

Smartsave

'Member's Choice' Superannuation Master Plan

Australia First Super Trust Division (INVESCO Investment Series)



ANNUAL REPORT FOR THE FINANCIAL YEAR ENDING 30 JUNE 2013

The Trustee and issuer of an interest in Smartsave 'Member's Choice' Superannuation Master Plan (ABN 43 905 581 638, Fund Registration No. R1001341) is:

*Tidswell Financial Services Ltd
ABN 55 010 810 607
AFS Licence No. 237628
RSE Licence No. L0000888
50 Hindmarsh Square
Adelaide SA 5000*

*Telephone: (08) 8223 1676
Facsimile: (08) 8232 1675*

The Promoter of Smartsave 'Member's Choice' Superannuation Master Plan is:

*Group Insurance & Superannuation Concepts Pty Ltd
ABN 51 070 756 740
AFS Licence No. 245521
PO Box 137
Dromana VIC 3936*

*Telephone: (03) 5987 1423
Facsimile: (03) 5987 1423*

Issue date: 31 October 2013

This Annual Report should be read in conjunction with your Annual Statement of Benefits. These documents should be read together because they constitute your periodic information for the financial year ending 30 June 2013.

Your Annual Statement of Benefits has been posted to you at your last known address and this Annual Report is available to you online at www.smartsavesuper.com.au. If you require a hard copy of this Annual Report, please contact Client Services on 1300 654 720.



...partners in securing your prosperity

Any reference in this Annual Report and your Annual Statement of Benefits to:

Adviser means your financial adviser. For the purposes of this Annual Report we have assumed that you or your employer have appointed a financial adviser and that you have consented to that financial adviser being provided with access to your information. If you have not appointed a financial adviser please disregard any irrelevant references in this Annual Report and be assured that no information will be provided to a financial adviser without your consent. You should be aware that financial advisers are independent to the Trustee and the Trustee is not responsible for any information or services provided to you by your financial adviser.

Invesco means the former members of the Invesco Super Series prior to the transfer into the Australia First Superannuation Trust Division of the Plan.

AFST Divisions means the AFST Employer Division and AFST Personal Division.

AFST Employer Division or **AFST Employer Super** means the segment of AFST for employees of employers participating in the Australia First Superannuation Division of the Plan.

AFST Personal Division or **AFST Personal Super** means the segment of AFST for personal members participating in the Australia First Superannuation Division of the Plan..

Client Services, Tranzact or Administrator means Tranzact Superannuation Services Pty Ltd (ABN 33 056 524 522, AFS Licence No. 238385).

Custodian means Australian Executor Trustees Limited (ABN 84 007 869 794, AFS Licence No. 240023).

Fund Manager means the fund managers appointed by the Trustee for Smartsave from time to time.

Insurer means MLC Limited (ABN 90 000 000 402, AFS Licence No. 230694).

PDS means the current product disclosure statement for the relevant Smartsave Division of Smartsave including any incorporated by reference documents which are issued in respect to that PDS.

Plan or **Smartsave** means the Smartsave 'Member's Choice' Superannuation Master Plan.

Promoter or **GIS Concepts** means Group Insurance and Superannuation Concepts Pty Ltd (ABN 51 070 756 740, AFS Licence No. 245521).

Scheme means a segment of Smartsave specific to an employer or group of employers. Additional Scheme level information is provided in your Annual Statement of Benefits (where applicable).

SIS Act means the Superannuation Industry (Supervision) Act 1993 as amended from time to time.

SIS Legislation means the SIS Act and the SIS Regulations.

SIS Regulations means the Superannuation Industry (Supervision) Regulations as amended from time to time.

Smartsave Divisions means the Smartsave Employer Super, Smartsave Personal Super and Smart Pensions divisions of Smartsave.

Trustee means Tidswell Financial Services Ltd (ABN 55 010 810 607, AFS Licence No. 237628, RSE Licence No. L0000888).

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For full details on how Smartsave works, including investing, fees, insurance and accessing your benefits, please refer to the PDS and any incorporated by reference documents.

These are available from your Adviser or can be downloaded from Smartsave's website at www.smartsavesuper.com.au.

INTRODUCTION

The Trustee is pleased to present its Annual Report to Smartsave – AFST (Invesco) Division members for the year ending 30 June 2013.

This Annual Report brings you up-to-date with Smartsave's operations during the 2012/13 financial year and provides information on the management, financial condition and investment performance of Smartsave. You should have received your Annual Statement of Benefits which provides details of your benefit entitlements as at 30 June 2013. This Annual Report and your Annual Statement of Benefits should be read in conjunction with each other because they form your periodic information for the year ending 30 June 2013.

This Annual Report provides information that is relevant to:

- all members of Smartsave; and
- the Smartsave Divisions.

Member specific information is provided in the Annual Statement of Benefits, along with details of your benefit entitlements as at 30 June 2013.

We hope you find this Annual Report informative. If you have any questions about this Annual Report, your benefits or about Smartsave, please contact Client Services (contact details below).

Client Services' contact details are as follows:

Administration Manager

Tranzact Superannuation Services Pty Ltd

PO Box 20314

World Square

SYDNEY NSW 2002

Telephone (02) 9236 5600

Toll free 1300 654 720

Facsimile (02) 9236 5699

E-mail smartsave@tranzact.com.au

You should be aware that none of the Trustee, Custodian, Promoter, Administrator, Insurer nor any of the stated Fund Managers nor any of their respective subsidiaries or their respective officers guarantees the capital invested by investors, the performance of the specific investments available or your account generally.

The Trustee

Tidswell Financial Services Ltd (ABN 55 010 810 607, AFS Licence No. 237628, RSE Licence No. L0000888) is the Trustee of Smartsave. The Trustee has been granted a Registrable Superannuation Entity (**RSE**) licence by the Australian Prudential Regulation Authority (**APRA**) which enables it to act as a trustee of a regulated superannuation fund. Smartsave is a regulated superannuation fund and the Trustee is responsible for ensuring that it is operated in accordance with Smartsave's trust deed and the relevant legislative requirements. The Trustee is also the issuer of this Annual Report.

The board of directors of the Trustee as at 30 June 2013 were:

Directors

Michael Terlet AO (appointed 19 April 1991)

Stephen Heath (appointed 14 May 1999)

Jeffrey Tidswell (appointed 11 May 1988)

Ron Beard (appointed 20 August 2012)

Secretary

Jeffrey Tidswell (appointed 11 May 1988)

Resignations

Graham Duncan (resigned 31 March 2013)

Compliance statement

The Trustee intends to operate Smartsave at all times as a regulated superannuation fund as that term is defined in the SIS Act. Compliance with the SIS Legislation entitles Smartsave to receive special tax treatment. The Trustee is unaware of any events that could jeopardise Smartsave's compliance status and has not had any penalties imposed on it under section 38A of the SIS Act.

The Trustee has taken out professional indemnity insurance to protect it from certain liabilities subject to the terms and conditions of the relevant insurance policy.

Deed Amendments

The Deed was amended on 18 April 2013. The effect of the amendment was to:

1. ensure the rules governing Smartsave satisfy the requirements for the Trustee to establish a MySuper product that complies with section 29TC of the SIS Act;
2. introduce a total and temporary disablement benefit which will only be paid to the extent that the Trustee receives insurance proceeds in respect of a member under a relevant policy; and
3. include other ancillary and consequential changes made to the rules, including a number of corrections and modifying changes made because a consolidated version of the rules had not been prepared for some time.

Further Information

You are entitled to inspect certain documents associated with Smartsave's operation. These documents include Smartsave's annual returns, audited accounts, auditor's report and the trust deed. All requests for this information or other queries about your superannuation entitlements should be referred to:

Tidswell Financial Services Ltd
50 Hindmarsh Square
Adelaide SA 5000

Phone: (08) 8223 1676

Fax: (08) 8232 1675

Disclaimer

The intent of this Annual Report is to provide useful information, not investment or financial advice, and the information should not be construed as investment or financial advice. Each member is ultimately responsible for making his or her own investment decisions and obtaining whatever assistance he or she deems necessary. Neither the Trustee, the Custodian, the Promoter, the Administrator, the Insurer, the Investment Manager or any of the underlying fund managers nor any service providers guarantee the investment returns in Smartsave.

The information in this Annual Report is of a general nature only and is not intended to be a complete or definitive statement of all matters outlined in it. The Trustee does not recommend that any member make decisions concerning superannuation arrangements based solely on this Annual Report. Formal legal documents, called the governing rules and relevant legislation ultimately govern the operation of Smartsave. The central document is Smartsave's trust deed. Should there be any discrepancies between the information in this Annual Report and the governing rules, the governing rules will prevail. Whilst all due care has been taken in the preparation of this Annual Report, the Trustee reserves the right to correct any errors or omissions.

INVESTMENTS

Smartsave – AFST (Invesco) Division’s investment strategy is aimed at offering a broad range of investment options to allow you to structure an investment portfolio that meets your long-term investment needs and risk tolerance for your superannuation in the context of your other investments. The investment options that were available to members participating in the Smartsave – AFST (Invesco) Division during the financial year ending 30 June 2013 were as follows:

Open Investments

| |
|----------------------------------|
| INVESCO BALANCED SUPER UNIT |
| INVESCO ASIAN SUPER UNIT |
| INVESCO GLOBAL THEMES SUPER UNIT |
| INVESCO INTERNATIONAL SUPER UNIT |

Smartsave – AFST (Invesco) Division members could also choose to invest in any of the Smartsave – AFST Division options detailed below. Please refer to the Smartsave – AFST Annual Report for information regarding these options.

| |
|--------------------------------|
| SECTORLINK CASH |
| SECTORLINK FIXED INTEREST |
| SECTORLINK DEFENSIVE |
| SECTORLINK CONSERVATIVE GROWTH |
| SECTORLINK BALANCED GROWTH |
| SECTORLINK GROWTH |
| SECTORLINK HIGH GROWTH |
| SECTORLINK LISTED PROPERTY |
| SECTORLINK AUSTRALIAN EQUITIES |
| SECTORLINK OVERSEAS EQUITIES |

The investment profile, including the investment objective and strategy of each investment option relevant to the Smartsave – AFST (Invesco) Division, is set out in this Annual Report. The value of your investment is determined by reference to unit prices applicable to the investment option(s) that your account is invested in and the change in the unit price for each investment option represents the investment return for that investment option.

The assets for the investment options available through Small Business Superannuation are invested via a pooled superannuation trust, being the Australia First Member’s Choice Pooled Superannuation Trust (**AFMC PST**) and not directly with a fund manager.

The Trustee of the AFMC PST is The Trust Company (Superannuation) Limited which receives remuneration in that capacity (on normal commercial terms). In addition, the Administrator of the Plan provides professional services in relation to the AFMC PST. Tranzact Superannuation Services Pty Limited receives remuneration for these services (on normal commercial terms) from The Trust Company (Superannuation) Limited, which is deducted from the AFMC PST.

This Annual Report provides commentary on the investments that were in place on 30 June 2013.

Please Note - On 15 May 2013, the Trustee issued a significant event notice advising members that with effect from 1 July 2013, the investment menu was to be restructured.

For the expanded investment menu now available to you under Smartsave and the associated risk profiles effective from 1 July 2013, please refer to the Smartsave Investment Guide on the website – www.smartsavesuper.com.au

INFORMATION ON THE INVESTMENT OPTIONS

This information below does not take into account your personal investment objectives, financial situation or particular needs. We recommend you seek professional financial advice from an appropriately licensed or authorised Adviser before making any investment decision. To assist you in reading the investment profiles, we have provided below an example of one investment option, with an explanation of the information provided. Information is shown as at 30 June 2013 (unless otherwise specified).

| | | |
|---|---|---------------------|
| Name of Product | Invesco Balanced Super Unit | |
| Investment Objective | To achieve a return over rolling 3 year periods which exceeds the asset-weighted return of funds included in the relevant InTech Pooled Funds Performance Survey. | |
| Investment Strategy | Investments are spread over a balanced portfolio of shares, fixed interest investments, property securities and cash. | |
| Suggested Minimum Timeframe | 4 to 5 years | |
| Risk/Return Profile | Medium | |
| Asset Allocation | 30/06/13 (%) | 30/06/12 (%) |
| Australian shares | 39.7 | 37.2 |
| International shares | 30.5 | 29.5 |
| Property | 7.3 | 7.8 |
| <i>Total growth assets</i> | 77.5 | 74.5 |
| Aust. fixed interest | 18.5 | 18.6 |
| Int. fixed interest | 0 | 0 |
| Cash | 4.0 | 6.9 |
| <i>Total defensive assets</i> | 22.5 | 25.5 |
| 5 Year Compound average annualised returns to 30 June 2013 (% pa): | 3.2% | |
| Annual rate of return for 12 months to 30 June (% pa): | | |
| 2009 | -14.8% | |
| 2010 | 8.4% | |
| 2011 | 11.0% | |
| 2012 | 0.6% | |
| 2013 | 13.6% | |

How to read the investment options

| | |
|---|--|
| ← | This is the name of the investment option that will appear on reports and statements. |
| ← | Describes the goals of the investment option. Objectives are guidelines only and may not be met. They are not a promise or guarantee of any particular return or benefit. |
| ← | This outlines how the investment option is managed and where it invests to achieve its investment objective. |
| ← | This describes the suggested minimum investment period. It is a guideline only. We recommend you regularly review the appropriateness of the timeframes to your needs with your financial adviser. |
| ← | This is a general assessment of the investment option's relative risk level and expected return based on historical performance of asset sectors in which the investment option invests. |
| ← | This provides information of the actual asset allocation of the investment option as at 30 June 2012 and 30 June 2013. Asset allocations can change from time to time, in accordance with applicable benchmarks, due to market movements and investment positions taken by the underlying fund manager(s). |
| ← | This shows the compound average annualised performance returns of the investment option for 5 years (or since inception) to 30 June 2013 Past performance is not a reliable indicator of future performance. |
| ← | This shows the annual rate of return for the investment option to each 30 June. More recent performance information is available from the Promoter's website, www.smartsavesuper.com.au . Past performance is not a reliable indicator of future performance. |

Investment returns are after applicable fees, costs and taxes. They do not take into account any other fees, costs or taxes.

| Invesco Asian Super Unit | | |
|---|--|---------------------|
| Investment Objective | To achieve a return over rolling 3 year periods which exceed the Morgan Stanley Capital International AC Asia ex Japan Index return. | |
| Investment Strategy | Investments are spread over a diversified portfolio of Asian shares. | |
| Suggested Minimum Timeframe | 5 to 7 years | |
| Risk/Return Profile | High | |
| Asset allocation | 30/06/13 (%) | 30/06/12 (%) |
| Australian shares | 0 | 0 |
| International shares | 98.2 | 98.0 |
| Property | 0 | 0 |
| <i>Total growth assets</i> | 98.2 | 98.0 |
| Aust. fixed interest | 0 | 0 |
| Int. fixed interest | 0 | 0 |
| Cash | 1.8 | 2.0 |
| <i>Total defensive assets</i> | 1.8 | 2.0 |
| 5 Year Compound average annualised returns to 30 June 2013 (% pa): | 1.4% | |
| Annual rate of return for 12 months to 30 June (% pa): | | |
| 2009 | -10.5% | |
| 2010 | 7.9% | |
| 2011 | 2.6% | |
| 2012 | -13.8% | |
| 2013 | 25.2% | |

| Invesco Global Themes Super Unit | | |
|---|---|---------------------|
| Investment Objective | To achieve a return over rolling 3 year periods which exceed the Morgan Stanley Capital International World Index return by 3% or more. | |
| Investment Strategy | To provide capital growth over the long term (5 years or more) through investment in a diversified portfolio of international shares. | |
| Suggested Minimum Timeframe | 5 to 7 years | |
| Risk/Return Profile | High | |
| Asset allocation | 30/06/13(%) | 30/06/12 (%) |
| Australian shares | 0 | 0 |
| International shares | 96.1 | 99.0 |
| Property | 0 | 0 |
| <i>Total growth assets</i> | 96.1 | 99.0 |
| Aust. fixed interest | 0 | 0 |
| Int. fixed interest | 0 | 0 |
| Cash | 3.9 | 1.0 |
| <i>Total defensive assets</i> | 3.9 | 1.0 |
| 5 Year Compound average annualised returns to 30 June 2013 (% pa): | 2.9% | |
| Annual rate of return for 12 months to 30 June (% pa): | | |
| 2009 | -13.3% | |
| 2010 | 4.0% | |
| 2011 | 2.2% | |
| 2012 | 0.2% | |
| 2013 | 25.3% | |

Investment returns are after applicable fees, costs and taxes. They do not take into account any other fees, costs or taxes.

| | Invesco International Super Unit | |
|---|---|---------------------|
| Investment Objective | To achieve a return over rolling 3 year periods which exceed the Morgan Stanley Capital International World Index return. | |
| Investment Strategy | Investments are spread over a diversified portfolio of international shares. | |
| Suggested Minimum Timeframe | 5 to 7 years | |
| Risk/Return Profile | High | |
| Asset allocation | 30/06/13(%) | 30/06/12 (%) |
| Australian shares | 0 | 0 |
| International shares | 96.1 | 100.0 |
| Property | 0 | 0 |
| <i>Total growth assets</i> | 96.1 | 100.0 |
| Aust. fixed interest | 0 | 0 |
| Int. fixed interest | 0 | 0 |
| Cash | 3.8 | 0 |
| <i>Total defensive assets</i> | 3.8 | 0 |
| 5 Year Compound average annualised returns to 30 June 2013 (% pa): | 3.21% | |
| Annual rate of return for 12 months to 30 June (% pa): | | |
| 2009 | -26.9% | |
| 2010 | 10.7% | |
| 2011 | 21.9% | |
| 2012 | -0.5% | |
| 2013 | 19.3% | |

Investment returns are after applicable fees, costs and taxes. They do not take into account any other fees, costs or taxes.

PLAN INVESTMENTS

Set out below is certain information about Smartsave – AFST (Invesco) Division’s investments as a whole.

Investments held representing more than 5% of Plan assets

At 30 June 2013, the following investment products each held 5% or more of Smartsave’s assets.

| Investment Product | Amount Invested | % of Plan Assets |
|---|-----------------|------------------|
| Invesco Wholesale Global Matrix Fund Hedged – Class A | \$448,228 | 59.2% |
| Invesco Wholesale Diversified Growth Fund – Class A | \$274,197 | 36.2% |

Investment in Derivatives

Derivatives are investments that derive their value from an underlying asset or asset class (for example, an option to purchase a share at a particular price sometime in the future).

The Trustee does not intend to directly invest in any futures, options or other similar investments. However, where applicable, the underlying fund managers may use such investments indirectly as a hedging device to help protect the value of assets against a significant decline in investment markets.

If you wish to obtain further information in respect of whether an underlying fund manager uses derivatives, you should refer to the relevant section in the PDS for the specific investment option. You can access this PDS on Smartsave’s website (www.smartsavesuper.com.au) or you can contact Client Services on 1300 654 720 and request that a hard copy be sent to you via mail free of charge.



FINANCIAL SUMMARY

Set out below is an abridged version of Smartsave's unaudited Financial Statements for the year ended 30 June 2013.

| SUMMARY STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2013 | | |
|--|-------------------------|-----------------------|
| Item | 2013 (unaudited) \$'000 | 2012 (audited) \$'000 |
| Assets | | |
| Investments | 199,264 | 197,350 |
| Other assets | 14,955 | 13,489 |
| Total | 214,219 | 210,839 |
| Less Liabilities | | |
| Income tax liabilities | 497 | 136 |
| Other liabilities | 2,510 | 2,246 |
| Total | 3,007 | 2,382 |
| Equals net assets available to pay benefits | 211,212 | 208,457 |
| Represented by liability for accrued benefits | 211,212 | 208,457 |
| Movement in Liability for Accrued Benefit | | |
| Opening balance | 208,457 | 222,218 |
| Increase in accrued benefits | 32,893 | 11,874 |
| Benefits paid | 30,138 | 25,635 |
| Closing balance | 211,212 | 208,457 |

| SUMMARY OPERATING STATEMENT FOR THE YEAR ENDED 30 JUNE 2013 | | |
|---|-------------------------|-----------------------|
| Item | 2013 (unaudited) \$'000 | 2012 (audited) \$'000 |
| Revenue | | |
| Gross investment income | 26,435 | 566 |
| Contributions and transfers from other funds | 17,747 | 20,563 |
| Other revenue | 2,168 | 2,326 |
| Total | 46,350 | 23,455 |
| Less Expenses | | |
| Group life insurance premiums | 3,872 | 4,168 |
| General administration expenses | 7,061 | 7,174 |
| Income tax expense | 2,524 | 239 |
| Total | 13,457 | 11,581 |
| Equals benefits accrued as a result of operations | 32,893 | 11,874 |

A copy of the full audited Financial Statements and auditor's report will be available on request to the Trustee via Client Services on 1300 654 720. It is expected that they will be available after 30 September 2013.

SUPERANNUATION DEVELOPMENTS

Increase in Superannuation Guarantee

The super guarantee increased from to 9.25% with effect from 1 July 2013. Future rises in the super guarantee are proposed as follows:

| Financial Year | Rate |
|----------------|-------|
| 2013/14 | 9.25% |
| 2014/15 | 9.50% |
| 2015/16 | 10.0% |
| 2016/17 | 10.5% |
| 2017/18 | 11.0% |
| 2018/19 | 11.5% |
| 2019 onwards | 12.0% |

The existing upper age limit for employee super guarantee eligibility will be removed, meaning employers need to start making contributions to eligible employees who are aged 70 or over.

Increase in Concessional Caps

For most people the concessional cap (the maximum that can be paid into super and for which you or your employer can claim a tax deduction) is set at \$25,000 per annum.

For those 60 and over from 1 July 2013 and for those 50 and over from 1 July 2014, the concessional cap will be raised to \$35,000.

Fairer Treatment for Excess Contributions

From 1 July 2013 individuals will be allowed to withdraw any excess concessional contributions made from their superannuation fund without penalty.

These changes will also make superannuation taxation fairer for low and middle income earners who inadvertently breach the concessional contributions cap because they will be taxed at their marginal tax rate rather than the top marginal tax rate.

Previously concessional contributions that were in excess of the annual cap were effectively taxed at the top marginal tax rate (46.5%).

The Government's reforms will ensure that individuals are taxed on excess concessional contributions in the same way as if they had received that money as salary or wages and had chosen to make a non-concessional contribution.

The Government will tax excess concessional contributions at the individual's marginal tax rate plus an interest charge, rather than the top marginal tax rate.

Changes to Tax Concessions Provided to Very High Income Earners

From 1 July 2012, individuals with an income exceeding \$300,000 (not indexed) are subject to an additional 15% tax on part or all of their non-excessive concessional contributions.

Under this measure, total income will include taxable income, concessional superannuation contributions, adjusted fringe benefits, total net investment losses, target foreign income, tax-free government pensions and benefits, less child support.

Where an individual exceeds the income level of \$300,000 due to the inclusion of their concessional contributions, the higher tax of 30% will only apply to the amount of the contribution exceeding \$300,000.

Proposed Increase in Earnings on Pensions

From 1 July 2014, earnings on pension assets will be tax-free up to \$100,000 a year for each individual. Pension earnings above \$100,000 will be taxed at 15%, which is the same concessional rate applicable to fund earnings in the accumulation phase.

Currently all earnings on pension assets within a super fund are tax-free. The proposed changes impose a new tax of 15% on pension earnings above \$100,000 a year.

The \$100,000 pension earnings threshold will be indexed to the Consumer Price Index (CPI), and increase in \$10,000 increments.

Member Protection

Under government legislation, super funds are required to protect certain small account balances from erosion by fees. The government has repealed this legislation, effective 1 July 2013.



OTHER IMPORTANT INFORMATION

Relationship between the Trustee and some service providers to Smartsave

The Trustee undertakes to disclose all service providers who are associates of the Trustee. It also undertakes to treat all service providers equally and fairly regardless of their association with Smartsave.

Stephen Heath is a Director of the Trustee of Smartsave 'Member's Choice' Superannuation Master Plan and also a partner of the legal firm Wallmans Lawyers. Wallmans Lawyers may provide some legal services to Smartsave and receives fees on commercial terms for its services.

Enquiries and complaints

The Trustee has an established procedure for dealing with enquiries and complaints.

What is an Enquiry?

An enquiry is a request to answer any question or provide further information in relation to Smartsave. The Trustee is obliged to provide you with any information you may reasonably require to understand your benefits. Where your enquiry is straightforward it may be able to be dealt with by your contact person, ie:

Administration Manager
Tranzact Superannuation Services Pty Limited
Level 5
241 Castlereagh Street
Sydney NSW 2000

Phone: (02) 9236 5600
Fax: (02) 9236 5699
Email: admin@tranzact.com.au

If you do not receive a satisfactory response within 28 days, you should immediately contact the Trustee contact via the Complaints Officer (see below).

What is a Complaint?

A complaint is where you express dissatisfaction with some aspect of Smartsave's service to you or other decision relating to your interest in Smartsave.

Complaints are to be directed to the Trustee's Complaints Officer whose details are listed below. The Trustee has an internal dispute resolution system in place and all member complaints are reviewed. The Trustee will contact you within 90 days of the date the Trustee received your complaint.

Complaints Officer
Tidswell Financial Services Ltd
50 Hindmarsh Square
Adelaide SA 5000

Phone: (08) 8223 1676
Fax: (08) 8232 1675

Superannuation Complaints Tribunal

If you are not satisfied with the Trustee's handling of your complaint or the decision, or the Trustee fails to respond to the complaint to your satisfaction within 90 days, you may refer a complaint to the Superannuation Complaints Tribunal (Tribunal).

The Tribunal is an independent body set up by the Federal Government to assist members or beneficiaries to resolve certain types of complaints with trustees. You can telephone the Tribunal from anywhere in Australia on 1300 884 114. The postal address for the Tribunal is:

Superannuation Complaints Tribunal
GPO Locked Bag 3060
Melbourne VIC 3001

The Tribunal may be able to assist you to resolve your complaint, but only if you are not satisfied with the response resulting from the Trustee's handling of your complaint. The Tribunal cannot consider:

- complaints outside the Tribunal's jurisdiction, eg complaints about the general management of a fund;
- complaints that have not been dealt with by a fund's internal procedures; or
- complaints subject to Court proceedings.

If the Tribunal accepts your complaint, it will attempt to resolve the matter through conciliation, which involves assisting you and the Trustee in reaching a mutual agreement. If conciliation is unsuccessful, the complaint is referred to the Tribunal for a determination that is binding on all parties. However, a decision of the Tribunal may be appealed to the Administrative Appeals Tribunal or the Federal Court for review.

Financial Ombudsman Service

If you are not satisfied with the Trustee's response to your complaint and the complaint is outside the Tribunal's jurisdiction, you may be able to refer your complaint to the Financial Ombudsman Service (FOS). FOS is an independent external dispute resolution organisation which provides free dispute resolution services in relation to the provision of financial services.

If FOS accepts your complaint, it will attempt to resolve your dispute through negotiation or conciliation. If a satisfactory resolution cannot be reached using these methods, a FOS Panel or Adjudicator may make a determination. Determinations are binding on the provider of the financial services, but not on you.

Before you can refer your complaint to FOS you must have raised the issue with your financial services provider first, and your provider has 45 days to respond to the complaint. Please note that FOS can only deal with complaints within its monetary limits.

For more information on the monetary limits that apply, please call FOS on 1300 780 808 or visit www.fos.org.au.

To refer a complaint to FOS, you must complete a Dispute Form and lodge it, together with any other documents relevant to your complaint, with FOS. A Dispute Form is available for download at www.fos.gov.au, or call 1300 780 808 to request a copy. The contact details for FOS are:

Financial Ombudsman Service
 GPO Box 3
 Melbourne, Victoria 3001
 Phone 1300 780 808
 Facsimile 03 9613 6399
 Email info@fos.org.au
 Website www.fos.org.au

Eligible Rollover Fund

In some situations, the Trustee may transfer your benefit to an eligible rollover fund. These situations include:

- if you are a member of Smartsave Personal Super, when your account balance is below \$1,200;
- if you are a member of Smartsave Employer Super, when your account balance is below \$1,200 and the Trustee has not received a contribution for you in the preceding 12 months; or
- subject to the requirements in relation to transferring account balances to the ATO (see below), if the Trustee determines to treat you as a lost member, that is:
 - one or more written communications to you are returned unclaimed; or
 - no contribution or rollover has been paid into your account for five years.

Once your benefit has been paid to an eligible rollover fund you will no longer be a Smartsave member and all insurance cover will cease. An eligible rollover fund must protect your benefit from further erosion caused by administration costs charged directly to your account but your account value can reduce due to negative investment returns and taxes.

The eligible rollover fund used by the Trustee is the Super Eligible Rollover Fund (SERF). The contact details for SERF are:

Administration Manager
 Super Eligible Rollover Fund
 Tranzact Superannuation Services Pty Ltd
 PO Box 20314
 WORLD SQUARE
 SYDNEY NSW 2002
 Telephone 02 9236 5600
 Facsimile 02 9236 5699

SERF has different fees, costs and investments to Smartsave. SERF does not provide insurance benefits. For more information about SERF, contact SERF for a copy of its product disclosure statement. You may apply to the eligible rollover fund for the payment or transfer of your benefit at any time.

Privacy

We are committed to protecting the privacy of the personal information that you provide to us and we only collect personal information from you that is necessary for us to provide assistance to you. We need to collect the personal information requested to provide us with sufficient information to process your application to join Smartsave or to manage your participation in Smartsave. If you do not provide this information, we may not be able to process your application.

We will not pass on your personal information to any other body, unless:

- the law requires us to do so;
- we believe your Adviser (if applicable) needs the information and you have previously consented to information being provided to your Adviser;
- the Promoter, or a sub-promoter appointed by the Promoter, needs to send you promotional material (if you do not wish to receive promotional material, please contact and advise us at any time); or
- we need to disclose your personal information to agents that provide administration or specialist services to us. We require our agents to keep any personal information about an investor confidential and to only use it for the purposes of providing services to them.

From time to time, we might also be required to disclose information concerning you or your account to:

- your employer, if your employer has agreed to participate in Smartsave;
- your spouse and/or their legal adviser where a valid request for information is received under government legislation;
- the trustee of another fund where you request benefits to be transferred from that fund to your account or where you request us to transfer your account benefits to another fund;
- an insurer providing insurance benefits to members, when we receive an application from you for the purpose of providing you with insurance cover, an insurance claim or a claim for superannuation benefits based on medical grounds. The insurer may refer your health information to their health and medical experts for consideration;
- any deposit-taking institution to allow for the electronic transfer of funds; and
- regulators such as ASIC, the ATO, APRA and AUSTRAC.

You can also tell us at any time not to pass on your personal information for certain purposes, by advising us in writing.

If you would like a copy of the Privacy Policy or you would like to access the personal information that we have collected from you, please contact the Privacy Officer on (08) 8223 1676. If you wish to lodge a complaint about privacy please contact the Privacy Officer on the above telephone number.

To find out more about rights and remedies for breaches of privacy, you can visit the Privacy Commissioner's website at www.privacy.gov.au or contact the Privacy Commissioner's hotline on 1300 363 992.

Family Law and superannuation

Your superannuation interests may be divided by formal agreement or by a Family Court order. Interests may be divided in the accumulation phase (pre-retirement) either as an agreed amount or percentage. Interests may also be divided in the payment phase (when you are in receipt of a pension) as a percentage of the regular pension payments or as a lump sum. Only superannuation interests of \$5,000 or above may be split.

As this legislation is complex, you should seek professional advice on the consequences of separation and divorce on your superannuation interests.

Policy committees

All employers who contribute to Smartsave for more than 49 employees are required to form a policy committee. Each policy committee consists of an equal number of employee representatives and employer representatives and the Trustee must ensure, so far as practicable, that the policy committee meets at least once in each 12 month period and must provide facilities reasonably necessary to enable the committee to meet and to function properly.

The policy committee is designed to provide an avenue for members to make enquiries regarding the operation and performance of Smartsave, including the investment strategy and objectives and for the Trustee to obtain the views of the members in respect of Smartsave. The employer nominates the employer representatives. The employees nominate the employee representatives.

If more employee representatives are nominated than there are vacancies, a ballot must be held to decide who shall be the employee representatives.

Policy committees must also be established where an employer has between 4 and 50 members and at least 5 members request in writing that a policy committee be established. If there is a policy committee at your place of employment, the names of your policy committee representatives will be included on your Annual Statement of Benefits.



