



super safeguard

*protecting **lost** super*

# super safeguard

[Eligible Rollover Fund]

## Product Disclosure Statement

Date of Preparation: 2 June 2009



CERTIFIED BY RIAA



# Super Safeguard ERF

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Date of Preparation: 2 June 2009

### Disclaimer

This Product Disclosure Statement is issued by: Trust Company Superannuation Services Limited ABN 49 006 421 638

Level 3, 530 Collins Street, Melbourne VIC 3000 Telephone: 03 9665 0200  
Facsimile: 03 9620 5821 Australian Financial Services Licence Number 235153  
Registered Superannuation Entity License Number L0000635 (**Trustee**), as trustee and issuer of the Super Safeguard Fund (**the Fund**) ABN 13 917 747 013, RSE Registration Number R1001389.

The Fund Administrator is Primary Superannuation Services Pty Limited  
ABN 32 361 309 012 Level 1, 333 Collins Street, Melbourne VIC 3000  
Telephone: 1300 135 181 Facsimile: 1300 135 191. Primary Superannuation Services Pty Ltd (ABN 32 361 309 012) is an Authorised Representative of Pacific Custodians Pty Limited (AFSL 295 142) Level 9, 333 Collins Street, Melbourne VIC 3000

The Fund utilises a range of underlying fund managers (also referred to as investment managers).

The Trustee does not promise that you will earn a return or any specific rate of return on your account or that it will gain or retain its value. Your account can be subject to investment risk, including possible delays in repayment and loss of income and principal invested. We do not in any way guarantee the capital value or investment performance of the Product.

The information contained in this PDS is of a general nature only. It does not take into account your individual objectives, financial situation or needs. You should consider speaking to a licensed or authorised financial adviser who, with the help of this PDS, can assist you to determine whether this Product is suitable for you.

The information in this PDS is accurate at the date of preparation. Information that is not materially adverse may change from time to time. These changes can be notified to you (free of charge) via [www.supersafeguard.com.au](http://www.supersafeguard.com.au) or are available to you on request by contacting Super Safeguard on 1300 135 181.

### About Super Safeguard

Super Safeguard is a Product available from the Super Safeguard Fund, a regulated Eligible Rollover Fund (**ERF**) in accordance with the *Superannuation Industry (Supervision) Act 1993 (SIS)*.

The Product is designed to accept superannuation benefits from regulated superannuation funds or other arrangements as permitted by law. It helps guard low account balances and the account balances of 'lost members' or other members transferred into the Fund against erosion by administration fees that are deductible directly from member accounts. As a result of legislative requirements, all members' benefits in Super Safeguard are 'protected' under the Government's Member Benefit Protection regulations (**Member Protection rules**) as explained within this PDS.

The Product provides a low cost accumulation style arrangement where your account balance is made up of your initial and subsequent investments (if any), after taking into account any investment earnings, fees, costs and taxes that may apply.

There is no choice of investment options available (all benefits are invested in a single investment pool). This helps keep the costs of the Fund as low as reasonably possible. The Product invests in low risk investments that the Trustee considers to be in the best interests of members. There are no insurance benefits available to members in this Product.

### How did I become a member of Super Safeguard?

Super Safeguard set up your account when your former superannuation fund or Retirement Savings Account provider transferred your benefit. This generally happens because you satisfy the criteria of your former fund or provider to transfer to its nominated Eligible Rollover Fund. This may have occurred if you did not notify your previous fund of what to do with your benefit when you left your employer or you became "lost" as defined by superannuation legislation or in other circumstances specified by your previous fund. Once your account is set up information will be sent to you unless you are not contactable and your address is unknown. Refer to page 20 for details.

### Claim your Super

You can transfer your benefit out of the Fund at any time. A transfer out request form has been sent to you upon joining the Fund. If you need another copy, one can be obtained from our website at [www.supersafeguard.com.au](http://www.supersafeguard.com.au) or by calling our contact centre on 1300 135 181.

If you feel that you are able to access your benefit in cash because you satisfy a condition of release as explained on page 13, please contact us and we will inform you of any further details and send you the appropriate documentation. (Our contact details are inside the back cover of this PDS.)

### Consolidate your Super within Super Safeguard

If you wish to roll in benefits from other superannuation funds or Retirement Savings Accounts please contact us and we will send you a form to complete with the other fund's details.

Please make sure to contact your other fund about any fees or loss of benefits (e.g. insurance) that may be associated with rolling in benefits from that fund before consolidating your super.

### Annual Data Match

Super Safeguard conducts annual searches using the personal information of members, to identify if any have recommenced contributing to their original superannuation fund. If we identify a match will write to you seeking your consent to have your benefit transferred back to your previous fund where you are once again contributing as an active member. If you consent to the transfer, a written confirmation will be sent when the transfer has been completed. In line with the privacy policy, if you do not want your personal information to be used for this purpose you have the right to opt out by providing written notification to Super Safeguard addressed to Super Safeguard, GPO Box 3426, VIC, 3001 or by sending an email to [enquiries@supersafeguard.com.au](mailto:enquiries@supersafeguard.com.au).

# Investments

The Trustee invests members' money with a specific aim of providing:

- sufficient earnings to ensure that the Product can meet the cost of its financial obligations to its suppliers, costs associated with providing member benefit protection and to provide a reasonable rate of return to members,
- a very cost efficient investment process, and
- a reserve account from which to draw to pay Fund expenses.

## Investment Objectives

The broad objective of the Fund is to protect the members' capital while providing long term growth in line with inflation by achieving a return of at least 3% per annum (after tax and fees) above the consumer price index (CPI) over a rolling three year period.

Underlying fund managers are expected to achieve a rate of return above the average return of comparable funds operated by recognised fund managers and, as an average, negative returns are not expected to be incurred more frequently than once in 15 years.

The objectives are not a promise or guarantee of any particular return of benefit.

## Investment Strategy

The investment strategy to achieve the Fund's objectives is to:

- preserve capital and avoid the risk of a negative return in any one financial year, whilst providing moderate growth;
- take labour standards or environmental, social or ethical considerations into account in the selection, retention and realisation of at least 5% of total funds under management. The Trustee will do this by appointing underlying fund managers to invest a minimum of 5% of the total Fund assets in specialised RI products; and
- as an ERF is a temporary vehicle rather than a long term investment, place an emphasis on defensive assets, while still having some limited exposure growth assets.

The Product's assets will be invested in accordance with benchmark asset allocations and ranges outlined below:

Asset Allocation	Benchmark	Range
<b>Growth Assets</b>		
Australian Equities	20	10-30
Global Equities	6	3-10
Property	4	1-10
<b>Total Growth Assets</b>	<b>30</b>	<b>15-55</b>
<b>Defensive Assets</b>		
Australian Fixed Interest	30	20-45
Global Fixed Interest	10	5-15
Cash	30	20-50
<b>Total Defensive Assets</b>	<b>70</b>	<b>45-85</b>
<b>Total Assets</b>	<b>100</b>	

The Product also has benchmarks for particular styles of assets, which are taken into account in addition to benchmarks and ranges applicable to particular asset classes or types (such as shares, listed property, fixed interest, hybrids and cash). For more information about these benchmarks, contact us on 1300 135 181.

A range of professional investment managers are used to achieve the exposure to assets in accordance with the strategy. In consultation with the asset consultant, the Trustee may choose to replace, remove and/or appoint investment managers. The Trustee may also alter the proportion invested with a particular investment manager if it reasonably considers it to be in the best interests of members.

The following table should only be used as a guide to the investment managers used, which may change without notice, as described above.

Investment Manager	Investment Fund
Vanguard Conservative Index Fund	Vanguard Conservative Index Fund
BT Investment Management	BT Ethical Conservative Fund

We will perform periodical reviews of the investment strategy to ensure that it meets the Product's investment objectives. We also determine the asset allocation, having regard to the above ranges, in an effort to enhance diversification and minimise risk.

The Trustee will not directly buy or sell derivative instruments but permits its underlying investment managers to use futures, options and other derivative instruments. This is to assist the effective investment management of the Product's assets.

However, derivatives will not be used to gear the Product's portfolio of assets (that is, borrowings) or for speculative purposes. The use of derivatives is monitored by or on behalf of the Trustee. If you would like more detailed information about the Product's investment policy, contact us on 1300 135 181.

## Crediting Rates

Subject to Member Benefit Protection rules, we declare an annual crediting rate based on the actual earnings of the Product's investments less any relevant fees, costs and tax. Crediting rates may be negative. The declared annual crediting rate is allocated to your account as at 30 June each year at the time your annual statement is produced. Information about historical annual crediting rates will be provided in annual reports, available online at [www.supersafeguard.com.au](http://www.supersafeguard.com.au) once they become available (no historical annual crediting rate is currently available as the Product commenced on 21 May 2008).

If you leave the Product during the year before the declared annual crediting rate has been determined and applied to your account, an interim crediting rate is allocated to your account up to the date your payment is processed. Interim crediting rates may be negative.

We review the interim crediting rate on a quarterly basis against the actual net investment return for the period. For information about the interim crediting rate applicable at any time, contact us on 1300 135 181.



## Reserving Policy

The Fund does not maintain any investment fluctuation reserves.

The Fund has a reserving policy which involves maintaining an expense recovery cash reserve, invested in an interest bearing cash management account, to facilitate the payment of Fund expenses. This account is managed by Trust Company Limited (the Trustee's parent company) on an arms length commercial basis.

It is anticipated that the average level of reserves will be 2% to 3% of the total fund assets with an upper limit of 5%. The actual level will be determined by the Trustee and will depend on the current investment environment and the amount deemed necessary to accommodate the cost of member benefit protection. The reserve will be managed by the Trustee to ensure that any amounts allocated to the reserve in respect of the Product are dealt with for the benefit of Super Safeguard members.

Information about the reserve will be provided in annual reports provided to members each year. If you would like further information, contact the Fund.

## Responsible Investments (RI)

Super Safeguard is the only ERF to have been certified by the Responsible Investment Association Australasia (RIAA) as offering a product or service that takes environmental, social, ethical and governance considerations into account in the selection, retention and realisation of investments. The Trustee takes labour standards or environmental, social or ethical considerations into account for between 25% - 100% of the Fund's allocation to equities. The Trustee does this through the selection of its underlying fund manager for the appropriate portion of assets. The actual allocation to equities subject to labour standards or environmental, social or ethical considerations will vary depending on the prevailing economic environment, the equity allocation employed by investment managers and the cash flow of the Fund. The current allocation is available by contacting the fund on 1300 135 181. In this way, labour standards or environmental, social or ethical considerations (also referred to as Responsible Investments) affect the selection, retention or realisation of some (but not all) of the Fund's investments.

Responsible Investments utilise various techniques, such as negative screening and positive screening. A combination of these techniques is utilised in respect of equity investments in the Fund.



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The Certification Symbol signifies that a product or service offers an investment style that takes into account environmental, social, ethical or governance considerations. The symbol also signifies that the Super Safeguard Fund has adopted strict disclosure and education practices required under the Responsible Investment Certification Program for the category of Superannuation Fund. The Certification Symbol is a Registered Trade Mark of the Responsible Investment Association Australia (RIAA). Detailed information about RIAA, the Symbol and the Super Safeguard Fund's methodology and performance can be found at [www.responsibleinvestment.org](http://www.responsibleinvestment.org), together with details about other responsible investment products certified by RIAA.<sup>1</sup>

<sup>1</sup> The Responsible Investment Certification Program does not constitute financial product advice. Neither the Certification Symbol nor RIAA recommends to any person that this financial product is a suitable investment or that returns are guaranteed.

## Negative Screening

Negative screening means excluding companies which do not meet certain criteria.

Negative screens are used by BT Investment Management to exclude companies as follows:

**Uranium** — companies which directly mine uranium for the purpose of weapons manufacture.

**Weapons** — manufacturers of weapons and armaments.

**Alcohol and tobacco** — producers of these products.

**Gaming** — manufacturers and providers of gaming facilities.

**Environment** — companies that have committed significant or recurrent environmental offences within the last three years, or have been successfully prosecuted and required to provide remedies within the last year. Environmental offences are offences which have been prosecuted by Australian State environmental protection agencies and which have been drawn to BT Investment Management's attention by various monitoring agencies, media reports or a company's own voluntary disclosures as well as those which have been investigated by local governmental authorities.

**Human rights** — companies that have breached human rights, anti-discrimination or equal opportunity legislation within the last three years, or have been required to pay compensation or provide remedies for such breaches within the last year. Breaches of human rights are taken to be breaches against companies identified by the United Nations Human Rights Committee, the Commonwealth Human Rights and Equal Opportunity Commission, Australian State Anti-discrimination and Equal Opportunity tribunals and various international forums on corporate performance regarding human rights.

## Positive Screening

Positive screening means actively identifying companies that meet specific criteria in 'sustainable' products and services. Positive screening is used by BT Investment Management to select companies. This includes companies which rate well based on a valuation driven process and offer products or services which meet one or more of the following:

- Provide or enact some environmental and/or social benefits through management and/or remediation of environmental resources (e.g. clean technology, waste and emission reduction, waste management reduction and recycling systems, technologies and services).
- Demonstrate or enable reduced adverse environmental and social impacts (including consumption of scarce resources) relative to currently used products or services (covering a range of specialised industry sectors including Material Efficiency Development and improved management of scarce resources).

## Companies exhibiting good work place practices

As part of the positive screening process, companies are assessed with regard to labour standards, particularly:

- Occupational health and safety. BT Investment Management considers the manner in which a company deals with its workforce to be a key driver to long-term sustainability. They assess a company's performance by its approach toward relevant State and Territory occupational health and safety legislation, as well as its willingness to submit to the rigours of national and international standards that relate to the workplace, such as Australian Standard AS4801 ('Occupational Health and Safety Management Systems').
- Human resource management and workplace relations. This encompasses a company's responsibilities to its own employees in terms of human resource issues. BT Investment Management assess a company's performance by monitoring regulatory compliance (including industrial disputes and human rights and equal opportunity applications), but this analysis also focuses more broadly on a range of qualitative criteria including equal opportunity, consultation and participation in the workplace.

## Established corporate governance procedures and ethics

Consideration is also given to a company's corporate governance procedures and ethics as being of fundamental importance to its long-term sustainability. This analysis focuses on:

- The manner in which organisational values are established, embraced and reported both within and outside an organisation (e.g. clear and coherent codes of conduct and compliance with corporate governance standards); and
- The way in which these values are reflected in the company's management processes (eg policies regarding director share ownership, remuneration procedures and forward-looking succession planning).

Examples of companies that rate well based on this valuation driven process and which also offer products or services that meet one or more of the specified criteria include:

- renewable energy
- sustainable agribusiness
- ecotourism
- information and other technologies, including biotechnologies, medical technologies, healthcare products and services
- products exhibiting increased recyclability, reusability and reduced resource use, including energy and waste creation.

For more information about the RI considerations taken into account by BT Investment Management for equity investments via the BT Ethical Fund, including the methodology for taking these considerations into account, how considerations are monitored and reviewed and retention/realisation policies used, refer to the product disclosure statement for the BT Ethical Fund available on request by contacting Super Safeguard on 1300 135 181.

The standards or considerations that are taken into account in the Fund's Responsible Investments may change from time to time. Up to date information can be obtained (free of charge) by going to [www.supersafeguard.com.au](http://www.supersafeguard.com.au) or by contacting the Super Safeguard on 1300 135 181.

## Significant Investment Risks

Whilst we endeavour to minimise the risks associated with investing in the Product through prudential management, all investments carry some level of risk. The nature and extent of the risks may differ for different asset classes or types of investments. Some of the major risks that apply to the Product and its underlying investments include:

### Inflation

Inflation may exceed the return on your investment. We aim to minimise this risk by investing with relatively conservative underlying investment managers who endeavour to obtain returns which exceed the inflation rate over time.

### Individual Investment Risk

We place assets with individual investment managers who make individual investments which can and do fall in value for many reasons such as changes in internal operations or management of an underlying fund or the companies they invest in. We aim to minimise this risk through the diversification of investment managers and through the appointment of an Asset Consultant. The Asset Consultant carefully analyses and researches the market for investment opportunities and monitors the performance of the investment managers with whom we place assets. The Asset Consultant performs half-yearly reviews of the market place and on investment managers' performance (including RI considerations), both against the objectives of the Product and the managers' own investment targets.

### Market Risk

Economic, technological, market sentiment, political or legal conditions can and do change, and this can affect the value of investments. We take these factors into account when analysing the investments of the Product and when changes in the investments are made.

### Interest Rate Risk

Interest rate changes can have a positive or negative impact on the value of the Product's investments. For example the income return on a fixed interest security can become more or less favourable due to changes in interest rates.

We select expert underlying investment managers who employ strategies, including hedging against interest rate changes to minimise adverse impacts.

### Currency Risk

The underlying investment managers utilised by the Trustee invest in the securities of companies from countries other than Australia. If their currencies change in value relative to the Australian dollar, the value of the investment can change. We select expert investment managers who employ strategies including hedging against foreign currency changes to minimise any adverse impacts.

### Changes to Superannuation Law

Changes are frequently made to superannuation law, which may affect your ability to access your investment. We are obliged to manage Super Safeguard within the parameters of the law.

### Changes to Taxation

Changes can also occur to the taxation of superannuation, which may affect the value of your investment. We are obliged to manage the Fund within the parameters of the superannuation taxation regime.

### Operational risk

There may be changes to the Fund or its internal operations such as changes to key staff involved in the management of the Fund or failure of its systems or procedures. The Trustee seeks to minimise this risk by taking into account the best interests of members at all times when making decisions and by having processes, procedures or systems that seek to appropriately manage the operation of the Fund and its products.

As an ERF subject to member protection rules, there is also a risk that the fees deducted directly from member's accounts are not sufficient to meet the operational expenses of the Product. This may result in an additional expense recovery (**member protection costs**) from the assets or earnings of the Product, thereby, reducing the earnings allocated to member accounts. The Trustee maintains a risk management plan (**RMP**) for the Fund available on request by contacting Super Safeguard on 1300 135 181.

### Liquidity Risks

Liquidity Rsk includes risks associated with insufficient cash flow to meet the benefit payment and investment needs of the Fund. It is impacted by the ongoing transfer of benefits to and the investment strategy of the Fund. It is taken into account in the investment process and is monitored to ensure sufficient capacity to meet obligations.

### RI Risk

There is a risk that the labour standards or environmental, ethical or social considerations taken into account in underlying investments do not accord with every individual member's views about social responsibility and/or that taking such matters into account may negatively impact investment performance from time to time.

## Payment of Benefits

Superannuation is a long-term investment. The Federal Government has placed restrictions on when members can access benefits. In general, benefits can not be paid until a member has reached age 65, or has reached preservation age and permanently retired from the workforce. However, a member may elect to transfer their benefit to another complying superannuation fund or Retirement Savings Account upon request at any time.

The Government restrictions are commonly known as “preservation requirements”. The preservation ages are set out in the following table.

Your Date of Birth	Preservation Age
Before 01/07/1960	55
01/07/1960 – 30/06/1961	56
01/07/1961 – 30/06/1962	57
01/07/1962 – 30/06/1963	58
01/07/1963 – 30/06/1964	59
After 30/06/1964	60

However, there are special “conditions of release” where a release of a preserved benefit is permitted, including:

- Death;
- Severe Financial Hardship;
- Permanent Incapacity;
- Terminal Medical Condition (as defined in superannuation legislation);
- Specified Compassionate Grounds (where approved by Australian Prudential Regulation Authority); or
- account balance is under \$200.

Special rules apply to temporary residents (benefits can be accessed on permanent departure from Australia and in other restricted circumstances such as death and permanent incapacity). For more information contact Super Safeguard on 1300 135 181.

Should you meet criteria allowing release of your benefits, the benefit will equal your account balance at the date of release after taking into account any investment earnings and relevant fees, costs and taxes.

A portion of your benefit may be unrestricted non-preserved. Unrestricted non-preserved benefits are benefits that are not subject to preservation requirements. These benefits, if any, may be paid to you in cash at any time subject to you providing adequate proof of identity as requested by Super Safeguard.

## Cashing Rules

Members can leave their benefit in the Fund at any age irrespective of their work status. However benefits must be paid from the Fund in the event of a member’s death (see below for more information about the payment of death benefits). As a result of new anti-money laundering and counter-terrorism financing legislation, you may be required to provide proof of identity prior to being able to access your benefits in cash (called customer identification and verification requirements). These requirements may also be applied by the Trustee from time to time in relation to the administration of your superannuation benefits as required or considered appropriate under the government’s legislation. Members will be notified of these requirements where applicable. Failure to meet these requirements may result in a delay in the payment of benefits. If a benefit cannot be paid in cash, it can be transferred to another superannuation fund or other superannuation arrangement at any time upon request. Proof of identity may also be required before a transfer request can be processed.

### Payment of a Death Benefit

The Trustee, as required by law, can only pay a death benefit to your Dependant or Legal Personal Representative. For this purpose, these terms are defined as follows:

#### Who is a dependant?

- Spouse (Husband or wife or de facto spouse). A de facto spouse may include a same-sex partner
- Child including step-child or adopted child
- Anyone who in the opinion of the Trustee, is partially or wholly financially dependent on you – they do not need to be a relative
- An Interdependent.

#### Interdependent Relationship

An interdependent relationship is where two people have a close relationship and they live together and one or both provide the other with financial support or domestic or personal care.

If a close personal relationship exists but the other requirements are not satisfied because of a physical, intellectual or psychiatric disability (e.g. one person lives in a psychiatric institution suffering from a psychiatric disability), then an interdependency relationship may still exist.

#### Who is legal personal representative?

This is the person appointed by a member in their Will or an administrator of your estate appointed by the court (if the member does not have a Will).

#### Nomination of Beneficiaries

A member can nominate preferred beneficiary (usually dependants and/or legal personal representative) for receipt of their benefit on death. Any nomination made by a member can be changed at any time by completing a *Change of Details Form*. This form is sent to members with their annual member statement or is available by contacting Super Safeguard on 1300 135 181.

We endeavour to retain nominated preferred beneficiaries, if any, from a transferring superannuation fund. However, any binding nomination made by the member to your previous fund does not bind the Trustee of Super Safeguard.

The Trustee will take your beneficiary nomination into account but is not bound by it. The Trustee does not accept binding nominations. The Trustee will consider the circumstances of all of your dependants in choosing whom to pay a death benefit and in what proportions.

### Unclaimed Benefits

If you reach the eligible age to receive the age pension (currently 65) and are not contactable for at least 5 years, we may be required to treat your benefit as unclaimed and pay it to the Australian Taxation Office (ATO). We may also be required to treat the benefits of temporary residents which are not claimed for at least 6 months after departure from Australia (where the temporary visa has expired or been cancelled) as unclaimed money and pay it to the ATO. For more information about unclaimed monies go to [www.ato.gov.au/super](http://www.ato.gov.au/super) or phone the ATO on 13 10 20 (between 8am-6pm Monday to Friday).

## Fees and Other Costs

Government regulations require us to include the following standard consumer advisory warning as set out below. The information in the consumer advisory warning is standardised across all superannuation product issuers and does not provide any specific information on the fees and charges in this Product.

### DID YOU KNOW?

Small differences in both investment performance and fees and costs can have a substantial impact on your long term returns. For example, total annual fees and costs of 2% of your fund balance rather than 1% could reduce your final return by up to 20% over a 30 year period (for example, reduce it from \$100,000 to \$80,000).

You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs. You may be able to negotiate to pay lower contribution fees and management costs where applicable. Ask the fund or your financial adviser.

### TO FIND OUT MORE

If you would like to find out more, or see the impact of the fees based on your own circumstances, the Australian Securities and Investments Commission (ASIC) website ([www.fido.asic.gov.au](http://www.fido.asic.gov.au)) has a superannuation calculator to help you check out different fee options.

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

Taxes are set out in another part of this document. There are no insurance costs for the members in this Product.

TYPE OF FEE OR COST	AMOUNT	HOW AND WHEN PAID
Fees when your money moves in or out of the fund		
<b>Establishment fee</b> The fee to open your investment	Nil	Not Applicable
<b>Contribution fee</b> The fee on each amount contributed to your investment	Nil	Not Applicable
<b>Withdrawal fee</b> The fee on each amount you take out of your investment	Nil	Not Applicable
<b>Termination fee</b> The fee to close your investment	Nil	Not Applicable

### Management costs

The fees and costs for managing your investment

AMOUNT	HOW AND WHEN PAID
Administration fee of \$8.00 per annum	Deducted from your account at 30 June each year or on leaving, on a pro rata basis
<b>Plus</b> Estimated 1.07% of total Product assets per annum (Indirect fee)	This fee is applied to the product's total assets and deducted from investment earnings before investment earnings are allocated to your account. For management costs other than expense recoveries (which are deducted as they are incurred) the deduction is made monthly.

### Service fees

<b>Investment switching fee</b> The fee for changing investment options	Not Applicable	Not Applicable
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# Additional Explanation of Fees and Costs

## Management Costs

Management costs are made up of an administration fee (dollar based) and indirect fee (percentage of Product assets) which comprises an estimated Investment Management fee, Issuer fee and estimated expense recoveries, described in further detail below.

## Administration Fees

An Administration Fee of \$8 per annum per member is deducted from member accounts and is for the general administration of the Product

## Indirect fees

### Indirect fee composition

Issuer Fee	0.11% <sup>1</sup>
Investment Management Fee	0.58%
Expense Recovery Fee	0.38%

## Issuer fee

An Issuer Fee is payable to the Trustee of 0.11% (with a minimum annual fee of \$44,000) of the Product's assets per annum is taken into account when determining earnings to be allocated to member accounts and is for the management of the Fund by the Trustee.

## Investment Management fee

An estimated Investment Manager's Fee of 0.58% of the Product's assets per annum is taken into account when determining earnings to be allocated to member accounts and is for the day to day management of the investments. This estimate is based on the weighted average management expense ratio of each of the Product's underlying investment managers and may change from year to year depending on the experience of the Product's investments.

## Expense Recoveries

Expense recoveries are estimated to be 0.38% based on the historical experience of the Fund for the year ending 30 June 2008 and may change from year to year. Expense recoveries represent the estimated out-of-pocket expenses that we are entitled to recover such as audit, asset consultant and legal costs. Expense recoveries can include costs that cannot be applied to member accounts because of member protection rules. The amount of expense recoveries will depend on a number of factors including the costs actually incurred in respect of the Product in a given year, the investment performance of the Product, the number and size of account balances and the impact of member protection rules on account balances. Expense recoveries are deducted from investment earnings of the Product as expenses are incurred and before investment earnings are allocated to your member account.

<sup>1</sup> A minimum annual issuer fee of \$44,000 applies.

# Service Fees

## Special Request Fee

We do not charge you for requests for information or other special requests made to the Fund, for example to administer Family Law provisions such as splitting or flagging. However, we reserve the right to change fees and other costs upon 30 days notice provided to a member prior to any change. (See "Fee Changes" below).

## Goods and Services Tax (GST) and Stamp Duty

All fees and other costs are inclusive of GST (less reduced input tax credits) and stamp duty, where applicable. The benefit of any tax deductions available to the Fund will be passed on to members in the form of reduced fees or costs. Please refer to page 18 of this PDS for more information concerning taxation.

## Fee Changes

We are permitted to increase the level of fees payable by members. However, before any material increase in fee structure occurs, at least 30 days prior notice will be provided. The Trustee reserves the right to change fees and costs without notice to members, and pass on any Government taxes or charges currently applying or which may apply in the future.

The administration fee may be increased by the Trustee without notice on 1 July each year in line with the Consumer Price Index. Estimated fees may change from time to time depending on the experience of the Product.

## Member Benefit Protection

All members of the Fund are treated as "protected members" under member benefit protection rules regardless of their account balance. Member Benefit Protection rules require that the administration fees charged to your account within a reporting period cannot exceed the total amount of earnings allocated to your account within the same period. This means your account must earn at least an \$8 investment return before we can deduct the full amount of the \$8 Administration Fee.

In the event that the Product's total investment earnings do not cover the total costs of running the Product an amount not exceeding \$8 in total may be deducted from individual member accounts. Any costs that cannot be charged to individual member accounts (member protection costs) may be borne by all members of the Product by being deducted as expense recoveries prior to the calculation of returns. The Member Benefit Protection rules do not prevent fees and costs being deducted before the calculation of earnings to be allocated to member's accounts or the deduction of government taxes. The Trustee reserves the right to take whatever steps are available to it under the member protection rules to manage the member protection costs.

## Transactional and Operational Costs

Transaction costs are incurred when buying and selling underlying investment fund assets. These transaction costs include brokerage, stamp duty and costs incurred when buying and selling investments including units in underlying investment funds (called buy/sell spreads). Any transaction costs are deducted from the assets of underlying investment funds by underlying investment managers and are borne by all investors in that investment fund as part of the calculation of the earnings for the Product's investments. These costs are an

additional cost to the investor (they are not included in the management costs shown above). These costs are estimated at of 0.015% of the fund asset value, based on previous actual costs.

## Example of Annual Fees and Costs

This table gives an example of how the fees and costs for this Product can affect your superannuation investment over a 1 year period. You should use this table to compare this Product with other superannuation products.

EXAMPLE	Balance of \$50,000 with total contributions of \$5,000 during year	
Contribution Fees	\$0	For every \$5,000 you put in, you will be charged \$0.
PLUS Management costs	1.07% + \$8.00	And, for every \$50,000 you have in the fund you will be charged \$535 each year plus \$8 in administration fees regardless of your balance.
EQUALS Cost of Fund		If you put in \$5,000 during a year and your balance was \$50,000, then for that year you will be charged fees of:  \$543*  What it costs you will depend on the investment option you choose and the fees you negotiate with your fund or financial adviser**.

\* Additional fees may apply:  
Establishment fee/Withdrawal fee/Termination fee - \$0

\*\* This example is prescribed by law and is based on the only investment option available in the Product having regard to the Fund's experience in relation to expense recoveries in the year to date projected for the year ending 30 June 2009 and the estimated Investment Management Fee for the Product having regard to current asset allocations. As the Product is newly created, we cannot provide an indication of management costs which is based fully on a prior financial year's (2007/2008) experience. You do not have a choice of investment options. For this reason you should take care when comparing the fee example above with fee examples in other PDSs. Fees are not negotiable.

## Taxation

This section contains a summary of taxation rules applicable to superannuation based on laws applicable to this Fund at the date of preparation of this PDS. The impact of these rules will depend on your personal circumstances. For advice that takes into account your circumstances, consult a professional adviser. Further information is available from [www.ato.gov.au](http://www.ato.gov.au).

### Contribution Tax

A contribution tax of 15% applies to amounts paid into the Fund from the Superannuation Holding Accounts Special Account and the shortfall component of any Superannuation Guarantee Charge paid to the Fund, and is applied to your account when the contribution is received. A higher rate of tax (the highest marginal tax rate plus Medicare levy) will apply to these amounts if the Fund does not hold your tax file number (TFN). The Fund may (but is not obliged) to

recover any additional tax paid by it in respect of these amounts if the Fund is subsequently provided with your TFN (within 4 years). No contribution tax applies to rollovers paid into your account, unless received from an untaxed source. Once deducted, we then remit the contribution tax to the Australian Taxation Office.

### Tax on Investment Earnings

Superannuation funds are taxed on their investment earnings at a concessional rate. Currently, the maximum rate of tax on superannuation fund investment earnings is 15%. This tax may be offset in part or in whole by allowable deductions, such as franking credits. This tax is deducted from investment earnings before earnings are allocated to your account.

### Tax on benefits

You may have to pay tax when you receive a superannuation benefit in cash. The amount paid will depend on your own circumstances such as your age and the components of your benefit. Benefits paid from a taxed source to a person aged 60 or more will be tax free. Benefits paid to dependants<sup>1</sup> of a deceased member and members who are diagnosed with a terminal medical condition (as defined in government legislation) are also generally tax free. Benefits paid to a person aged under 60 are subject to tax, based on the following components.

- A tax-free component made up of non-concessional (after-tax personal) contributions made from 1 July 2007 and other amounts transferred into the Fund which contain a tax-free component. No tax is payable on the tax-free component;
- A taxable component made up of the total superannuation benefit, less any tax-free component. The taxable component will be taxed at 20% if paid to a person under their preservation age or 15% on any amount over \$145,000 if paid to a person from preservation age to age 59 (amounts under \$145,000 will be tax free). The \$145,000 threshold is subject to indexation. Higher tax may apply if a member's TFN is not held. Any payment of superannuation benefits must be withdrawn from the tax-free and taxable components in proportion.

### Tax File Number (TFN)

Under the *Superannuation Industry (Supervision) Act 1993 (SIS)*, the Fund is authorised to collect your tax file number (TFN), which will only be used for lawful purposes. These purposes may change in the future as a result of legislative change. The Trustee of the Fund may disclose your TFN to another superannuation provider, when your benefits are being transferred, unless you request the Trustee in writing that your TFN not be disclosed to any other superannuation provider. It is not an offence not to quote your TFN. However giving your TFN to the Fund will have the following advantages (which may not otherwise apply):

- The tax on any taxable amounts paid to your account will not increase;
- Other than the tax that may ordinarily apply, no additional tax will be deducted when you start drawing down your superannuation benefits; and
- It will make it much easier to trace different superannuation accounts in your name so that you receive all your superannuation benefits when you retire.

If you have not advised us of your TFN and wish to do so, please contact the Fund Administrator on 1300 135 181.

<sup>1</sup> Dependant for these tax purposes does not include a child aged 18 or more unless the child is financially dependent or interdependent.

## Contributing to the Product

As an ERF, Super Safeguard does not accept employer or member contributions. The Product is designed to accept benefits transferred from complying superannuation funds and Retirement Savings Accounts where:

- you are a 'lost member' as defined by Superannuation legislation or meet other criteria for the transfer of benefits out of your previous fund or Retirement Savings Account, as determined by your previous fund or Retirement Savings Account; or
- your previous fund's need to safeguard small account balances against erosion due to fees and charges in accordance with Superannuation legislation.

### The Product does accept:

- an existing benefit transferred or rolled in from another superannuation fund, Approved Deposit Fund or Retirement Savings Account;
- a shortfall component of Superannuation Guarantee Charge from the ATO; or
- an amount paid from the Superannuation Holding Accounts Special Account in respect of you, received from the ATO.

## Member Communication

The Trustee conducts a review of the Fund annually as at each 30 June and a Member Benefit Statement and an Annual Trustee Report is prepared accordingly.

The following information is provided to members whose address is known to the fund:

Communication Item	When Sent
Welcome letter Current PDS	As soon as practical after joining the Fund
Annual Member Benefit Statement with opening and closing balances, fees and costs, earnings and transactions. Annual Trustee Report	Once each year as soon as possible after 30 June
Change of Details Form providing an opportunity to provide up-to-date contact details, nominate preferred beneficiaries and TFN.	
Benefit payment statement that includes details of your benefit, how the benefit was calculated and transactions on your account since your last Annual Member Benefit Statement.	Within 5 days of us receiving completed paper work regarding your exit or as soon as practicable thereafter.

## Important Fund Information

### The Trustee

The Trustee of the Super Safeguard Fund is Trust Company Superannuation Services Limited. The Trustee is licensed by the Australian Prudential Regulation Authority to act as a superannuation trustee and is a wholly owned subsidiary of Trust Company Limited. As Trustee for Super Safeguard, we are responsible for the management and execution of the Fund's Trust Deed in accordance with relevant legislation.

### Trust Deed

This PDS summarises significant characteristics of the Product which is governed by provisions of the Trust Deed dated 21 October 1996 (as amended). In the event of any conflict between the terms of this PDS and the Trust Deed, the provisions of the Trust Deed will prevail. A copy of the Fund's Trust Deed is available on request from the Trustee.

### Trustee Indemnity Insurance

The Trustee of Super Safeguard has arranged indemnity insurance to protect against certain losses arising as a result of claims made against the Trustee and/or the Fund in relation to the performance of its professional responsibilities and duties.

### Related Parties

The Trustee's parent company (Trust Company Limited) is the issuer of, and derives profit from, the Trust Cash Management Fund. The Trustee uses this account to manage the payment of expenses and benefits.

## Service Providers

### Fund Administration & Accounting Primary Superannuation Services Pty Limited ABN 32 361 309 012

Primary Superannuation Services Pty Ltd (ABN 32 361 309 012) is an Authorised Representative of Pacific Custodians Pty Limited (AFSL 295 142) Level 9, 333 Collins Street, Melbourne VIC 3000

Note: Primary Superannuation Services Pty Limited is also the sponsor or promoter of the Product which involves promotion of the Product to superannuation trustees and other entities. In its capacity as promoter, it may provide general advice and arrange for the creation of new interests in the Product. It also provides a website relating to the Fund. The Promoter provides these services under its own Australian Financial Services License (AFSL No. 295 142 and not as the Trustee's representative. The Trustee does not accept responsibility for any advice and arranging services provided by Promoter under its own AFSL.

### Asset Consultant

CPG Research & Advisory Pty Ltd  
AFSL 224485  
ACN 052 348 026

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## Safeguarding Your Privacy

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The Trustee is committed to providing the highest level of service, and this includes safeguarding your privacy. The Trustee is required to comply with obligations under Privacy legislation. These obligations include standards for the handling of personal information, including the collection, use, disclosure, storage and disposal of information, as well as the rights of individuals to access and correct that information. Access to our Privacy Policy Statement is available upon request (see contact details on page 23). We may disclose your personal information to external parties which provide services to us in relation to the Fund (for example the Fund Administrator, auditor, providers of printing or postal services) or as otherwise required or permitted by law. Under recent government reforms relating to anti-money laundering and counter-terrorism financing, we may be required to report personal information about you to AUSTRAC (a government agency responsible for this area). We may use your personal information to conduct annual data matches (see page 3 of this PDS for more information about this) unless you request otherwise.

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## Enquiries and Complaints

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The Trustee has a formal procedure for dealing with member enquiries and complaints. If you wish to make an enquiry or complaint, please send it in writing to or contact us at:

**Super Safeguard  
Enquiries and Complaints  
GPO Box 3426  
Melbourne VIC 3001  
Phone: 1300 131 185**

If after lodging an enquiry or complaint, you have not received a response or are not satisfied with the outcome within 90 days, you may have the right to lodge a complaint with the Superannuation Complaints Tribunal (SCT). The SCT is an independent body set up by the Commonwealth Government to hear complaints made by members and their beneficiaries against certain types of decisions made by superannuation trustees. The SCT can only consider complaints if you have already approached us first. Some decisions of the SCT may be reviewed by the Federal Court. The contact details for the SCT are:

**Superannuation Complaints Tribunal  
Locked Bag 3060  
GPO MELBOURNE VIC 3001  
Phone: 1300 780 808  
Fax: (03) 8635 5588**

## Superannuation and Family Law

Couples separating or divorcing may be able to divide their superannuation benefits by agreement or by court order. Under recent government reforms, this may also apply to de facto couples (including same-sex couples). The Trustee may be required to provide certain information about a member's benefit to certain "eligible persons" (including a member's spouse or future spouse) and in certain instances without notifying the member of the enquiry. Fees may be levied for the additional services required in dealing with your superannuation

under these circumstances. We do not currently charge fees for "splitting" of superannuation accounts, providing information or other associated costs in family law requirements. However we may review this policy in the future and reserve the right to do so.

For information or advice about how family law affects your superannuation, consult a legal adviser.

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## Contact Details

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If you have any questions about your membership or benefits please contact the Administrator at:

### Contact Method Details

Telephone 1300 135 181  
Facsimile 1300 135 191  
Email [enquiries@supersafeguard.com.au](mailto:enquiries@supersafeguard.com.au)  
Website [www.supersafeguard.com.au](http://www.supersafeguard.com.au)

### Postal Address

Super Safeguard  
GPO Box 3426  
Melbourne VIC 3001

### Delivery

Super Safeguard  
Level 1, 333 Collins Street  
Melbourne VIC 3000

It assists us if you have your member number handy when you contact them. The Super Safeguard Contact Centre's business hours are 8.30am to 5.00pm Melbourne time on business days.



super safeguard

*protecting **lost** super*

super safeguard

[Eligible Rollover Fund]

## Product Disclosure Statement

Date of Preparation: 2 June 2009

Printed on 55% recycled / 45% sustainable  
plantation card, elemental chlorine free.



RECYCLED CONTENT

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