Personal Choice & Smart Pensions Member Guide

30 September 2017

The information contained within this Member Guide forms part of the Product Disclosure Statement (PDS) dated 30 September 2017 for Smartsave Personal Choice & Smart Pensions.

Its purpose is to give you more information and/or specific terms and conditions referred to in the PDS.

You should consider all that information before making a decision about Smartsave Personal Choice & Smart Pensions.

If you invest in Smartsave Personal Choice & Smart Pensions, you can access a copy of the PDS, this Member Guide and any matter that is incorporated in the PDS from our website at **www.smartsavesuper.com.au**.

Alternatively, you can request a copy of this information free of charge by contacting Client Services on

1300 654 720.

The information provided in this Member Guide is general information only and does not take account of your personal financial situation or needs.

You should obtain financial advice tailored to your personal circumstances.

Table of Contents

Entity details in this Investment Guide

Name of Legal Entity	Registered Numbers	Abbreviated terms used throughout this Guide
Smartsave 'Member's Choice' Superannuation Master Plan	ABN 43 905 581 638, RSE R1001341 MySuper No: 43905581638357	Plan or Smartsave
Diversa Trustees Limited	ABN 49 006 421 638 AFS Licence No: 235153 RSE Licence No: L0000635	Trustee and Investment Manager
Australian Executor Trustees Limited	ABN 84 007 869 794, AFSL 240023	Custodian
Group Insurance & Superannuation Concepts Pty Ltd	ABN 51 070 756 740	Promoter or GIS Concepts
Tranzact Superannuation Services Pty Ltd	ABN 33 056 524 522	Tranzact, Administrator or Client Services

Important information

When you invest in Smartsave Personal Choice & Smart Pensions you become a member of the Plan. Diversa Trustees Limited is the Trustee of the Plan and the issuer of this Guide.

An investment in Smartsave Personal Choice & Smart Pensions is not a deposit or other liability of the Trustee, the Custodian, the Promoter or the Administrator or their related group of companies and none of them stands behind or guarantees the capital or performance of the investment.

An investment in Smartsave Personal Choice & Smart Pensions is subject to investment risk, including possible repayment delays and loss of income and principal invested.

The information provided in this Guide is general information only and does not take into account your personal financial situation or needs. You should obtain professional financial advice tailored to your personal circumstances and to obtain a copy of the PDS for Smartsave Employer Super before making any decision about whether to acquire, or continue to hold, the product. You can obtain a copy of the PDS by contacting Client Services on 1300 654 720.

The Plan is governed by a trust deed (Trust Deed). Together with superannuation law, the Plan's Trust Deed sets out the rules and procedures under which the Plan operates and the Trustee's duties and obligations. If there is any inconsistency between the Trust Deed and the PDS or this Guide, the terms of the Trust Deed prevail. A copy of the Trust Deed is available from Client Services free of charge.

The Trustee invests all contributions in selected investment options.

Insurance cover within Smartsave Personal Choice is provided by MLC Life Limited ABN 90 000 000 402, AFSL 230694 under group policies issued to the Trustee. The Trustee reserves the right to change insurer, or vary the benefits or premium rates from time to time.

The Trustee relies on a number of third parties for the provision of specialist services in respect of the Plan. The Trustee is responsible for the contents of this Guide.

A reference to 'adviser' in this Guide means your financial adviser or the Australian financial service licensee which your adviser represents.

1. How super works

Super is a tax effective long-term savings plan that enables you to save money for your retirement and is, in part, compulsory.

While you are working, your employer is, in most cases, required to make contributions to your super account (known as compulsory super or Super Guarantee). Generally, you have the right to choose the super fund to which these contributions are made. You, your spouse or your employer may also be eligible to make voluntary contributions. Sometimes even the Federal Government may make contributions to your super account.

The Federal Government also provides incentives for you to contribute towards your super. However, there are restrictions on contributions to, and withdrawals from, super. Generally, when you reach age 65 or your preservation age and have retired, you can access your super savings as a lump sum or receive a regular income stream through a pension account.

A pension account allows you to draw a regular income from your super savings while taking advantage of tax concessions for income streams. Of course, there may be other circumstances when you can access your super.

Contributions into my super account

Who can make contributions?

The following table outlines the rules relating to who can make super contributions.

Your age	Who can contribute
Under 65	You, your spouse[1], your employer and a third party.
At least 65 but under 75	You and your employer, provided you meet the 'work test'[2]. If you do not meet the 'work test'[2] your employer can still make mandated employer contributions.[3]
Over 75	Your employer can make mandated employer contributions[3] including Superannuation Guarantee payments. **Note**: You and your employer can make other types of contributions provided you meet the 'work test'[2] and the contribution is received on or before the 28th day following the end of the month in which you turn 75.

1 Your spouse includes a person (same or different sex) who, although not legally married to you, lives with you on a genuine domestic basis in a relationship as a couple. It generally does not include a person who lives separately and apart from you on a permanent basis.

2 The 'work test' means you have been 'gainfully employed' for at least 40 hours during any period of 30 consecutive days in that financial year where 'gainfully employed' means you have been employed or self-employed for gain or reward in any business, trade, profession, vocation, calling, occupation or employment.

3 A 'mandated employer contribution' is one which:

- reduces an employer's potential liability for the Superannuation Guarantee charge;
- is a payment of a shortfall component; or
- is a contribution to satisfy the employer's obligation under an agreement certified, or an award made, on or after 1 July 1986 by an industrial authority.

Contributions for a prior period

We may accept contributions on your behalf, if we are satisfied that the contribution relates to a period during which the Plan may have accepted the contribution, even though the contribution is actually made after that period.

Government co-contributions

If you are a low or middle-income earner and meet the eligibilities, you can take advantage of the super co-contribution payment by making eligible personal (after tax) super contributions to your Smartsave Personal Choice account. The government will then match up to $500 of your personal super contributions.

The government co-contribution details for the 2017/18 financial year are shown below:

	2017/18
Maximum co-contribution	$500[1]
Taper rate[1]	3.33¢ per $1
Lower income threshold	$36,813
Upper income threshold	$51,813[1]

1 The taper rate determines how much the maximum co-contribution is reduced for each $1 of total income that exceeds the lower Income threshold. The maximum co-contribution completely phases out when the total income reaches the upper income threshold.

Example: Damien is eligible for the co-contribution.

His total income for the 2017/2018 financial year is $45,000 and Damien has made a $1,000 after-tax super contribution.

The government co-contribution is $201 i.e. $500 - [($45,000 - $36,813) X 0.0333] = $227.

For more information, refer to the Government's website at **www.moneysmart.gov.au**

Detailed eligibilities for the government co-contributions can be found from ATO website www.ato.gov.au.

Contributions tax rate for very high income earners

From 1 July 2017, the income threshold will be reduced to $250,000.

Low income tax offset (LISTO) for low income earners

From 1 July 2017, LISC will be renamed Low Income Superannuation Tax Offset (LISTO). The eligibility and amount under LISTO will be the same as LISC. The LISTO will provide a non-refundable tax offset to superannuation funds based on the tax paid on concessional contributions of low income earners. For more information please go to www.ato.gov.au.

Rollovers

These include benefits transferred from another super or rollover fund and may be done as part of setting up a new super account or pension account, or when adding to an existing super account. You can request a rollover by completing a Roll-In Form, available at www.smartsavesuper.com.au.

How can you contribute extra to super?

There are two main ways to make extra contributions to super.

Voluntary (after tax) contributions

After tax contributions include contributions you make from income that has already had income tax applied to it.

The advantage of making after tax contributions is that they are tax free when you access your super on retirement. Only the investment earnings on the after-tax contributions are subject to tax.

You may also be eligible for the government co-contribution. See 'Government co-contributions' above for more information.

Salary sacrifice (before tax) contributions

Salary sacrificing to super is an agreement between you and your employer for you to forgo a portion of your salary in exchange for your employer making an employer contribution to your super account. Salary sacrificing can reduce income tax and increase retirement savings. The 'sacrificed' portion goes directly into super and is taxed at the 15% super contributions rate (30% for those members deemed to be very high income earners). To find out more about salary sacrificing, including to whom it might be suited and a case study demonstrating how it works, see page 28 of this Guide.

To make salary sacrifice contributions or to find out more, speak to your employer and/or your adviser.

Can you contribute for your spouse?

You can make a contribution on behalf of your spouse by using EFT. See page 13 of this Guide for the convenient contribution payment options.

It is also easy for your spouse to contribute to your account.

Can you split your contributions with your spouse?

Superannuation law permits members to split certain contributions with their spouse[1] up to a maximum split amount[2].

It is important to be aware that restrictions may apply to your ability to split contributions made to the Plan once you join the Plan, in particular taking into account the following factors:

- when exiting the Plan;
- any minimum balance requirements;
- the timing and type of contributions made to the Plan;
- where you have not lodged relevant tax documentation; and
- the timing of your splitting application request.

Please note that a Withdrawal Fee may be charged on your contributions split withdrawal.

If you intend to split eligible contributions made to the Plan, you should seek advice on the legislative requirements before you decide to join the Plan.

1 Your spouse includes a person (same or different sex) who, although not legally married to you, lives with you on a genuine domestic basis in a relationship as a couple. It generally does not include a person who lives separately and apart from you on a permanent basis.

2 The maximum split amount is generally calculated as 85% of the amount of employer contributions made in respect of the member for the year.

Do limits apply to how much can be contributed to your super account?

The Government has placed caps on concessional (taxable) and non-concessional (after tax) contributions.

You should monitor contributions made into your account as there are taxation consequences for exceeding the caps.

For further information on the contributions caps and how they apply, please see the 'How super is taxed' section on page 25 of this Guide.

Accessing your super

Are there restrictions on withdrawing money from your super account?

The Government has put rules in place to restrict when your super benefits can be accessed.

These rules, known as preservation, help to ensure that your super savings are used for retirement purposes.

You may receive your benefit as a lump sum it you satisfy a 'condition of release' (restrictions may apply). Generally, you may also elect to transfer or rollover to commence a pension or another complying super or pension fund. A transition to retirement pension may also be available.

Access to your superannuation savings will depend on the preservation status of your benefit, based on the following categories (these rules do not apply to temporary residents):

Unrestricted non-preserved

These amounts may be accessed at any time.

Restricted non-preserved

These amounts may be accessed on leaving the service of a contributing employer or when preserved benefits are payable.

Preserved

These amounts can only be accessed on meeting a condition of release. Conditions of release include:

- reaching your preservation age and you have permanently retired[1];
- reaching age 60 and subsequently ceasing a gainful employment arrangement[2];
- reaching age 65, whether you have retired or not;
- permanent incapacity[3];
- temporary incapacity[4];
- terminal medical condition[5];
- severe financial hardship (limits apply);
- specified compassionate grounds (limits apply); and
- reaching preservation age (payment restricted to a transition to retirement pension).

1 'Permanently retired' means ceasing an arrangement of gainful employment and never intending to be gainfully employed for ten or more hours weekly.

2 'Gainful employment' means being employed or self-employed for gain or reward in any business, trade, profession, vocation, calling, occupation or employment.

3 'Permanent incapacity' means the Trustee must be reasonably satisfied that you are unlikely, because of ill health (whether physical or mental), to engage in gainful employment for which you are reasonably qualified by education, training or experience.

4 'Temporary incapacity' means the Trustee must be reasonably satisfied that you have, because of ill-health (whether physical or mental), temporarily ceased gainful employment but the condition does not constitute permanent incapacity (conditions apply).

5 'Terminal medical condition' means that the following circumstances exist:

a) two registered medical practitioners have certified, jointly or separately, that the person suffers from an illness, or has incurred an injury, that is likely to result in the death of the person within a certification period that ends not more than 24 months after the date of the certification.

b) at least one of the registered medical practitioners is a specialist practising in an area related to the illness or injury suffered by the person; and

c) for each of the certificates, the certification period has not ended.

You should speak to your adviser for further information on terminal medical condition payments, as consequences may apply. A terminal medical condition payment to another superannuation or pension fund is not a rollover superannuation benefit and is assessed against the non-concessional contributions cap.

Preservation age

The table below shows your preservation age which depends on your date of birth.

If you were born	Preservation age
Before 1 July 1960	55
Between 1 July 1960 and 30 June 1961	56
Between 1 July 1961 and 30 June 1962	57
Between 1 July 1962 and 30 June 1963	58
Between 1 July 1963 and 30 June 1964	59
On or after 1 July 1964	60

Temporary residents (holding a temporary visa under the Migration Act 1958 other than a retirement visa Subclass 405 or 410)

If you are a temporary resident, as defined above, you are only able to access benefits on meeting one of the following conditions of release:

- eligibility for a Departing Australia Superannuation Payment (DASP);
- permanent incapacity[1];
- temporary incapacity[1];
- terminal medical condition[1]; and
- death.

1 Refer to 'Preserved' for an explanation of these conditions.

If you are a temporary resident and you permanently depart Australia or no longer hold a visa, we are obliged to transfer your unclaimed super to the ATO after six months of your departure or cessation of your visa (as notified by the ATO).

Irrespective of whether you later return to Australia or remain overseas, you can apply to the ATO for release of your super. Transferred super benefits can be claimed via the ATO's website at www.ato.gov.au.

On transfer of your super benefit to the ATO, you will cease to be a member of the Plan. In this case, we are not required to provide you with an Exit Statement or any other exit disclosure due to relief provided by ASIC.

If you become an Australian or New Zealand citizen or permanent resident, the obligation to transfer your super benefit to the ATO does not apply and you can continue to be a member of the Plan.

Note: This section does not apply to temporary residents, as defined in the title of this section, who satisfied a condition of release before 1 April 2009. For information on the rules for accessing super applying to these members, please speak to your adviser.

How do I receive an income stream in retirement?

If you are retired, semi-retired or about to retire, and have met a condition of release, you may be able to transfer your superannuation savings to a pension account. This can be used to draw down regular pension payments from your superannuation savings.

Transfer balance cap

From 1 July 2017, the Federal Government has introduced a cap (referred to as a transfer balance cap) on the total amount that can be transferred from accumulated superannuation savings into tax-free retirement phase (superannuation pensions).

The cap is $1.6 million for the 2017/18 financial year and will be indexed in $100,000 increments in line with the Consumer Price Index. The amount of indexation you will be entitled to will be calculated proportionally based on the amount of your available cap space. If, at any time, you meet or exceed your cap, you will not be entitled to access the benefit of indexation.

Superannuation savings accumulated in excess of the cap can remain in a superannuation account in accumulation phase, where the earnings will continue to be taxed at the concessional rate of 15%.

Subsequent earnings on balances transferred into retirement phase will not be restricted.

Transition to retirement income streams paid to a person who has not satisfied a condition of release that allows them to fully access their income stream balance will not count towards your transfer balance cap as from 1 July 2017.

Individuals with retirement phase pensions commenced before 1 July 2017 with a balance in excess of $1.6 million will need to either:

- transfer the excess amount to a superannuation account in accumulation phase; or
- withdraw the excess amount from their account.

If the total value of your pre-1 July 2017 retirement phase income streams is between $1.6 million and $1.7 million you have six months to remove the excess capital without penalty before 31 December 2017.

Individuals who breach the transfer balance cap will be subject to additional tax, similar to the tax treatment that applies to excess non-concessional contributions. If you do not take action to reduce the excess amounts, you will be required to do so by the Tax Office. The Trustee must implement Tax Office instructions to withdraw (commute) retirement phase pension amounts.

Pension payments

Pensions pay a regular income stream (pension payments) from your retirement savings subject to a minimum limit set by the government and maximum annual payment for transition to retirement pensions.

Minimum payment

The minimum annual pension payment is first calculated when you start your pension and is recalculated each year on 1 July using your account balance and age at that date.

We will write to you at the beginning of each new financial year and advise you of your minimum pension payment for that year. If you choose to receive the minimum annual pension payment, we will make pension payments from 1 July at the new minimum level. If your nominated annual pension payment is already higher than the new minimum, your pension payment will remain unchanged from that paid in the previous financial year, unless you have chosen to have your pension payments indexed.

You may estimate your own minimum annual pension payment by multiplying your account balance on 1 July by the appropriate minimum payment percentage for your age (see table below).

Minimum annual pension payments

Your age	Minimum payments percentages
Under 65	4%
65 to 74	5%
75 to 79	6%
80 to 84	7%
85 to 89	9%
90 to 95	11%
95 or more	14%

Example: For minimum payment percentages

Mary is 65 and has an investment account balance of $260,000. Mary would have the following minimum pension payment as at 1 July (subject to rounding to nearest $10).

Minimum: $260,000 x 4% = $10,400

Mary may select any annual pension payment amount of $10,400 or above.

Note: This example is illustrative only and should not be regarded as a forecast for your future pension payment. Your adviser will be able to assist you by assessing your individual needs and financial responsibilities.

Lump-sum withdrawals

You may withdraw all or part of your Smart Pensions account balance at any time by written request. However, if it is a transition to retirement pension restrictions apply.

Please refer to 'Withdrawing from a transition to retirement pension' below for further details.

If you withdraw a lump sum, legislation does not allow your minimum income level to be recalculated, based on the new account balance, until the following 1 July. We may also be required by law to ensure you have taken your minimum pension payment (pro-rated) for the current year. Any additional pension payment that is required to be made will be processed before the withdrawal.

A withdrawal will generally consist of two components -taxable and tax free. You are required to draw down proportionately from these components.

Before withdrawing from your pension, you should speak to your adviser and consider any applicable exit fees or tax implications.

You should also speak to your adviser for further information on terminal medical condition payments, as consequences may apply. A terminal medical condition payment to another superannuation or pension fund is not a rollover superannuation benefit and is assessed against the relevant contributions caps.

Transition to retirement pension

The Federal Government has put rules in place to restrict when your superannuation benefits can be used to establish a pension. These rules are known as 'preservation'. Your ability to purchase a pension will depend on the classification of your superannuation benefits as described in the section 'Accessing Your Super' on page 6 of this Guide.

If you have reached your preservation age, you can invest your superannuation benefits in a transition to retirement pension even if you are still working.

A transition to retirement pension will allow you to commence a regular income stream despite the preservation status of your current superannuation benefits.

Transition to retirement pensions are subject to a maximum annual income payment equal to 10% of the account balance upon commencement and on 1 July of each year thereafter.

Withdrawing from a transition to retirement pension

If you are eligible, you can commence a transition to retirement pension even if you are still working. This generally operates the same way as an account based (allocated) pension; however, additional restrictions on withdrawals apply. Withdrawal restrictions are lifted when you reach 65 years of age or you meet certain conditions of release (whichever occurs first).

Your current superannuation benefits can be classified as preserved, restricted non-preserved and/or unrestricted non-preserved. When commencing a transition to retirement income stream, a cashing order may be applied in respect of the preservation status of your current superannuation benefits. This could have an effect on your ability to access lump-sum withdrawals in the future. For further information, please speak to your adviser.

Note: Withdrawals and pension payments from a transition to retirement pension will first reduce your unrestricted non- preserved benefits and then your restricted non-preserved benefits.

Generally, you are permitted to withdraw your benefits to invest the lump sum into superannuation or to commence another transition to retirement pension.

The following restrictions apply to withdrawing part or all of your transition to retirement pension account balance.

Type of benefit	When you can withdraw this benefit as a lump sum
Unrestricted non-preserved benefits	Any time
Preserved benefits	When you satisfy a condition of release
Restricted non-preserved benefits	When you satisfy a condition of release

Please refer to page 6 of this Guide for the conditions of release.

It is important to seek financial advice prior to withdrawing from a transition to retirement pension.

2. Benefits of investing with Smartsave Personal Choice & Smart Pensions

Smartsave Personal Choice & Smart Pensions provides a comprehensive solution to your investment, superannuation and retirement needs.

Smartsave Personal Choice & Smart Pensions offers you an extensive range of innovative features and member services, including:

- a wide choice of 13 investment options (7 investment options for Smart Pensions) with both direct investments and multiple managed funds covering most asset classes, and both diversified investment options and single sector investment options;
- access to comprehensive and tax effective insurance cover for Death, Total and Permanent Disablement and Income Protection within Smartsave Personal Choice;
- simple and effective fee options;
- effective rollover assistance for superannuation monies you may have elsewhere;
- a straightforward transfer to Smart Pensions when you retire;
- ongoing administration, consolidated reporting and online account management across all investment options; and
- helpful and efficient telephone and online client service.

Which Smartsave solution is right for me?

Smartsave Personal Choice	Smart Pensions
If you: ▪ are still working and want to save for your retirement in a tax effective way ▪ want tax effective insurance cover through your superannuation investment ▪ want to rollover and consolidate superannuation benefits ▪ want a wide range of investment options.	If you are eligible and want to: ▪ transfer your superannuation savings to an income stream ▪ defer any lump-sum tax on cashing in your superannuation ▪ receive a regular income from your retirement savings ▪ take advantage of the tax concessions for income streams ▪ have a death benefits income stream.

Differing conditions and taxation treatments apply to these products and investments. It is important to discuss your personal circumstances with your adviser before investing.

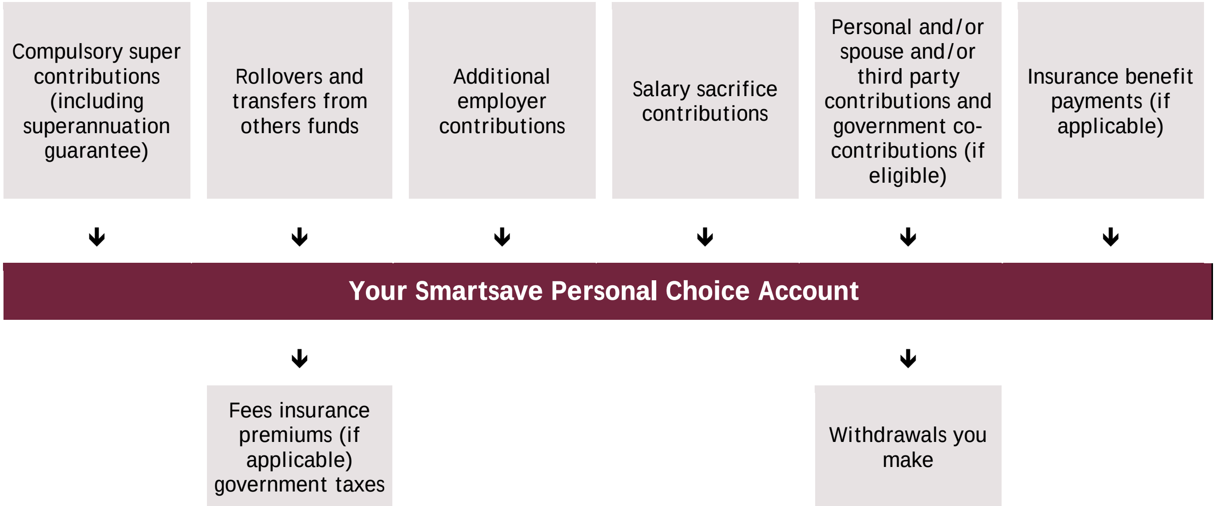
	Smartsave Personal Super	Smart Pensions
Your working life	Accumulate your superannuation savings through your career	
Your progression to retirement	Continue to grow your super savings	Create a smooth transition to retirement and start receiving a tax effective income
Your retirement		Enjoy the convenience of a regular pension payment in retirement

A wide choice of investment options	
Wide range of investment options	A selection of 13 investment options (7 investment options for Smart Pensions) using multiple funds covering most asset classes, and both diversified investment options and single sector investment options.
Choice and flexibility	You can generally select your own investment strategy and switch your investments between investment options at any time.
Switching	Tailor your investment by switching between investment options as your financial objectives change overtime.

<table>
<tr><th colspan="2">Insurance cover to suit your needs (Smartsave Personal Choice only)</th></tr>
<tr><td>Convenient insurance cover</td><td>Ability to choose the level of Death Only or Death and TPD and Income Protection Cover that suits your personal circumstances – all at group premium rates.</td></tr>
<tr><th colspan="2">Convenient features to help you manage your investment</th></tr>
<tr><td>Flexible contribution types</td><td>Smartsave Personal Choice can accept a range of contribution types, including:
▪ compulsory super contributions (including Superannuation Guarantee)
▪ rollovers and transfers from other funds
▪ Salary sacrifice contributions
▪ government co-contributions
▪ spouse contributions
▪ third party contributions
▪ personal contributions.</td></tr>
<tr><td>Consolidating your super</td><td>Effective rollover assistance for super monies you may have elsewhere into your Smartsave Personal Choice & Smart Pensions account.</td></tr>
<tr><th colspan="2">Convenient services to help you get the most from your investment</th></tr>
<tr><td>Online access</td><td>Track and manage your account online - this allows you to:
▪ view your balance and transaction history
▪ view and switch your investment / contribution allocations
▪ update your beneficiary nominations
▪ view your current insurance cover
▪ view and update your pension payment options
▪ access to great reporting functionality
▪ access to Newsletter, factsheets, PDS, forms and Fund's annual reports
▪ access to calculator.</td></tr>
<tr><td>Keeping you informed</td><td>As a member of Smartsave Personal Choice & Smart Pensions, you will receive:
▪ a Welcome Kit detailing the specifics of your account
▪ an Annual Statement
▪ an Annual Report (available online but also on request)
▪ a range of member communications, tools and education- all available online.</td></tr>
<tr><td>Supporting you</td><td>A team of dedicated professionals providing helpful and efficient client service responding to your needs through telephone, email and in writing.</td></tr>
<tr><td>Retirement options</td><td>The option to transfer to Smart Pensions when you retire.</td></tr>
</table>

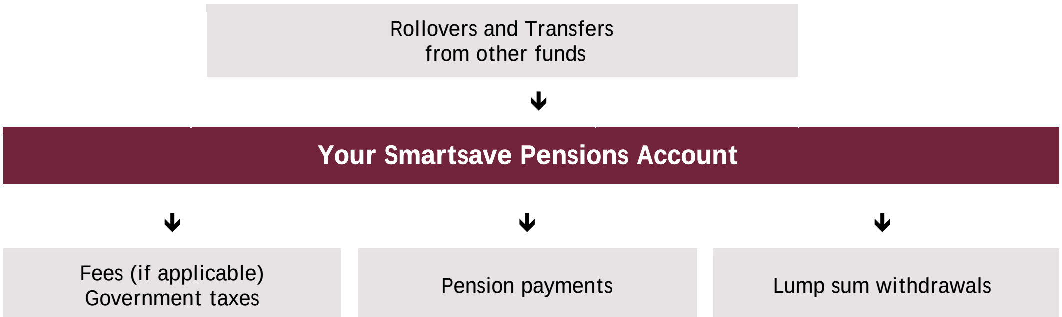
How does your Smartsave Personal Choice & Smart Pensions account work?

When you join Smartsave Personal Choice & Smart Pensions, an account is set up in your name based on personal details. For Smartsave Personal Choice, you, your employer and others can make contributions to your account and you can enjoy the benefits of being a Smartsave Personal Choice member. The following diagram illustrates amounts that may go in to and out of your Personal Choice account.



Smart Pensions

Contributions cannot be paid into a pension account – these are set up as a result of a transfer or rollover from a super fund. The following diagram illustrates amounts that may go in to and out of your Smart Pensions account.



Accessing up to date information

The information contained in the PDS is up to date at the time of preparation. However, some of the information can change from time to time; for example, information about investment management expenses or other fees, or the investment strategy of a particular investment fund. We will notify you 30 days prior to a change taking effect, if required.

As a member of Smartsave Personal Choice & Smart Pensions, you will receive and have access to a comprehensive range of communications and online tools to help you keep track of, and learn more about your super. A range of information will be sent to you (see Member communications section) but up to date information, if not materially adverse, can also be obtained at any time by calling Client Services on 1300 654 720 or visiting Smartsave's website at www.smartsavesuper.com.au.

We will send you a copy of the updated information, free of charge, on request.

Website and online access to your account

You can visit the Plan's website www.smartsavesuper.com.au to access forms, view brochures, search for lost super and check investment performance.

The online access makes managing your super easy. The easiest way to get started is by logging on to the Smartsave website. Then simply:

- click 'login' on the top right of the page to access your secure account area

- enter your unique Online User Name
- enter your password (provided separately).

By logging in to the secure area of Smartsave you can view your account summary, view your insurance details and check your transactions.

Member communication

Annual statements

Each year you will receive a personalised Annual Statement detailing your account balance, insurance cover and account transactions during the year.

Annual report

The Annual Report provides information about the management and financial condition of Smartsave Employer Super and the performance of the investment options offered through Smartsave Employer Super. To view the latest Annual Report, visit our website at www.smartsavesuper.com.au.

However, a hard copy of the Annual Report can be sent to you, free of charge, by contacting Client Services on 1300 654 720.

What payment options are available for additional contributions?

Making additional contributions for yourself

You can make additional contributions to your Smartsave Employer Super account using Internet banking (EFT). The relevant details and reference number can be found from your secure online portal, under Super – Contribution – Making Contributions.

Having your employer make additional contributions on your behalf

Your employer can make additional contributions on your behalf via a clearing house. The relevant details can be found in the Choice of Fund Form, which is available on www.smartsavesuper.com.au, or from your online access, under Super – Contribution – For Your Employer.

Note: Fees currently applying to your account apply to additional contributions. Contributions will be allocated in accordance with your most recent investment strategy.

How you can benefit from the Member Consolidation Service in Smartsave Personal Choice & Smart Pensions?

If you have amounts in other super funds, you may wish to take advantage of our Member Consolidation Service and transfer your existing super to your Smartsave Personal Choice or Smart Pensions account.

Some of the benefits of consolidating your super into one account are outlined below:

- one super account means paying only one set of fees;
- your money can work harder when it's all together;
- a larger account balance may also mean lower fees and charges; and
- there's less paperwork to manage when your super is with one fund.

If you've changed jobs or addresses or even your name, you could be one of millions of Australians who has lost super held with the Australian Taxation Office (ATO). We can help you search for your lost super by visiting our website at www.smartsavesuper.com.au. We will arrange the transfer for any lost super to your Smartsave Personal Choice or Smart Pensions account when you complete and sign the Transfer Form and return it to us.

To transfer your super from other funds, simply complete a Roll-In Form available from our website at www.smartsavesuper.com.au and return it to us by post - we'll do the rest for you.

Moving super funds may have investment, withdrawal fee, tax and insurance implications. You should talk to your adviser before rolling over your super.

What if you transfer your existing account balance to another super fund?

Under portability rules, most employees are able to transfer their existing super accounts to another super fund. If you transfer to another super fund:

- you can elect to transfer part of your benefit, subject to maintaining a minimum account balance of $5,000;

- where you elect to transfer your full account balance, your existing membership will be closed and any future contributions paid by your current employer will be returned, as you will not have an active account for the contributions to be applied to. If you would like future contributions made by your employer on your behalf to continue to be paid to your Smartsave Personal Choice account, then you will need to set up a new account and direct your contributions to that new account; and
- any insurance cover provided will cease.

What happens to your super if you die?

In the event of your death, your account balance, plus any insurance benefit paid by the insurer, must be paid to your dependants, your estate, or a combination of both.

For **Smartsave Personal Choice**, you can make two types of nominations, either non-lapsing binding or non-binding, and in both cases the beneficiary(ies) you nominate must be your dependants or estate.

For **Smart Pensions**, you can:

- nominate your spouse as a reversionary pensioner to enable your pension payments to continue to be made to them; or
- make a non-lapsing binding or non-binding nomination, which you can cancel or change at any time.

In certain circumstances, you may nominate your child to receive a pension. The rules around when pensions can be paid to a child, including when a child must commute a pension into a lump sum, are complex and you should speak to your adviser for more information.

Death benefits paid to dependants may be paid as a lump sum or an income stream (conditions apply) or a combination of both.

Nomination of a reversionary pensioner

A reversionary pensioner can only be nominated at the commencement of your Smart Pensions account.

You can nominate your spouse (refer to page 3 for definition) as a reversionary pensioner. In the event of your death, your pension will continue to be paid to your surviving spouse.

If your reversionary pensioner dies before you or is no longer your spouse, the Trustee will normally pay your benefit in accordance with a valid binding nomination, or where a binding nomination does not exist, in accordance with any valid non-binding nomination.

Who can be a dependant?

Under superannuation law, a dependant includes:

- your spouse (refer to page 3 for definition)
- your children (including an adopted child, a stepchild, a child of your spouse or an ex-nuptial child)
- any other person who is financially dependent on you
- any other person with whom you have an interdependency relationship.

Interdependency relationship

Generally, two persons (whether or not related by family) have an interdependency relationship if:

- they have a close personal relationship; and
- they live together; and
- one or each of them provides the other with financial support; and
- one or each of them provides the other with domestic support and personal care.

An interdependency relationship also includes two persons who (whether or not related by family):

- have a close personal relationship, and
- do not meet the other three criteria listed above because either or both of them have a physical, intellectual or psychiatric disability.

Your adviser can assist you with advice on who qualifies as an eligible dependant.

Nominating a beneficiary

You can nominate, cancel or change your nominated beneficiary(ies) by completing a Beneficiary Nomination Form, available from our website at www.smartsavesuper.com.au or by calling Client Services on 1300 654 720. You will need to comply with the following legal requirements.

Your nomination may be, or may become, defective in certain situations. Refer to the following sections for further information about these events. You should revise your nomination if any of these events occur. It is very important that you keep your nomination up to date and in line with your personal circumstances so that it continues to be effective.

Your Welcome Statement and your Annual Statement will provide details of any nominations you make.

Non-lapsing binding nomination

A non-lapsing binding death benefit nomination is a written direction to the Trustee that sets out the dependants and/or legal personal representative, as decided by a member, to receive his/her benefit in the event of the member's death. When you make a valid non-lapsing binding nomination, you decide who receives your benefit when you die, and how much of the benefit they receive.

Non-lapsing binding nominations do not have an expiry date and will remain valid until you either revoke your nomination or update your nomination.

To ensure you make a valid binding nomination:

- each death benefit nominee must be either your dependant or your legal personal representative (as defined in Superannuation Law);
- you must ensure that the proportion of the benefit that will be paid to your nominated person or each of those nominated persons is certain and ascertainable. If it is not clear what percentage is to be paid to whom and/or the percentages do not add up to 100%, your nomination will be invalid;
- your nomination must be in writing;
- you must sign and date your nomination in the presence of two (2) witnesses, being persons:
  - each who has turned 18 years old; and
  - neither of whom is mentioned in the nomination; and
- your nomination must contain a declaration signed and dated by the witnesses stating that the nomination was signed by you in their presence.

If a binding death benefit nomination is valid and in effect at the date of the member's death, the Trustee must pay the benefit to the beneficiaries nominated in the proportions set out in the member's binding death benefit nomination. However, the Trustee is not required to comply with a death nomination if the Trustee is aware that the payment under the nomination, or the lodgement of failure to revoke the nomination would be a breach of a Court Order. In the event a person you nominate is not a dependant at the time of your death, e.g. because they have died before you, your nomination will no longer be valid and the Trustee will pay the benefit in its absolute discretion.

We recommend that you periodically review your nomination to ensure that your Binding Nomination continues to be appropriate in accordance with your personal circumstances. Without a change directed by you, a non-lapsing binding nomination will continue on even if your personal circumstances change and the Trustee is bound to act upon it if it is valid and in effect at the time of your death.

You may revoke or update your non-lapsing binding nomination at any time by writing to the Trustee and filling out the appropriate form.

Death Benefit Nominations in Your Annual Member Statement

Each year, we will confirm your binding death benefit nomination details in your Annual Member statement. It is important that you take note of this and review your binding nomination to ensure it continues to suit your circumstances especially if this has changed. You can update or revoke your death benefit nomination at any time by writing to the Trustee.

Non-binding nomination

You can make a non-binding nomination which does not have to be witnessed. If you provide us with a non-binding nomination, we will generally pay your death benefit to the beneficiary(ies) you have nominated and in such proportions as you have specified, provided:

- each nominated beneficiary is a dependant or your legal personal representative at the time of your death;
- you have not married, entered a de facto or like relationship with a person of either sex or permanently separated from your spouse or partner since making your nomination; and
- your non-binding nomination has not been revoked and is not defective for any reason.

It is important to note that a non-binding nomination will not override a previous, valid binding nomination made by you.

If you have already made a binding nomination you must revoke it first and then make a non-binding nomination.

For information on how your benefit will be paid where no valid nomination has been made or where a nomination is defective, please refer to further information on beneficiary nomination below.

If you decide to nominate your spouse as a reversionary pensioner, it is important to note that a valid reversionary nomination will override any valid binding or non-binding nomination.

To nominate your spouse as a reversionary pensioner please complete the relevant section of the Smart Pensions Application Form.

Note: Your spouse includes a person (same or different sex) who, although not legally married to you, lives with you on a genuine domestic basis in a relationship as a couple. It generally does not include a person who lives separately and apart from you on a permanent basis.

Defective nominations (either binding or non-binding)

Your nomination will be defective if:

- it is unclear to us, e.g. because it is illegible or because the nominated proportions do not total 100%;
- you did not sign or date the form; or
- it is not witnessed correctly.

Your nomination may become partially defective if a nominated beneficiary dies or ceases to be a dependant while you are still living. You should revise your nomination if either of these events occur.

No nomination, defective nomination or cancelled nomination

If you do not make a valid nomination, or cancel your existing nomination, or to the extent your nomination is defective, the Trustee will determine how the benefit is distributed between one or more of your dependents and/or your estate.

How do I change my pension details?

You can change your pension details by contacting Client Services or by logging onto your online account.

Nominated account

You can change your nominated account online or by advising us of the new account details in writing at least seven working days before your next pension payment is due.

Amount and frequency of payments

You may request a change to your pension payment frequency, payment date and/or amount at any time online or by contacting us (above the minimum level set by the government and below the maximum level where applicable).

If you contact us within three days of your next payment date, your request will be completed for that month's payment. Please note that increasing your nominated annual pension payment may impact your Centrelink/DVA entitlements.

Please speak with your adviser to determine the annual pension payment that is appropriate for you.

3. Risks of Super

An investment in Smartsave Personal Choice & Smart Pensions involves risks. These risks include counterparty risk (that is, the possibility that one party defaults). This includes the Trustee not paying a benefit under the Trust Deed or investment policy for any reason. You can assess the risk of default by monitoring the Trustees' compliance with the controls imposed on them by the superannuation laws, prudential standards imposed on the Trustee by APRA and the regulatory requirements imposed on the Trustee by ASIC.

By investing in Smartsave Personal Choice & Smart Pensions, your investment is effectively buying 'units' in an investment option. Investment options may also be subject to the following risks:

International investments

While global investing can provide more opportunities and greater diversification than investing in Australia alone, it also carries greater risk. For example, fluctuating currencies can increase or decrease the return from an investment. Also, many overseas countries have fewer financial industry regulations than we have in Australia.

When a fund invests overseas it can make a profit or loss on the investment and a profit or loss on currency movements. For example, if an investment is made in US dollars and the value of that currency falls, a loss will be incurred when the money is converted back to Australian dollars. If the investment itself has also made a loss, the losses will be compounded. It is also possible for profits to be compounded in the opposite scenario.

The Investment Manager may reduce the risk of adverse currency movements by hedging against falls in the currency in which an investment is made. In effect, the Investment Manager may 'fix' the exchange rate for the duration of the investment so that there is protection against falls in foreign currency value.

The fund manager may also actively manage currencies, which means they take a view on the likely movement of currencies and purchase or sell them accordingly. This is riskier, but it can be more profitable. This strategy carries significant risk because the fund manager's view can be wrong and, as a result, they can make a loss on the movement in currency values.

Increased risk for the fund manager can be reduced or mitigated if they place a stop/loss order on their transaction. If the fund manager believes a currency will increase in price, they will buy the currency and set a lower price at which they will automatically sell the currency and take a loss on the transaction. This is a form of insurance against the currency falling significantly lower. The risk of placing a stop/loss order is that the fund manager may not be able to execute it at the price they would like to. This may happen if the price of the currency falls dramatically in a short period of time.

Derivatives

The Investment Manager does not directly trade in derivatives but some of the underlying fund managers of the Plan investment options may invest in financial derivatives, such as futures, options and other derivative contracts to gain exposure to investment markets and manage the risk associated with market prices, interest rates and currency fluctuations. Derivatives may also be used by the investment manager to gear an investment fund.

Losses, as well as gains, are possible via the use of financial derivatives.

A derivative is a financial product that is 'derived' from another financial product. For example, an option over shares is a derivative because its price or value is derived from the shares themselves. Other derivatives include options, futures and warrants.

The Investment Manager may use derivatives to gain exposure to investment markets or to protect against changes in the values of financial products, other assets, interest rates or currencies. It is also possible to use derivatives to gear a fund.

Risks associated with using derivatives include:

- **Variability of the market value**: Derivative market values can fluctuate significantly and, as a result, potential gains and losses can be magnified compared with investments that do not use derivatives.
- **Potential illiquidity**: The value of derivatives may not move in the same direction as the value of the underlying financial product, which may result in an investment loss. In addition, the derivatives may not experience the same levels of liquidity, resulting in illiquidity, meaning that it may not be easily converted into cash.

- **Counterparty risk**: The other party in a derivative transaction may not be able to meet its financial obligations. For example, in an option contract, the risk to the option buyer is that the writer of the contract will not buy or sell the underlying asset as agreed. The investment managers endeavour to manage counterparty risk through the following processes:
  - reviewing overall counterparty risk, the nature of lending principles and arrangements, the availability and adequacy of security where relevant;
  - applying stringent counterparty risk management policies and prudent valuation policies;
  - managing and/or limiting specific counterparty risk to particular counterparties, sectors and geographic locations; and
  - implementing a process of continuous monitoring of counterparties to ensure that they can continue to meet their obligations.

Inflation

The effects of inflation upon your investment should be considered. Inflation is the overall upward price movement of goods and services in an economy, which is usually measured by the Consumer Price Index (CPI). Inflation reduces your purchasing power over time as the cost of goods and services increases, and the value of $1 decreases.

Liquidity risk

There may be a time when investments may not be readily sold (for example, in a falling market where shares may become less liquid).

Assets such as shares, listed property securities and cash are generally considered liquid as they are typically traded on active markets where assets can be more easily realised at their full value. Private and unlisted assets such as direct property, leveraged leases, private placements and infrastructure are generally considered illiquid as they are not normally traded on active markets and can take longer to convert to cash.

During abnormal or extreme market conditions, some normally liquid assets may become illiquid, restricting our ability to sell them at short notice and to make withdrawal payments or process switches for investors without delays or loss in value.

You may be able to manage liquidity risk by diversifying across a range of investment funds. It may take longer than 30 days to process a withdrawal or switch request in the unlikely event of an investment fund ceasing to be 'liquid'. Note that the liquidity of the Plan's investments is not guaranteed.

Capital and income protection

Some funds may offer capital or income protection. In either case, there is still a risk that the organisation providing the protection may fail to honour its commitments. For example, if an organisation providing capital protection cannot fulfil its contractual obligations, the capital protection may not be available and you may lose some or all of your money.

The risk can be reduced by critically evaluating the quality of the organisation providing the capital or income protection.

Securities lending

Some of the investment options available through Smartsave Personal Choice & Smart Pensions invest in underlying pooled investment funds that may participate in securities lending through the appointed custodian. The objective of securities lending is to derive additional value for investors through the lending of securities to third parties. In exchange for the lending of securities, the custodian receives a net fee income which is passed to the relevant fund and is reflected in the unit price.

The risk for the fund participating in securities lending is that the borrower does not return the equivalent securities lent. However, this risk is minimised as the custodian is required to receive sufficient collateral to mitigate any counterparty risk.

Typically, securities are made available by the custodian to be lent to third parties who expect to profit from the expected fall in value of that security, a strategy known as 'short selling'. The risk associated with short selling for the lender is that the value of the returned securities will be less than what was originally lent.

Short selling

Some fund managers use a strategy called short selling which is the selling of stock which they do not hold. They may borrow securities and then sell them in anticipation of a fall in their price. If the price falls as expected then the fund manager may buy the securities back at a lower price and make a profit. The risk with this strategy is that the price of the securities may rise instead of falling and the fund manager will need to purchase the securities at a higher price than the price at which they were sold. As there is no limit to how high the price may rise, in theory the potential loss is uncapped. Fund managers using short selling strategies typically closely monitor the positions and employ stop/loss techniques to manage these risks.

Long/short strategy

Some of the investment options available through Smartsave Personal Choice & Smart Pensions may invest in underlying pooled investment funds that may adopt an investment strategy known as 'long/short'.

Where relevant law permits, a long/short strategy allows the fund manager to use financial leverage by selling stocks which it does not own. This is called short selling and allows the fund manager to achieve better returns from poorly performing stocks.

The greater diversification that the long/short strategy delivers enables the fund manager to potentially deliver additional investment returns, as it reflects both their positive and negative views on different stocks and sectors.

To facilitate a long/short strategy, a fund manager may enter into agreements with third party prime brokerage companies authorising the prime brokerage companies to borrow and lend securities on their behalf.

A risk of participating in lending securities is that the borrower may not return the equivalent securities lent. However, this risk is minimised, as the prime broker is required to receive sufficient collateral to mitigate any counterparty risk. However, a portion of the securities lent to the prime broker may not be collateralised.

Standard Risk Measure

When determining the risk level of each of the investment options, the Trustee has adopted the Standard Risk Measure approach.

The Standard Risk Measure is based on industry guidance to allow you to compare investment options that are expected to deliver a similar number of negative annual returns over any 20 year period.

The Standard Risk Measure is not a complete assessment of all forms of investment risk, for instance it does not detail what the size of a negative return could be or the potential for a positive return to be less than you may require to meet your objectives. Further, it does not take into account the impact of administration fees and tax on the likelihood of a negative return.

Members should still ensure they are comfortable with the risks and potential losses associated with their chosen investment option/s. For further information refer to the Smartsave Investment Guide at www.smartsavesuper.com.au.

Other information about risks

We regularly undertake a review of the investment options available through Smartsave Personal Choice & Smart Pensions. It is sometimes necessary for us to:

- add, close or terminate an investment option;
- change the investment approach used by an investment option;
- change the fund managers managing the underlying managed funds, in which investment options have investments;
- change the rules that govern an investment option (e.g. changing fees, notice periods or withdrawal features);
- change an investment option's objective and/or investment strategy (including the performance benchmark, asset allocation, neutral position, range, currency strategy and the number of asset classes); and
- change the rules of Smartsave Personal Choice & Smart Pensions.

For up to date information about the investment options, including each option's objective, investment strategy and processes for managing risk, please visit our website at www.smartsavesuper.com.au.

4. Fees and costs

This document shows the fees and other costs you may be charged. These fees and costs may be deducted from your money, from the returns on your investment or from the Plan assets as a whole.

Other fees, such as activity fees, advice fees for personal advice and insurance fees, may also be charged but these will depend on the nature of the activity, advice or insurance chosen by you.

Taxes, insurance fees and other costs relating to insurance are set out in this document and the Insurance Guide which form part of the PDS.

You should read all the information about fees and costs because it is important to understand their impact on your investment.

Fees and costs for particular investment options are set out in the Investment Guide, which forms part of the PDS.

Type of Fee	Amount	How and when paid
Investment fee	**Investment management fee**: 0.23% to 1.42% of the amount you have invested. The amount you pay for specific investment options is shown on page 24 of the Investment Guide.	Deducted from the underlying assets of your investment and reflected in the unit price of your investment option(s). Please refer to the Investment Guide which forms part of the PDS for the specific Investment Management Fee that applies to each investment option.
Administration fee	**Plan management fee**: 1.2370% of the amount you have invested.	Deducted from the underlying assets of your investment and reflected in the unit price of your investment option(s).
	Member fee: $1.44 per week ($74.88 per annum) – the Member Fee does not apply to members of Smart Pensions.	Calculated and deducted from your account balance monthly. See 'Member Fee' in the 'Additional explanation of fees and costs' for Smartsave Personal Choice & Smart Pensions on page 21 of the Guide for further information.
Buy-sell spread	0% to 0.45% (combined buy/sell) depending on the investment option.	Deducted on a transactional basis every time units in an investment option are bought and sold and is reflected in the unit price. Please refer to the Investment Guide which forms part of the PDS for the specific buy/sell spread that applies to each investment option.
Switching fee	Not applicable	Not applicable
Exit fee	Not applicable	Not applicable
Advice fee Relating to all members investing in a particular MySuper product or investment option	Nil – however Adviser service fees may apply if you have consulted an adviser. Please refer to 'Adviser payments' section	Not applicable
Other fees and costs [1]		
Indirect cost ratio	Not applicable	Not applicable

[1] Other service fees may apply. Refer to 'Advice Fee' under the heading 'Additional explanation of fees and costs' on page 22 of this Guide for further information.

Additional explanation of fees and costs

This additional explanation of fees and costs relates to the 'Plan fees' and 'your fees'. It is important that you read this section together with your Welcome Statement to obtain further information, including the actual fees that apply to you.

The 'Plan fees' set out on the following pages are those that may apply in Smartsave Personal Choice & Smart Pensions. Certain fees may be negotiated between you and your adviser.

As such, you may pay less in some cases. The actual fees and costs, including insurance costs are set out in your Welcome Statement.

You should read this section together with your Welcome Statement to understand the impact of fees and other costs on your investment.

The Plan may be entitled to claim a tax deduction for fees paid from your account. Where a deduction is claimed by the Plan, the benefit of that deduction may be reflected in your account balance. This is represented by the after-tax fee that may be charged to your account.

Goods and Services Tax (GST) and fees

Your contributions into and transfers or withdrawals from this product are not subject to GST. The fees and costs incurred in managing your investment in this product may be subject to GST. Unless stated otherwise, the fees and costs disclosed in this Guide that are charged to you include the net effect of GST, which is any GST at the applicable rate less any reduced input tax credits available to the Plan.

Investment Fee

Investment Management Fees

Investment Management Fees (IMFs) range from 0.23% per annum to 1.42% per annum of the amount you have invested in each relevant investment option. The IMFs include the fees, charges and expense recoveries which relate specifically to the management of your selected investment option(s).

The IMFs for each investment option available through Smartsave Personal Choice & Smart Pensions are specified in the Investment Guide, which forms part of the PDS. The expense recoveries which form part of the IMFs are an expense of the Plan and are charged by the investment manager. They are not a fee or expense charged by us. The expense recoveries are subject to change by the underlying fund managers without notice and can vary overtime.

Administration Fee

Plan Management Fee

A Plan Management Fee of 1.0370% applies and is deducted from the underlying assets of your investment and reflected in the unit price of your investment option(s).

The Plan Management Fee covers the fees charged by the:

- Trustee
- Custodian
- Product Manager (Promoter); and
- Administrator.

Member Fee

A Member Fee of $74.88 per annum applies and is calculated and deducted from your account balance monthly. This fee does not apply to members of Smart Pensions.

Buy-Sell Spread

Transaction costs are costs incurred when buying and selling underlying assets of investment options. These transaction costs include brokerage, stamp duty and costs incurred when buying and selling units in investment options. A buy spread is included in the unit price used to buy units in an investment option, to allow for some or all of the costs of buying assets. Similarly, a sell spread is included in the unit price used to sell units in an investment option to allow for some or all of the costs of selling assets.

A total buy/sell spread of up to 0.45% may apply when calculating 'buy' (issue) and 'sell' (redemption) unit prices. The buy/ sell spreads that apply are based on an estimate of the transaction costs incurred by the investment option. The applicable buy/sell spread is deducted by the Investment Manager. They are an additional cost paid by you.

The buy/sell spreads for each investment option are set out in the Investment Guide which forms part of the PDS.

For example, for every $1,000 you invest in Smartsave Balanced investment option, the buy spread incurred is 0.25% or $2.50 when you buy and 0.10% or $1.00 when you sell. This amount is reflected in the 'buy' unit price and the 'sell' unit price at the time of your transaction.

Note: If a buy/sell spread applies to an investment option, then it will apply when switching investment options.

Adviser Fee

Additional fees may be paid to an adviser if an adviser is consulted. These fees may be in the form of:

- an Adviser Plan Set Up Fee which is either a dollar-based fee or a percentage of your account balance deducted from your account balance when your account is established; and/or
- an Adviser Service fee which is either a dollar-based fee or a percentage of your account balance deducted monthly from your account balance.

If these fees apply, they will be shown on your Statement of Advice provided by your adviser.

If applicable, the cost to you is that amount or percentage of your account balance that you have agreed in writing with your adviser. Maximum fees will be 5.125% of your account balance when establishing your account and 1.025% of your account balance per annum. For example, if your account balance is $10,000 and the agreed Adviser Service Fee is 1.025% per annum after tax, then the cost of the Adviser Service Fee for you is $102.50 per annum.

The Adviser Service Fee can (subject to the maxima outlined above) be either an agreed dollar value or a % of your account balance. Any adviser fees will be calculated and deducted from your account balance monthly.

You can terminate an agreed Adviser Service Fee at any time by notifying us in writing.

Insurance Fee

Insurance premiums

If you have insurance cover, your premium is ordinarily deducted monthly in arrears from your account.

The premium for the month in which you join Smartsave Personal Choice & Smart Pensions is charged on a pro-rated daily basis from the date of joining to the end of that month.

The premiums you pay depend on a number of factors, including, but not limited to, your occupation, age, gender and the amount and type of cover. The insurer and the initial insurance premiums applicable to you will be shown on your Welcome Statement sent to you when you join Smartsave Personal Choice. Your premiums for subsequent years will be advised in your Annual Statements.

If your account balance is not sufficient to meet your insurance premiums, then your insurance cover may cease.

You should refer to the Insurance Guide for the timeframes that apply, after which cover will cease. For more information on insurance cover refer to the Insurance Guide, which forms part of the PDS.

Insurance administration fee

The Administrator receives a fee of 11% of premiums to cover the cost of administering Smartsave's insurance arrangements.

Indirect Cost Ratio

Expense Recovery

The Expense Recovery is currently 0.2% per annum. For example, if your account balance is $10,000 then the Expense Recovery would be an estimated $20 per annum.

Other Fees and Costs

Operational Risk Reserve

The Plan has an Operational Risk Reserve as required by the Government. This is to cover risks arising from the day to day operations of the Plan. The Trustee may impose a levy to replenish the reserve from time to time.

Family law fees

We do not currently charge for family law splits. However, we have the power and reserve the right to impose family law fees in the future, for certain costs incurred in attending to enquiries and administration work in relation to family law and superannuation matters. For more information on superannuation and family law please refer to page 36 of this Guide.

Contributions splitting fees

The Trustee does not currently charge contributions splitting fees. However, the Trustee has the power and reserves the right to impose contributions splitting fees in the future. For more information on contributions splitting please refer to page 5 of this Guide.

Trustee reimbursement

In addition to the Expense Recovery, we are entitled to be reimbursed from the assets of the Plan for all of the expenses of operating the Plan, including abnormal costs such as investor meetings, defending legal proceedings, and operating expenses such as custodian, audit and registry.

Indirect Expenses

In addition to the Expense Recovery, expenses may be incurred by each managed fund underlying the investment options for the administration and management of the managed fund. These expenses include abnormal costs and operating expenses relevant to the underlying managed funds. These expenses are borne by the underlying managed fund and reflected in the unit price and return of that managed fund.

Changes to fees and costs

We reserve the right to change any of our fees and charges without your consent. We will provide you with 30 days' prior written notice of any increase in fees.

Investment Management Fees, as disclosed in the Investment Guide which forms part of the PDS, may be altered by the underlying fund managers.

Defined Fees

Activity fees

A fee is an *activity fee* if:

a) the fee relates to costs incurred by the trustee of the superannuation entity that are directly related to an activity of the trustee:
   i. that is engaged in at the request, or with the consent, of a member; or
   ii. that relates to a member and is required by law; and

b) those costs are not otherwise charged as an administration fee, an investment fee, a buy-sell spread, a switching fee, an exit fee, an advice fee or an insurance fee.

Administration fees

An *administration fee* is a fee that relates to the administration or operation of the superannuation entity and includes costs that relate to that administration or operation, other than:

a) borrowing costs; and

b) indirect costs that are not paid out of the superannuation entity that the trustee has elected in writing will be treated as indirect costs and not fees, incurred by the trustee of the entity or in an interposed vehicle or derivative financial product; and

c) costs that are otherwise charged as an investment fee, a buy-sell spread, a switching fee, an exit fee, an activity fee, an advice fee or an insurance fee.

Advice fees

A fee is an *advice fee* if:

a) the fee relates directly to costs incurred by the trustee of the superannuation entity because of the provision of financial product advice to a member by:
   i. a trustee of the entity; or
   ii. another person acting as an employee of, or under the arrangement with, the trustee of the entity; and

b) those costs are not otherwise charged as an administration fee, an investment fee, a switching fee, an exit fee, an activity fee or an insurance fee.

Buy-sell spreads

A *buy-sell spread* is a fee to recover transaction costs incurred by the trustee of the superannuation entity in relation to the sale and purchase of assets of the entity.

Exit fees

An *exit fee* is a fee to recover the costs of disposing of all or part of members' interests in the superannuation entity.

Indirect cost ratio

The *indirect cost ratio* (ICR), for a MySuper product or an investment option offered by a superannuation entity, is the ratio of the total of the indirect costs for the MySuper product or investment option, to the total average net assets of the superannuation entity attributed to the MySuper product or investment option.

Note: A fee deducted from a member's account or paid out of the superannuation entity is not an indirect cost.

Investment fees

An *investment fee* is a fee that relates to the investment of the assets of a superannuation entity and includes:

a) fees in payment for the exercise of care and expertise in the investment of those assets (including performance fees); and
b) costs that relates to the investment of assets of the entity, other than;
   i. borrowing costs; and
   ii. indirect costs that are not paid out of the superannuation entity that the trustee has elected in writing will be treated as indirect costs and not fees, incurred by the trustee of the entity or in an interposed vehicle or derivative financial product; and
   iii. costs that are otherwise charged as an administration fee, a buy-sell spread, a switching fee, an exit fee, an activity fee, an advice fee or an insurance fee.

Switching fees

<u>In the case of a MySuper product:</u>

A *switching fee* for a MySuper product is a fee to recover the costs of switching all or part of a member's interest in a superannuation entity from one class of beneficial interest in the entity to another.

<u>In the case of a superannuation product that is not a MySuper product:</u>

A *switching fee* for a superannuation product other than a MySuper product, is a fee to recover the costs of switching all or part of a member's interest in a superannuation entity from one investment option or product in the entity to another.

5. How super is taxed

Tax law in relation to superannuation is complex and the information provided has been prepared as a guide only and does not represent taxation advice. Please see your tax adviser for independent tax advice taking into account your individual circumstances.

Generally, the tax paid in a super fund is lower than the tax that would be paid on investments outside of super, which is why super can be a tax effective way to grow your retirement savings.

Your super may be taxed:

- when contributions are made;
- while your super is invested; and
- when you withdraw from super.

What tax applies on contributions and rollovers?

Contribution type	Tax
■ Employer contributions (including SG) ■ Salary sacrifice contributions ■ Personal contributions for which a tax deduction has been claimed ■ Taxable portion of a foreign super fund transfer ■ Third-party contributions[1]	15%[2]
■ Untaxed element of a rollover ■ Taxable component of a directed termination payment	15%
■ Personal contributions for which no tax deduction has been claimed ■ Spouse contributions ■ Non-taxable portion of a foreign super fund transfer ■ Government co-contributions	Nil
■ Tax-free or taxed element of a rollover ■ Tax-free component of a directed termination payment	Nil

1 Third party contributions exclude contributions for children under 18 years of age

2 For members with annual taxable income greater than $300,000 ($250,000 from 1 July 2017), the rate is 30%.

Can you claim a tax deduction for contributions?

If you are under age 74, you can claim a tax deduction for any personal contribution you make to the Plan. However, those aged 65 to 74 will still need to meet the 'work test' requirement in order to be eligible (for 'work test' definition please refer to page 3). Before you can claim the deduction, you will need to lodge a valid notice with us and we must acknowledge that we have received and accepted your notice (conditions apply).

Please note that where a partial withdrawal or rollover is made, a tax deduction for personal contributions may only be allowed on a proportional basis. Generally, this affects personal contributions which are claimed as a tax deduction after a partial withdrawal or rollover has been made. Please see your tax adviser to determine your eligibility to claim a tax deduction.

Is a tax deduction available for insurance premiums?

The Plan may be able to claim a tax deduction for insurance premiums paid from your account. Where a deduction is claimed by the Plan, the benefit of that deduction may be reflected in your account balance.

What are the super contributions caps?

Due to the concessional tax treatment of super, limits known as 'contributions caps' have been placed on super contributions.

Concessional contributions cap

Concessional contributions include employer contributions (e.g. superannuation guarantee, salary sacrifice contributions and employer-paid fees and insurance premiums), personal contributions for which a tax deduction is obtained, certain third party contributions and some of the taxable component of directed termination payments. An annual cap on concessional contributions applies on a financial year basis. The concessional contributions cap is $25,000 for the 2017/18 financial year.

The concessional contributions cap is indexed annually in line with average weekly ordinary time earnings (AWOTE), in increments of $2,500 (rounded down). Concessional contributions that you split to your spouse are assessed against your cap and not your spouse's cap.

There are exemptions to the concessional contributions cap, which include the:

- taxable portion of the vested amount of a foreign super fund transfer;
- taxable portion of a directed termination payment where the taxable component of all transitional termination payments (including directed termination payments) do not exceed $1 million; and
- untaxed element of a rollover super benefit.

Carry forward concessional contributions

From 1 July 2018, if you have a total superannuation balance of less than $500,000 at the end of 30 June of the previous financial year, you may be entitled to contribute more than the standard concessional contributions cap by accessing your unused concessional contributions cap (referred to as the 'carry forward' of unused concessional contributions). The first year you will be entitled to carry forward any unused amounts is the 2019/20 financial year. Unused concessional contribution amounts are available for a maximum of five years, and will expire after this.

Your 'total superannuation balance' is, in summary, the total amount of superannuation (accumulation and pension) you have across all funds you participate in, subject to some adjustments (for example, special rules apply to superannuation contributions arising from settlement of a personal injury claim – referred to as structured settlements). The rules are complex. You should obtain your own taxation advice about carrying forward concessional contributions.

Non-concessional contributions cap

Non-concessional contributions include:

- personal contributions for which a tax deduction is not obtained; and
- spouse contributions.

An annual cap on non-concessional contributions applies on a financial year basis. The non-concessional contributions cap is $100,000 for the 2017/18 financial year provided you total superannuation balance is less than a 'general transfer balance cap' ($1.6 million for the 2017/18 financial year). The $100,000 cap will be indexed in line with the concessional contributions caps (equal to 4 times the concessional cap).

If your total superannuation balance is equal to or greater than the general transfer balance cap at the end of 30 June of the previous financial year, and you make non-concessional contributions, your contributions can be accepted by the Fund however you will have excess non-concessional contributions and pay extra tax.

Bring-forward provision

If you are under age 65 at any time during the financial year, larger contributions can be made by bringing forward the next two years' non-concessional contributions caps. This effectively creates a three-year block period where total non-concessional contributions cannot exceed three times the first financial year's non-concessional contributions cap.

There are exemptions to the non-concessional contributions cap, which include:

- government co-contributions;
- eligible proceeds that relate to Capital Gains Tax (CGT) small business concessions, up to a lifetime limit of $1.445 million (2017/18 financial year);
- payments that relate to structured settlements or orders for personal injuries; and
- rollover super benefits.

From 1 July 2017, the non-concessional contributions cap amount that you can bring forward and whether you have a two or three year bring forward period will depend on your total superannuation balance. Your total superannuation balance is determined at the end of 30 June of the previous financial year in which the contributions that triggered the bring forward, were made.

From the 2017/18 financial year, to access the non-concessional contribution bring forward arrangement:

- you must be under 65 years of age for one day during the triggering year (the first year);
- you must contribute more than the $100,000 annual cap; and
- the difference between the general transfer balance cap ($1.6 million for the 2017/18 financial year) and your total superannuation balance must be greater than the general non-concessional contributions cap ($100,000 for the 2017/18 financial year) at the end of 30 June of the previous financial year. For the 2017/18 financial year this means that you must have a total superannuation balance less than $1.5 million at the end of 30 June 2017 to be able to access the bring forward arrangement.

From the 2017/18 financial year, the remaining cap amount for years two or three of a bring forward arrangement is reduced to nil for a financial year if your total superannuation balance is equal to or greater than the general transfer balance cap at the end of 30 June of the previous financial year.

The following table represents the bring forward arrangement for the first year.

Total superannuation balance on 30 June 2017	Non-concessional contribution cap for the first year	Bring forward period
Less than $1.4 million	$300,000	3 years
$1.4 million to less than $1.5 million	$200,000	2 years
$1.5 million to less than $1.6 million	$100,000	No bring forward period, standard non-concessional contributions cap applies
$1.6 million	Nil	N/A

For further information on contributions caps, we recommend you speak to your adviser or refer to www.ato.gov.au.

Transitional period

If you have made a non-concessional contribution in the 2015/16 or 2016/17 financial years and that triggerred the bring forward provision, but have not fully used your bring forward amount before 1 July 2017, transitional arrangements will apply so that the amount of bring forward available will reflect the reduced annual non-concessional contribution caps applicable from 1 July 2017.

If the non-concessional contribution bring forward was triggered in the 2015/16 financial year, the transitional cap will be $460,000 (the annual cap of $180,000 for the 2015/16 and 2016/17 financial years and the annual cap of $100,000 cap in the 2017/18 financial year). If the bring forward was triggered in the 2016/17 financial year, the transitional cap will be $380,000 (the annual cap of $180,000 for the 2016/17 financial year and $100,000 cap in the 2017/18 and 2018/19 financial years).

Financial year	Bring forward triggered in FY 2015/2016	Bring forward triggered in FY 2016/2017
2015-16	$180,000	$180,000
2016-17	$180,000	$100,000
2017-18	$100,000	$100,000
Total	**$460,000**	**$380,000**

If you are unsure if you have previously triggered the bring forward provision, or you are considering making a large contribution, call the ATO on 13 10 20 or obtain tax advice.

Please note, on 9 May 2017, the Government announced that from 1 July 2018 individuals aged 65 or over will be able to make a non-concessional contribution of up to $300,000 from the proceeds of selling their home. These contributions will not count towards the non-concessional contribution cap and the individual making the contribution will not need to meet the existing maximum age, work or $1.6m balance tests for contributing to super. At the date of preparing this document, this proposal has not been passed by the Parliament into legislation.

What are the tax consequences of exceeding the contributions caps?

It is important to be aware that excess contributions tax may apply if the contributions caps are exceeded.

From 1 July 2013, excess concessional contributions will be taxed at an individual's marginal tax rate, plus an interest charge, rather than the top marginal rate. The Government will also allow individuals to withdraw any excess contributions.

Furthermore, contributions in excess of the concessional contributions cap will also count towards the non-concessional contributions cap.

Non-concessional contributions which exceed the non-concessional contributions cap may be taxed at 45% plus any applicable levies. This must be paid from your super account.

How does salary sacrificing work?

Whether or not salary sacrificing will benefit you depends on your personal circumstances and income level. Generally speaking, if your marginal income tax rate is 30% or more, salary sacrificing may be a tax effective way to save for your retirement. The following tables illustrate the upfront income tax savings that can be achieved when you salary sacrifice to super for the 2016/17 financial year:

Income Tax Rate[1]	Tax rate for salary sacrificing contributions[2]	Tax saving[1]
19%	15%	4%
32.5%	15%	17.5%
37%	15%	22%
45% <$250,000	15%	30%
45% >$250,000	30%	15%

1 Based on 2017/2018 tax rates, excluding any applicable levies.

2 Tax rate applicable where concessional contributions do not exceed the cap.

Please speak to your adviser to find out whether salary sacrificing into super is the best option for you.

The following example is provided only to demonstrate how salary sacrificing works

Meet Roger

Roger is 45 years old and earns $75,000 per annum. His employer contributes $7,125 ($6,056 after tax) to Roger's super (i.e. 9.5% of $75,000). Roger is considering making a $10,000 salary sacrifice contribution to super. The table below shows the difference between Roger taking the money as salary and salary.

Roger starts with a salary of $75,000		
	Scenario A	**Scenario B**
	Roger salary sacrifices $10,000	*Roger takes $10,000 as salary*
Roger's Salary Sacrifice contribution	$10,000	$0
Roger's adjusted salary	$65,000	$75,000
Roger's take home after income tax[1]	$51,392	$57,942

Roger's outcome	Roger has $51,392 in take home pay plus an additional $8,500 in super Note: Salary sacrifice contributions are subject to 15% contributions tax	Roger has $57,942 in take home
Roger's total financial benefit	$59,892	$57,942

1 Based on tax rates for 2017/18 Including Medicare Levy of 2%.

As you can see, although Roger sacrifices $10,000 of his salary into super, his take home pay is reduced by $6,750 and he is $1,950 better off overall.

It is assumed Roger's employer continues to pay 9.5% SG on the gross salary amount of $75,000. In some cases, SG may reduce under a salary sacrifice arrangement. Please refer to 'What are the limitations of salary sacrificing?' below.

Note: This example is for illustrative purposes only and is not a reliable indication of future performance. This does not constitute financial product advice and you should consult your adviser before making any investment decisions.

What are the limitations of salary sacrificing?

- Once you put money into super, it generally must remain there until you reach age 65 or your preservation age and you have permanently retired. This is referred to as being 'preserved'.
- Your employer may place a limit on the amount of salary that you can sacrifice to super.
- Your salary sacrifice contributions may count towards the 9.5% SG contributions that your employer is required to make in 2017/18. As a salary sacrifice contribution is an 'employer contribution', your salary sacrifice may reduce the SG amount your employer is required to make.
- It is not compulsory for an employer to offer salary sacrifice arrangements.
- Depending on your circumstances, there may be tax implications when you retire and access your super.

Other considerations

To ensure employees who have access to salary sacrifice arrangements are treated the same as those who do not, salary sacrifice contributions to super are included in the definition of 'income' for the purpose of determining eligibility for certain government payments. Payments that may be affected include government co-contributions, income support for people below Age Pension age, family assistance, child support, and financial and retirement savings assistance delivered through the tax system.

Your employer may be required to report salary sacrifice contributions as Reportable Employer Superannuation Contributions (RESC).

What tax applies while your super is invested?

Investment earnings are taxed at a maximum rate of 15% during the accumulation phase for an individual; however, this rate may be reduced by franking credits, foreign tax offsets and concessions on discounted capital gains.

Investment earnings are not taxed during the pension phase.

What tax applies when you withdraw your super?

When you are eligible to access your super you may take it as either a lump sum withdrawal or use it to purchase a regular income stream (pension product). Please see 'Accessing your super' on page 6 of this Guide for further information. From 1 July 2017, transition to retirement income streams will have their investment earnings taxed at a maximum rate of 15% similar to the accumulation phase.

For lump sum withdrawals

Age 60 or over

A lump sum withdrawal from your Smartsave Personal Choice account, is tax free if you are aged 60 or over.

Under age 60

Your benefit will generally consist of two components - taxable and tax free. You are required to draw down proportionately from these components. The tax free and taxable components are set at the commencement of your income stream.

The table below shows the maximum rates of tax payable on the taxable component of lump sum withdrawals if you have provided your TFN (and does not include a taxable untaxed element).

Your age	Maximum rate of tax (excluding any applicable levies)	
Preservation age to age 59 (inclusive)	Amount up to low rate cap[1]	0%
	Amount over low rate cap[1]	15%
Under preservation age		20%

1 The low rate cap for the 2017/18 financial year is $200,000 (the amount may be Indexed but in $5,000 Increments only).

For income stream payments

Age 60 or over

Income stream payments from your Smartsave Pensions account are tax-free if you are aged 60 or over.

Under age 60

Your income stream payments will only be taxable if you are under age 60 at the date the payment is made. Your benefit will generally consist of two components - taxable and tax-free. You are required to draw down proportionately from these components. The tax free and taxable proportions are set at the commencement of your income stream.

Tax is not payable on the portion of the payment made from the tax-free component of your benefit. The amount that is paid from the taxable component of your benefit will form part of your assessable income and will be taxed at your marginal tax rate. If you have reached your preservation age, or are being paid a disability or death benefit income stream, you may be entitled to a 15% tax offset for this amount.

If you receive a payment while you were under age 60 at any time in the financial year, we will send you a PAYG Payment Summary at the end of each year, showing the income and the tax withheld under PAYG withholding requirements (if any) that you will need to include in your tax return.

Note: No withholding tax is payable at the time your super benefit is transferred to a pension.

Withholding tax rates for temporary residents

Withholding tax rates apply on DASP benefits cashed out by temporary residents on permanent departure from Australia.

Rates currently in effect are:

- Tax-free component - no tax payable
- Taxable component (taxed element) - taxed at 35%
- Taxable component (untaxed element) - taxed at 45%.

If you are a 'Working Holiday Maker' (the holder of a 417 or 462 visa), the tax rate for DASP is 65% from 1 July 2017. This rate applies to both the taxed and untaxed element of the taxable component.

How is your super taxed if you are permanently disabled?

Any benefits paid as a result of permanent disablement may be paid as a lump sum or an income stream and taxed in accordance with the tax rules for lump sum payments and income stream payments outlined above.

The tax-free component may be increased if your payment qualifies as a disability super benefit. For more information contact your tax adviser or adviser.

How is your super taxed if you are temporarily disabled?

Any benefits paid to you as a result of temporary incapacity are paid as a non-commutable income stream (and not as a lump sum payment). Payments received form part of your assessable income and will be taxed at your marginal tax rate.

Any payments made to your account under the Superannuation Contribution Benefit will be included and taxed as investment earnings.

Tax-free terminal medical condition benefit payments

Tax and superannuation laws allow members who have satisfied a 'terminal medical condition' condition of release to receive their lump sum payments tax-free. For more information contact your adviser.

How is your super taxed if you die?

The tax treatment of death benefits depends on whether a dependant or non-dependant ultimately receives the benefit.

What if your super is paid to a dependant?

A death benefit may be paid to a death benefits dependant in the form of a lump sum or an income stream, or a combination of both. A death benefits lump sum paid to a death benefits dependant for tax purposes is tax-free. A death benefits dependant includes a spouse, former spouse, child under 18 years of age, or someone who had an interdependency relationship with, or was financially dependent on the deceased at the time of death.

Where either the deceased or the death benefit beneficiary is age 60 or over, a death benefits income stream will be tax-free.

Where both the deceased and the death benefit beneficiary are under age 60, the death benefits income stream will generally consist of only two components, taxable and tax-free.

Tax is not payable on the tax-free component. Generally, the taxable component will be taxed at the beneficiary's marginal tax rate with a 15% tax offset available.

What if your super is paid to a non-dependant?

A lump sum death benefit paid to a person who is not classified as a death benefits dependant will generally consist of a taxable and tax-free component. No tax is payable on the tax-free component. The taxable component - taxed element will generally be taxed at a maximum rate of 15% plus any applicable levies. Where life insurance cover was in force at the date of death, the benefit may also include a taxable- untaxed element which will be taxed at a maximum rate of 30% plus any applicable levies.

Special tax concessions apply to lump sum death benefits paid in respect of a person who dies in the line of duty as a member of the Defence Force, member of the Australian Federal Police or the police force of a State or Territory, or as a protective services officer. A non-dependant who receives a lump sum death benefit in these circumstances is taxed as if they were a death benefits dependant.

What if your super is paid to your estate?

A lump sum payment to your estate will be taxed depending on whether your dependants or non-dependants ultimately receive your benefit. Your legal personal representative is responsible for tax arrangements when your estate pays the benefit to your beneficiary(ies).

Why is it important to provide your tax file number (TFN)?

You are not obligated to provide your TFN and declining to quote your TFN is not an offence. However, if you do not provide your TFN, you could be subject to the following:

- you could pay additional tax on concessional contributions (an additional 30% plus any applicable levies);
- we will be unable to accept member contributions;
- you could miss out on any government co-contributions (if eligible);
- you may not be able to continue your membership if only insurance cover is held, i.e. without an account balance; and
- you may incur additional tax on lump sum payments.

We are authorised to collect your TFN under superannuation laws. If you do decide to provide your TFN, we:

- will only use it for legal purposes including finding or identifying your super benefits where other information is insufficient, calculating tax on any contributions or payments you may be entitled to, and providing information to the ATO, such as reporting details of contributions for the purposes of the government co-contribution, lost member reporting and monitoring of contributions caps;
- may provide your TFN to the trustee of another super fund or RSA provider where the trustee or provider is to receive your transferred benefits in the future; and
- will not pass your TFN to another fund if you tell us in writing that you do not want us to pass it on.

The purposes for which we can use your TFN and the consequences of not providing it can change in the future as a result of changes to the law.

These factors could significantly impact your super savings.

> You can check your Welcome Statement, issued on joining Smartsave Personal Choice or Smart Pensions, or your Annual Statements to see if your TFN has been provided to us.

What are your employer's TFN responsibilities?

Your employer is obliged to provide your TFN to us following receipt of a TFN declaration from you.

Your TFN must be provided by your employer:

- within 14 days of receipt of your TFN declaration, provided your employer makes a contribution for you within this period; or
- otherwise, at the time your employer first makes a contribution for you, after your TFN declaration is received.

Incorrect TFNs

Each year, the ATO notifies us of any incorrect TFNs we have recorded on our system.

If your TFN is incorrect, we will endeavour to contact you and/or your employer to request a correct TFN. If we are unable to obtain a correct TFN for you:

- the incorrect TFN will be removed from our system;
- you may be charged 'no TFN contributions tax' on concessional contributions (including employer contributions);
- we may be required to refund any member contributions;
- any life or salary continuance insurance cover linked to your Smartsave Personal Choice account may be cancelled, where a reduction in your account balance results in insufficient amounts being available to meet your premium obligations; and
- you will receive a notice from the ATO advising that we hold an incorrect TFN for you and what the tax consequences of this may be for you.

Taxation law changes

Taxation laws may change as a result of Government legislation. Call the Australian Taxation Office on 13 10 20, visit www.ato.gov.au/super or talk to your tax adviser for the latest information.

6. What other superannuation information do you need?

Why see an adviser?

An adviser has the benefit of knowledge, training and experience that can be invaluable in helping you plan for your future. You may find yourself in a position that you have never been in before and really don't know how it will affect your finances. Perhaps you've received a sudden windfall, are going through a divorce or facing the loss of a loved one. Or you may just want a plan to improve your financial situation and build your wealth for the long-term instead of juggling your finances month-to-month.

Advisers are available to help you devise a specific plan to suit your needs. Their knowledge can help you make the most of your financial circumstances.

Your employer may already have an adviser for their plan and they can assist you too. However, if there is not an adviser for your employer's plan, then we can help you find one. To register your interest call Client Services on 1300 654 720.

The role of the Trustee

As Trustee of the Plan, we are responsible for the operation of the Plan and compliance with the Trust Deed and superannuation law. We are also responsible for:

- the protection of members' rights and interests;
- the correct and timely payment of benefits;
- appropriate investment of Smartsave Personal Choice & Smart Pensions' assets;
- ensuring Smartsave Personal Choice & Smart Pensions is properly administered;
- arranging audits of Smartsave Personal Choice & Smart Pensions;
- reporting to members; and
- lodgement of the Plan's tax return and APRA reporting.

The Trust Deed

The Plan is governed by a Trust Deed. Together with the Corporations Act and superannuation law, the Trust Deed sets out the rules and procedures under which the Plan operates, and our duties and obligations as the Trustee. If there is any inconsistency between the Trust Deed and the PDS, the terms of the Trust Deed override the disclosure in the PDS.

A copy of the Trust Deed is available from us on request.

Contact the Trustee

Diversa Trustees Limited

GPO Box 3001

Melbourne VIC 3001

Relationship between the Trustee and some service providers to the Plan

The Trustee, Administrator and Promoter are member companies of the OneVue Group.

Unit prices

As the value of assets in an investment option rise and fall so too does the value of the unit price, and therefore the value of your investment. Unit prices are calculated on a daily basis.

How does unit pricing work?

When you invest in an investment option, you buy 'units' in that option.

Each unit has a dollar value or 'unit price'. The number of units you buy is equal to the amount you invest, divided by the unit price.

For all investment options the unit price is equal to the value of all assets in each investment option (in your class), including income and realised capital gains, less liabilities and provisions, divided by the number of units investors hold in your investment option. The unit price also reflects the applicable transaction costs for that investment option.

Generally, assets will be valued on the basis of their market value, however, there may be circumstances when assets may be valued on a different basis.

When an amount is withdrawn from an investment option, you sell 'units' in that investment option. The number of units you sell is equal to the amount to be withdrawn, divided by the unit price.

The value of your account will always be calculated based on the 'sell' unit price.

Where insufficient data is available from fund managers to enable us to accurately calculate unit prices for an investment option, we may use appropriate market indices to calculate unit prices (indexation). In exercising this procedure we follow industry standard practice to ensure the fair and equitable treatment of members.

Note: In exceptional circumstances the calculation of unit prices may be suspended to protect members' interests. For example, if significant market volatility and/or significant internal or external events result in an inability to value an investment fund.

How can you calculate your account balance?

Your account balance is calculated by multiplying the number of units you have in each investment option by the unit price for each option. As the unit prices are calculated on a weekly basis, the value of your account may change weekly (although over the course of this financial year we expect unit pricing to become daily and therefore your account may also change daily).

Number of units held x unit price that day = account balance.

Example: 1,000 units held @ $1.75 = $1,750.

How are your transactions processed?

Unit prices for each investment option are normally determined on a daily basis. When a valid and complete transaction request is received by us, the following transaction rules apply:

- Withdrawals are processed as soon as reasonably practicable, ordinarily within 10 business days (3 business days for Smartsave MySuper) of receipt of a request. However, we have up to 30 days from receipt of a request to process a withdrawal. Withdrawals are processed using the most current unit price available. This will generally be the last unit price declared.
- Switches are usually processed within 10 working days after receiving a switch request. However, a greater period of time (up to 30 days) may be necessary to process the request. The effective date of a switch will be the date the switch request is processed.
- Contributions received by us before 3pm (Sydney time) will normally be processed within two business days of receipt of a contribution request. The unit price declared on the date of receipt of all requirements will be used.

If we are unable to process a contribution immediately for any reason, including awaiting outstanding requirements, we are required to hold the contribution in a trust account. This is generally for short periods of time, as most contributions are processed overnight.

We will retain any interest payable by our bank on this trust account to meet costs we incur in operating this account, e.g. bank fees and other bank administration costs.

The effective date of investment will generally be the time that the contribution request and monies, and any outstanding requirements, are placed by us with the underlying fund managers.

In the event that we are unable to process a contribution within the permitted time (within 28 days following the month end of receipt of a contribution) we are required to return the contribution to the original source.

How are your transactions confirmed?

You will receive written confirmation of certain transactions including switches, rollovers and benefit payments. You can request confirmation of your transactions and other information about Smartsave Personal Choice & Smart Pensions in the following ways:

- call us on 1300 654 720 weekdays, between 9.00am and 5.00pm (Sydney time) and have your query answered over the phone or ask for written confirmation of your recent transactions to be sent to you; or
- Email us at smartsave@diversa.com.au.

If you have made a request and do not receive a response within a reasonable time, please call Client Services on 1300 654 720 to confirm that we have received your request. You can also check your transactions by logging on to your member account at www.smartsavesuper.com.au.

Unpresented cheques

Cheques issued to members which remain unpresented may be paid as unclaimed money to the Office of State Revenue.

Cheques payable to a rollover institution which remain unpresented may be paid to the ATO as unclaimed money or to an Eligible Rollover Fund.

How do you search for lost super?

You can search for your lost super by creating a myGov account at www.my.gov.au, then link the ATO to your account. You will be able to view details of all your super accounts, including super the ATO is holding on your behalf.

Supermatch

Supermatch is a service the ATO provides to super funds which allows us to search various ATO databases on your behalf, including the lost Members Register, so that members may be 'matched' with their super benefits.

Superannuation and family law

What happens to your super if your relationship ends?

Superannuation laws facilitate the division of a member's super on the breakdown of a marriage or de facto relationship[1]. The laws enable the 'splitting' and 'flagging' of a super benefit. 'Splitting' means that the payment of the super benefit is split between the separating parties. 'Flagging' prevents the super benefit from being paid by us until the parties, or the court, decide how to split the benefit between the separating parties.

Splitting or flagging can be achieved by agreement between the separating parties, or by court order. If requested, we are required to provide information about your super to either:

- your spouse; or
- a person who intends to enter into an arrangement with you about splitting your super in the event of a separation of marriage or breakdown of a de facto relationship (including same sex).

The request must be in a form prescribed by law. The law prevents us from telling you about any such request and from providing your address to a person requesting the information.

Note: We may charge for costs incurred in attending to enquiries and/or other work in relation to family law and superannuation matters. Currently, we do not charge such fees. We will advise you of any change to this position. For more information, speak to your financial or legal adviser.

1 Provision for de facto relationships in family law does not apply to all states. For more information, please seek legal advice.

Why is it important to keep your details up to date?

It's important that you stay in touch with us and keep your account active, so you don't become lost. Where Smartsave has identified a member as lost either due to the member's inactivity (inactive lost), or because they are uncontactable (uncontactable lost), the Fund is required to transfer the member's accounts to the ATO as unclaimed moneys if the member's account is less than $6,000.

A member is inactive lost if:

- they have been a member of the Fund for more than 2 years; and
- they joined the Fund as an employer sponsored member; and
- the Fund has not received a contribution or rollover within the last 5 years.

A member is uncontactable lost if:

- the Fund has never had an address for the member; or the Fund attempted to contact the member in writing (including electronically) and believed the address was no longer contactable; and
- none of the following happened in the last 12 months:
  - the member contacted the Fund;
  - the member logged into their online account;
  - the Fund received a contribution or rollover.

Eligible Rollover Fund

Your super benefit may be transferred to an Eligible Rollover Fund (ERF).

Before we transfer your benefit to an ERF we will attempt to contact you to provide you with an opportunity to nominate another fund. If your super benefit is transferred to an ERF we will provide you with a statement of the amount transferred. Once transferred to an ERF you may contact the ERF to claim your benefit or nominate another.

The ERF currently selected by the Trustee is:

Super Money Eligible Rollover Fund (SMERF)

PO Box 1282

Albury NSW 2640

Phone: 1800 114 380

The Trustee of Smartsave also acts as the trustee of SMERF.

Below is a summary of some of the significant features of SMERF, current as at the date of preparation of this Guide. For detailed information about SMERF contact SMERF directly.

If your benefit is transferred to SMERF:

- You will cease to be a member of the Plan and will become a member of SMERF and be subject to its governing rules, including a different fee structure;
- Member investment choice will not be available. Your benefits will be invested in a diversified portfolio with exposure to both growth assets (shares and property) and defensive assets (fixed interest and cash). There is no guarantee that investment returns will not be negative;
- SMERF is unable to accept any ongoing contributions from you or your employer; however, rollovers from other super funds may be permitted; and
- SMERF does not offer insurance cover. Any insurance cover you had as part of your membership in the Plan will cease at the time of transfer.

Unclaimed money

Your super benefit may be classified as 'unclaimed money' and paid to the ATO if:

- You are age 65 or over;
- We have not received a contribution or rollover from you, or on your behalf, for two years; and
- We are unable to contact you after five years since we last contacted you.

Anti-money laundering and counter-terrorism legislation

The Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (the AML/CTF Act) requires us to identify you and verify your identity before we can provide you with certain prescribed services.

As a minimum we require verification of your identity on payment of benefits to you, your beneficiaries or on rollover to another provider.

Generally, your adviser will undertake these steps, but to enable them to do so you will need to provide certain documents (such as your passport or current driver's licence) for sighting and verification.

If you are requesting these services without an adviser, you will need to include certified copies of these documents with your transaction request.

The Smartsave Withdrawal Form provides a full list of the types of documents that will satisfy these requirements. If you do not provide identifying documents we will not be able to process your transaction.

We may also request further information from you. You must provide all information to us, which we reasonably require in order to manage our money-laundering, terrorism-financing or economic and trade sanctions risk, or to comply with any laws or regulations in Australia or any other country.

We may disclose information to any law enforcement, regulatory agency or court, as required by applicable laws and regulations.

We may delay, block or refuse to process any transaction without incurring any liability if we suspect that:

- the transaction may breach any laws or regulations in Australia or any other country;
- the transaction involves any person (natural, corporate or governmental) that is sanctioned or is connected, directly or indirectly, to any person that is sanctioned under economic and trade sanctions imposed by the United States of America, the European Union or any other country; and

- the transaction may directly or indirectly involve the proceeds of, or be applied for the purposes of, conduct which is unlawful in Australia or any other country.

Bankruptcy legislation

The Bankruptcy Act allows bankruptcy trustees to recover superannuation contributions made prior to bankruptcy, with the intention to defeat creditors.

An Official Receiver is allowed to issue a notice to freeze a member's interest in a super fund or to recover void contributions.

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. Subject to certain conditions, you can gain access to your personal information that the Trustee has collected.

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 wishes 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 is an employer-sponsor of 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
- a court or regulators such as ASIC, the ATO, APRA and AUSTRAC.

If you would like a copy of our Privacy Policy or you would like to access the personal information that we have collected from you, please contact the Privacy Officer on 1300 654 720. 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.

Smartsave

'Member's Choice' Superannuation Master Plan

Phone	1300 654 720
Email	smartsave@diversa.com.au
Website	www.smartsavesuper.com.au
Mail	Smartsave PO Box 1282, Albury NSW 2640