. When making investment decisions, social, ethical, environmental considerations and labour standards are not necessarily taken into account. However, where such issues may have a material impact on the value or performance of an underlying investment, Ausbil will take these into consideration when evaluating the stock's investment case. Ausbil has no predetermined view as to what constitutes a labour standard or social, ethical or environmental consideration as these will be determined on a case-by-case basis.

RISKS

All investments have risk, which means the value of your investment may fall. While it is not possible to identify every risk factor relevant to investing in the Fund, the significant risks are listed below.

Market Risks

Investment returns are influenced by market factors. These factors include changes in government regulations, market sentiment, local and international political events and environmental and technological issues.

Macro-economic Risks

The general state of the Australian and international economies as well as changes in taxation policy, monetary policy, interest rates, currency exchange rates and statutory requirements are some of the factors which may influence the progress of financial markets and individual companies.

Company-specific Risks

In addition to the macro-economic risks outlined above, the progress of individual companies may be affected by changes in factors such as the competitive environment in which they operate, technology, personnel and consumer preferences.

Operational Risks

The custody and investment administration of the Fund has been outsourced to National Australia Bank Limited (NAB). The custodial operations of NAB are subject to regular review and reporting by external audit, however, by itself this review does not prevent breakdown of operations and procedures. Ausbil is satisfied that NAB has in place adequate internal controls for its custody and investment administration operations.

Liquidity Risk

Liquidity risk exists when particular investments are difficult to purchase or sell, preventing a fund from closing out its position or rebalancing within a timely period and at a fair price. While every effort is made for the Fund to be able to meet all redemptions, the nature of the underlying securities means that in certain circumstances, we may not be able to meet all redemption requests when they are received.

Fund Risk

Fund risks include potential termination of Fund and a change in fees and expenses. There is also a risk that investing in a Fund may give different results than investing directly because of the income or capital gains or losses accrued in the Fund and the consequences of applications and withdrawals by other investors.

Regulatory Risk

Regulatory risk arises from regulatory or taxation changes introduced by a government or a regulator, which may affect the value of securities in which the Fund invests. These regulatory or taxation changes may occur in Australia or other countries in which the Fund invests. These changes are monitored by Ausbil, and action is taken where appropriate and consistent with the Fund's investment objectives.

Counter-party Risk

Counterparty risk is the risk associated with entering into derivative transactions or over-the-counter instruments with parties who may become insolvent or cannot otherwise meet their obligations to the fund. In order to minimise this risk, Ausbil will only enter into derivative transactions with a counterparty that is an established Exchange or a recognised institution with at least an "A" rating from Standard and Poor's or the equivalent from Moody's Investor Services.

How Ausbil manages risk

Ausbil is unable to eliminate all investment risk, but does analyse, manage and aim to reduce the impact of risks by actively monitoring investment markets and portfolios and throughout the use of carefully considered investment guidelines.

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. Ask us or your financial adviser.

To find out more

If you would like to find out more, or see the impact of 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.

The above consumer advisory warning is required under Australian law.

This document shows fees and other costs that you may be charged. These fees and other costs may be deducted from the money you invest, from the returns on your investment or from the Fund assets as a whole. You should read all the information about fees and costs, because it is important to understand their impact on your investment. Taxation information is set out in the Incorporated Material available at www.ausbil.com.au.

SUMMARY OF FEES

Type of Fee or Cost	Amount	How and when paid
Fees when your money moves in or out of the Fund		
Establishment Fee: The fee to open up your initial investment.	Nil	Not applicable
Contribution Fee: The fee on each amount contributed to your investment.	Nil	Not applicable
Withdrawal Fee: The fee on each amount you take out of your investment.	Nil	Not applicable
Termination fee: The fee to close your investment.	Nil	Not applicable
Management Costs		
Management Fee: The fees and costs for managing your investment.	0.85% p.a.	These costs are accrued daily and drawn monthly in arrears.
Performance Fee: This fee is in addition to the above management fee.	15.375% of the benchmark out-performance. (includes GST and RITC)	The performance fee is accrued daily and drawn monthly in arrears.
Services Fee		
Switching Fee: The fee for changing between investment options.	Nil	No switching fee is charged. You may incur a buy spread and a sell spread, when you switch from one Fund to another Fund. See 'Buy-Sell spreads' on page 7.

Example of Annual fees and costs for the Australian Emerging Leaders Fund

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

Example of \$50,000 with a contribution of \$5,000 during the year			
	Contribution Fee	0%	Nil
Plus	Management Fee	0.85% p.a.	And, for every \$50,000 you have in the Fund you will be charged \$425 each year
Plus	Performance Fee	0.28% p.a. ¹	This example is based on the actual performance fee paid by the Fund over the 12 months to 30 June 2008. For every \$50,000 you have invested in the Fund you will be charged a performance fee of \$140
Equals	Cost of Fund	1.13% p.a.	If you have an investment of \$50,000 at the beginning of the year and put in an additional \$5,000 during that year, you will be charged fees of between \$565 and \$621.50 ²

1. This is an estimate only based on the actual performance fee charged to the Fund over 12 months to 30 June 2008. The actual Performance Fee and therefore the total Management Cost will depend upon the performance of the Fund and so will vary from this estimate. See 'Performance Fee' below.

2. \$621.50 is based on the additional \$5,000 being invested for the entire year. If the additional \$5,000 was invested during the year the fee amount would be lower than \$621.50.

Please note: This is just an example. In practice, the actual investment balance if an investor will vary daily and the actual fees and expenses we charge are based on the value of the investment balance.

Performance Fee

In addition to the fixed Management Fee, a performance fee may be payable to Ausbil in respect to the Australian Emerging Leaders Fund. This fee is only payable where the Fund outperforms the relevant investment benchmark. The performance fee is set at 15% (exclusive of GST and RITC) of the gross (exclusive of management fees) amount of outperformance. The performance benchmark is 70% S&P / ASX Midcap 50 Accumulation Index and 30% S&P/ASX Small Ordinaries Accumulation Index. The fee is calculated at each valuation date and if a period of underperformance to the benchmark occurs, the performance fee accrued is frozen at its current level and further performance fees may not commence to be accrued again until the full amount of underperformance is recouped. The unit price is reflective of accrued performance fees. The full methodology for calculating the performance fee is detailed in the Fund's Constitution. The following table illustrates how performance fees might impact the investment of a hypothetical unitholder under two scenarios, a positive market return and a negative market return, and assumes the following:

- The unitholder invests \$50,000 in the Fund
- The unitholder remains in the Fund for a full year
- Positive market return scenario: The Fund achieves a return of 14% compared with the Benchmark return of 12% for the year i.e. 2% outperformance.
- Negative market return scenario: The Fund achieves a return of -12% compared with the Benchmark return of -14% for the year i.e. 2% outperformance.

Scenario 1: Positive Market Returns.

Market value at commencement of year	\$50,000
Gross value-added Fund performance in Year 1 of 14%	\$7,000
Gross value-added benchmark performance in Year 1 of 12%	\$6,000
Out-performance over benchmark in Year 1 of 2%	\$1,000
Manager's performance fee (15%* of out-performance)	\$150
GST payable on Manager's performance fee	\$15
RITC	(\$11.25)
Performance fee payable by the Fund of 15.375% (inclusive of GST and RITC)	\$153.75
Gross value added less performance fee payable by the Fund (\$7,000 - \$153.75)	\$6,846.25
Market value at end of year	\$56,846.25

*exclusive of GST and RITC

Scenario 2: Negative Market Returns.

Market value at commencement of year	\$50,000
Gross Fund performance in Year 1 of -12%	-\$6,000
Gross Benchmark performance in Year 1 of -14%	-\$7,000
Out-performance over benchmark in Year 1 of 2%	\$1,000
Manager's performance fee (15%* of out-performance)	\$150
GST payable on Manager's performance fee	\$15
RITC	(\$11.25)
Performance fee payable by the Fund of 15.375% (inclusive of GST and RITC)	\$153.75
Gross performance less performance fee payable by the Fund (-\$6,000 - \$153.75)	-\$6,153.75
Market value at end of year	\$43,846.25

*exclusive of GST and RITC

So, under both scenarios if the hypothetical unitholder had an average investment of \$50,000 over the period, the performance fee would be \$153.75 or 0.31% of the average Fund value over the period.

Indirect Cost Ratio (“ICR”)

The ICR provides a ratio of a funds ‘management costs’ that are not deducted directly from an investors account to its total average net assets over a given period. The ICR does not include establishment, contribution, withdrawal or termination fees, transactional and operational costs, but does include administration and management fees and performance fees.

The ICR paid by a sample investor in dollar terms, assuming their minimum investment was \$50,000 in a Fund for the financial year ending 30 June 2008, would have been as follows:

30 June 2008	
Australian Emerging Leaders Fund	1.13% p.a. or \$565 p.a.

The ICR represented in the table above does not represent any promise that the ICR for future periods will remain at this level. The ICR could be higher or lower depending on the Funds performance and performance fee’s payable.

Assuming zero performance fees had been paid, the ICR of the Fund would have been 0.85% p.a. or \$425 p.a.

Buy-Sell spreads

The buy and the sell spread aim to ensure that an investor bears the transaction cost associated with an investment decision to either enter or exit the Fund. The amount is, in the case of a buy spread, an extra cost to enter the Fund and the sell spread is a cost charged to exit the Fund.

These spreads are Ausbil’s reasonable estimates of transaction costs and comprise the costs associated with brokerage and stamp duties, taxes and other charges and expenses from buying or selling investments and are paid by the Fund.

The current buy-sell spread for the Fund is shown in the table below.

Buy spread	Sell spread
0.30% of each and every amount you invest in the Fund	0.30% of each and every amount you redeem from the Fund

As an example, a \$50,000 redemption will result in a sell spread of \$150. The buy-sell spread is not a fee paid to us but is retained by the Fund. They are, however, an additional cost to you and will impact on the return on your investment.

Borrowing costs

These are for borrowing money, and include costs such as interest on borrowings, establishment fees, and other related costs. Borrowing costs are not included in the Management Costs and are paid by the Fund.

Fee changes and maximum fees

All fees can change. Reasons for this may include changing economic conditions and changes in regulation. We will however give your IDPS operator written notice of any proposed change however we cannot charge more than the Fund’s Constitution allows. If we wished to raise fees above the amounts allowed for in the Fund’s Constitution, we would need approval from Unitholders. Under the Fund’s Constitution we are presently entitled to charge the following maximum fees.

Fee	Maximum fee (exclusive of GST and RITC)
Contribution fee (%)	5.00
Withdrawal fee (%)	Nil
Management fee % p.a.	0.80
Issuer fee % p.a.	0.05
Switching fee (%)	Nil

Can Fees be Different for Different Investors?

We may negotiate, rebate or waive fees for wholesale clients (as defined by the Corporations Act). The rebates are paid from the management fee Ausbil is entitled to receive, and will therefore not affect the unit price.

Adviser Commissions

As a wholesale Fund, the Fund does not pay commissions.

Additional payments made by Ausbil

Ausbil may make Product Access Payments (flat dollar amounts) to IDPS operators who distribute our Funds on their investment menu. These payments may help to cover costs incurred in establishing and maintaining our Funds on those menus, and certain other marketing and distribution costs. If these types of payments are made, they are paid directly by Ausbil and do not impact the Fund. Ausbil will negotiate the amount of the Product Access Payment with each IDPS operator.

Ausbil may also make Fund Manager Payments (rebates) to IDPS operators, dealer groups and financial advisers for their marketing support. We may also provide other types of nonmonetary benefits such as technical support and sponsorship of professional development days. If these types of payments are made, they are paid directly by Ausbil and do not impact the Fund.

ADDITIONAL INFORMATION

Responsible Entity and Constitution

As the Responsible Entity of the Fund, Ausbil is required to manage the Fund in a proper and efficient manner and in the best interests of Unitholders. Ausbil must also comply with the Constitutions and the Corporations Act. Further information can be found in the 'Other Information' section of the Incorporated Material and the Fund's Constitution, both of which are available on request.

Cooling-Off

Cooling-off rights do not apply to indirect investors. Indirect investors should contact the IDPS operator to determine what cooling-off rights they may have.

Dispute Resolution

Complaints should be directed to the IDPS operator. If indirect investors are not satisfied with the handling of the complaint, they may contact:

Financial Ombudsman Service Limited

Mail: GPO Box 3, MELBOURNE VIC 3001

Phone: 1300 78 08 08

Fax: (03) 9613 6399

Web: www.fos.org.au

Incorporated Material

Further information is provided in the Incorporated Material, including:

- Operational information; and
- Information specific to Indirect Investors

The Incorporated Material is available at www.ausbil.com.au, or may be obtained on request free of charge by contacting Investor Services on 1800 287 245 (Toll free).

CONTACT US

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