

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 Geared Equity Fund



Money does not perform. People do.



IMPORTANT

The Ausbil Investment Trusts – Australian Geared Equity Fund ('Fund', 'Australian Geared Equity 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 GEARED EQUITY FUND

Investment manager	Ausbil Dexia Limited						
ARSN	124 196 407						
APIR code	AAP0002AU						
Objective	The aim of the Fund is to outperform the S&P/ASX 300 Accumulation Index over the long term. The Fund will borrow to invest into a portfolio ¹ of listed Australian equities that are generally chosen from the S&P/ASX 300 Index.						
Investment philosophy and process	Refer to Ausbil's Australian equities investment philosophy and process on page 3. Gearing Process. The Fund will be geared by borrowing from third party lenders to purchase additional investments. The gearing ratio will generally be managed within a range of 0-55%. The gearing ratio ² is in part determined by the relationship between the dividend yield and the borrowing rate so that, as much as possible, the dividends and income of the Fund exceed the cost of borrowing and other expenses. Therefore, when interest rates are low relative to dividend yields, then the gearing ratio may be relatively high, and vice-versa. A specific gearing ratio is not targeted for the Fund but is managed on the basis that the estimated income generated by the portfolio exceeds the estimated borrowing cost and other expenses. The gearing ratio may also change on a daily basis as a result of market movements and cash flows into the Fund.						
Investment guidelines	<table border="0"> <tr> <td>Australian Equity</td> <td>90 - 100%</td> </tr> <tr> <td>Cash</td> <td>0 - 10%</td> </tr> <tr> <td>Gearing Ratio</td> <td>0 - 55%</td> </tr> </table>	Australian Equity	90 - 100%	Cash	0 - 10%	Gearing Ratio	0 - 55%
Australian Equity	90 - 100%						
Cash	0 - 10%						
Gearing Ratio	0 - 55%						
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 2007						
Fund size	\$33.4m 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 ³	0.30-0.60% buy / 0.30-0.60% sell						
Management fee ⁴	1.20% p.a.(g) / 2.40% p.a.(n)						
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).						

¹Currently the Fund's objective is implemented by investing in the Ausbil Managed Trusts- Australian Active Equity Fund.

²Gearing ratio refers to the Fund's borrowings divided by the gross value of assets, expressed as a percentage.

³The buy-sell spread depends on the specific gearing level of the Fund. We are assuming a gearing ratio of 50% when determining the 0.60% buy / 0.60% sell spread. The actual buy-sell spread will vary depending on the actual gearing level throughout the year.

⁴The Fund's Management fee based on gross assets (g) includes the Fund's borrowings, while the net assets (n) excludes the Fund's borrowings. The net figure assumes a gearing ratio of 50%.

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.

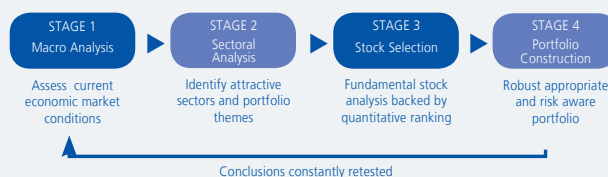
Ausbil's Investment Philosophy and Process

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.

Gearing Risk

Gearing is the use of borrowings to invest. It increases and magnifies the volatility of investment gains or losses and reduces the security of capital invested. Geared investments may significantly underperform equivalent non-g geared investments when the underlying assets experience negative returns. In extreme negative market conditions, all capital invested could be lost.

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.	1.20% p.a (gross) ⁵ 2.40% p.a (net) ⁵ (including GST and RITC)	These costs are 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 6.

Example of annual fees and costs for the Australian Geared Equity 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 the other managed investment products.

Example	Amount	Balance of \$50,000 with a contribution of \$5,000 during the year
Contribution fee	0%	Nil
Plus Management Costs	2.40% p.a.	And for every \$50,000 you have in the fund you will be charged \$1,200 each year.
Equals Cost of Fund		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 would be charged fees of between \$1,200 to \$1,320*.

*\$1,320 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 \$1,320.

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

⁵ The Fund's management fee based on gross assets (g) includes the Funds borrowings. The net assets figure assumes that the gearing ratio is 50%.

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 investment costs 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 Geared Equity Fund	2.40% p.a. ⁶ or \$1,200 p.a.

Ausbil has adopted a ‘total management fee’ approach whereby the Fund’s ICR is fixed at a disclosed level enabling full transparency and control of costs for investors, as provided in the table above.

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% ⁷ of each and every amount you invest in the Fund	0.30% ⁷ 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.

Related Party Fee Disclosures

In respect of the Fund, the assets are invested in units of the Ausbil Managed Trusts-Australian Active Equity Fund for which Ausbil is the Responsible Entity. There are no fees charged or expenses deducted by the Ausbil Managed Trust for this service.

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.

⁶ The ICR is based on net assets and assumes the average gearing ratio over the period was 50%.

⁷ The buy-sell spread of the Australian Geared Equity Fund depends on the specific gearing level within the Fund. At the time of this publication the buy-sell spread is 0.30%/0.30%. The buy-sell spread may be altered at any time, for further information on changes please contact us. For investments made under this PDS, the total buy-sell spreads will not exceed 1.20%.

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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