

Product Disclosure Statement

Issued on 6 November 2017

About this Product Disclosure Statement

This Product Disclosure Statement (PDS) is a summary of the significant information about investing in smartMonday PENSION. There are references in this PDS to guides containing additional information about investments, fees, and the superannuation and taxation rules regarding pensions. These reference guides form part of the PDS. You should consider this information before making a decision about this product.

smartMonday is the business name of the Aon Master Trust ABN 68 964 712 340 (the fund) which has been registered by Aon Hewitt Limited ABN 48 002 288 646 (AHL) as sponsor of the fund. smartMonday PENSION is a part of the fund. This PDS has been prepared by AHL as sponsor and administrator of the fund. The trustee is Equity Trustees Superannuation Limited ABN 50 055 641 757 AFSL 229757 RSE Licence L0001458 and is the issuer of the PDS. References in this PDS to 'we', 'us', and 'our' are references to the trustee.

The information in this PDS is general in nature and should not be relied upon as advice (personal or otherwise) as your personal needs, objectives and financial situation have not been considered. Before making a decision based on any information in this PDS you should consider whether it is appropriate for your personal circumstances. You should speak with a financial adviser to obtain advice tailored to your personal needs, or call us on **1300 880 588** and we can put you in touch with one.

Updated information

Information in this PDS may be updated from time to time. The latest information is available on the fund's website at smartMonday.com.au/resources.aspx or you can request a copy by calling us on **1300 880 588**. We will notify you of material or significant changes in accordance with the law.

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1. About smartMonday PENSION

smartMonday is the new face of the Aon Master Trust, an award-winning superannuation fund with a 27 year track record of building strong and stable financial futures for members.

We like Mondays. That's because there's always a chance to do things differently, to get on top of all those small things you've been meaning to do, but haven't. At smartMonday, we've taken that promise to heart, creating a new style of super fund that makes taking action easy. With a few simple steps, we want to put you in control of your super, so you can build the future you really want. Because it's the small things, done today, that will make your future that much bigger, and that much better. So, what are you waiting for?

smartMonday PENSION has a range of investment options to help you save for retirement and access a tax-effective pension income when you retire. If you don't choose an investment option when you join, we'll invest your money into the Defensive – Index investment option. To find out more about smartMonday PENSION, see the reference guide *Getting to know your pension* on the website.

Dashboards for the fund's investment options are available at smartMonday.com.au/investments.aspx.

More information about the trustee, including board and executive remuneration, and other governance disclosure is available at the trustee's website at eqt.com.au/corporate-and-employer-super/etsl-registrable-superannuation-entity-disclosures.

2. How super works

Super is a means of saving for your retirement that is, in part, compulsory. Super is a long-term investment where contributions during your employment years will provide you with a source of income in retirement. Your money stays invested during this time and lower tax rates and other Government incentives can make super an attractive and beneficial way to save.

Employers are required to contribute 9.5% (increasing to 12% in future years) of your earnings into super. There are different types of contributions available (eg employer contributions, voluntary member contributions, spouse contributions and government co-contributions).

The Government also sets limits to the amount you can contribute to and withdraw from super, along with limits of how much you can transfer into the tax-free retirement phase of super.

Want to know more?

You can find more information about super on the Australian Securities and Investments Commission (ASIC) website moneysmart.gov.au or the Australian Taxation Office (ATO) website ato.gov.au/super.

3. Benefits of investing with smartMonday PENSION

Helping you transition into retirement

A smartMonday PENSION offers two kinds of account-based pensions that can pay you a regular income stream out of your superannuation savings, subject to the rules and limits set by the Government.

A retirement pension account

Generally for those who have retired from the workforce or have retired due to ill health grounds and with unrestricted non-preserved super benefits to invest. Investment earnings in a retirement pension are generally tax-free, subject to the \$1.6 million limit that the Government places on balances in the tax-free environment. Any amount above this limit is taxed at the concessional superannuation tax rate of up to 15%.

A transition to retirement pension account (TRP)

Designed for people who are planning to retire, but may still want to continue working after they've reached their preservation age. For instance, you might want to wind back your working hours a little while starting to draw down an income from your super. Or you might want to keep contributing into super to boost your savings. The concessional tax rate of up to 15% is paid on investment earnings in a TRP account. There's a variety of strategies that can be tax-effective depending on your circumstances. For more information about these strategies, see the factsheet at smartMonday.com.au/resources.aspx.

A TRP can be set up with preserved and/or non-preserved super benefits. Your TRP can be converted to a retirement pension once you meet a condition of release, and it will convert automatically once you turn 65.

Investment options

The fund has a range of pre-mixed and sector options that you can mix and match to suit your needs. See the next page.

Advice and support

- **Knowledge** — we offer a range of online information, education and tools to help you get the best out of your account with us. From time to time we'll send you material that we think will suit you, such as access to seminars and other events.
- **WeCare*** — there are times in life when we all need some help to get by. The WeCare service can help you and your family get through those difficult times. It can also help you access tax and legal advice, child care and aged care services, and other handy services. See our website for more information.

* WeCare is a telephone counselling and advice service provided by NHS Australia Pty Ltd ABN 38 080 244 195.

4. Risks of super

Like any investment, there are risks of investing in super. You should consider risk in the context of whether you will have enough money to fund your retirement, and that you may lose some of your money.

What is your acceptable level of risk?

How much risk you are willing to take will depend on a range of factors, including:

- your age and health
- the timeframe of when you expect to draw down on your investment
- where other parts of your wealth are invested
- your risk tolerance

Investment risk

Your super can be invested in a range of asset classes, each carrying different levels of risk. Asset classes include shares, property, fixed interest, and cash. Investment returns are not guaranteed, and past returns are not an accurate predictor of future returns. Five main types of investment risk are:

- **market risk** — investment markets might move suddenly causing the value of your investments to rise or fall. Investments with the highest long-term returns may also carry the highest level of market risk in the short-term.
- **inflation risk** — the chance that the value of your money won't keep pace with inflation and that you could lose some of the purchasing power of your money over time.
- **interest rate risk** — refers to fluctuations in the cost of borrowing, as well as the danger that fixed interest investments will lose market value if interest rates rise.
- **liquidity risk** — the chance that an asset cannot be readily sold at a reasonable price.
- **sequencing risk** — the risk that a sequence of negative investment returns could erode your retirement savings. Your account balance is likely to be at its largest when you approach retirement and large negative returns at this time would have a larger impact in dollar terms than if they were to happen when you're just starting out at a younger age.

Other risks to consider

- The amount of contributions you make into super, even after good investment returns, may not provide enough income in your retirement. There's a possibility you could outlive your retirement savings. This is called longevity risk.
- Changes in super and tax laws may affect how and when you can access your super, and the tax effectiveness of super.

The trustee has a risk management framework which outlines strategies and controls to ensure that risks are managed consistently with the objectives of the fund.



You should read the important information about smartMonday PENSION before making a decision. Go to the reference guide *Getting to know your pension* on the website smartMonday.com.au/resources.aspx.

The material relating to smartMonday PENSION may change between the time when you read this statement and the day when you become a member.

5. How we invest your money

You can choose from our range of pre-mixed and sector investment options. See the reference guide *Your investment options* on the website at smartMonday.com.au/resources.aspx for the full range of investment options.

Dashboards containing investment and performance information are available at smartMonday.com.au/investments.aspx. If you don't choose an investment option on your application form, we will invest your money in the Defensive – Index option.

As an example, we've included our Balanced Growth – Index option here for a retirement pension.

Balanced Growth – Index

Description—Invests in a mix of growth and defensive assets including Australian and international shares, property, fixed interest and cash. Intended to be suitable for those who can tolerate negative returns in some years because they intend to remain invested in this option for the suggested minimum timeframe.

Objective—To provide a return at least 3.5% pa above inflation (after fees) over rolling 10-year periods.

Suggested minimum timeframe—10 years.

Investment strategy—Invest 60-80% of the portfolio in growth assets and typically 30% in defensive assets.

Risk/return profile—Likely to be volatility in returns in the short to medium term but volatility tends to decline over longer periods.

Standard risk measure—4 (Medium)

Strategic asset allocation—The asset allocations shown below are current targets and ranges. Actual allocations may vary.

	Target %	Range %		Target %	Range %
Australian shares	32	0-70	Alternative – defensive	0	0-15
International shares	32	0-70	Australian fixed interest	12.5	0-30
Property	6	0-30	International fixed interest	12.5	0-30
Alternative – growth	0	0-30	Cash	5	0-30
Total growth	70	60-80	Total defensive	30	20-40

Pre-mixed options

- > High Growth – Index
- > High Growth – Active
- > Growth – Index
- > Growth – Active
- > Balanced Growth – Index
- > Balanced Growth – Active
- > Moderate – Index
- > Moderate – Active
- > Defensive – Index
- > Defensive – Active

Sector options

- > Australian Shares – Index
- > Australian Shares – Diversified
- > Australian Shares – Core
- > International Shares – Index
- > International Shares – Index (\$A hedged)
- > International Shares – Diversified
- > International Shares – Core
- > International Shares – Core (\$A hedged)
- > Property – Australian Index
- > Property – Diversified
- > Fixed Interest – Australian Index
- > Fixed Interest – Australian
- > Fixed Interest – International Index (\$A hedged)
- > Fixed Interest – International
- > Fixed Interest – Diversified
- > Cash



You should read the important information about *Your investment options* before making a decision. Go to the reference guide *Your investment options* at smartMonday.com.au/resources.aspx. The material relating to fees and costs may change between the time when you read this statement and the day when you become a member.

Before making a decision to invest you should consider the likely returns, risks, and your investment timeframe. If you need help or advice, call us on **1300 880 588**.

6. Fees and costs

This section shows the fees and costs if, for example, you invest in the Balanced Growth – Index option for a retirement pension. You can use this information to compare fees and costs between different super funds.

If you are using the Pension Consolidation Account to combine your super monies before commencing a pension, or considering a transition to retirement arrangement, see the reference guide *Additional explanation of fees and costs* for more information about the fees and costs associated with those arrangements.

Fees and costs are paid directly from your account or deducted from investment returns. Fees are shown net of the effect of GST.

WARNING: If you have a financial adviser, adviser service fees may be deducted from your account. Details of these fees will be included in a *Statement of Advice* that the adviser should provide to you.

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 fees. 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 (moneysmart.gov.au) has a superannuation fee calculator to help you check out different fee options.

Balanced Growth – Index		
Type of fee	Amount	How and when paid
Investment fee*	0.48% pa	Deducted from the assets of the investment option and included in the calculation of unit prices.
Administration fees		Deducted monthly directly from your account. Portfolio rebates apply for account balances over \$250,000. See the reference guide <i>Additional explanation of fees and costs</i> .
<ul style="list-style-type: none"> > Asset administration fee > Member fee[†] 	0.50% pa \$87.48 pa	
Buy/sell spread	Nil	Not applicable to the fund.
Switching fee	Nil	Not applicable to the fund.
Exit fee		
Withdrawal fee	\$80 per withdrawal	Deducted from each amount you withdraw from your account.
Advice fees		
Relating to all members	Nil	Not applicable
Other fees and costs		
Activity fees:		
<ul style="list-style-type: none"> > Adviser service fee > Family law valuation fee > Family law split fee 	See the reference guide <i>Additional explanation of fees and costs</i> .	
Indirect cost ratio (ICR)*[‡]	0.05% pa	Reflected in the daily unit price and may vary daily depending on the costs incurred in investing the assets of the investment option.

* Different investment fees and indirect costs apply for our other investment options. See the reference guide *Additional explanation of fees and costs*.

† Fee will be indexed each 1 July for changes in the Average Weekly Ordinary Time Earnings (AWOTE) index.

‡ Indirect costs are estimates and may vary from year to year. The latest information is available on our website.



You should read the important information about fees and costs before making a decision. Go to the reference guide *Additional explanation about fees and costs* at smartMonday.com.au/resources.aspx. The guide also contains definitions of all the fees and costs. The material relating to fees and costs may change between the time when you read this statement and the day when you become a member.

If fees and costs change, we'll provide updates at smartMonday.com.au/news.aspx or by notifying you in writing, depending on the nature of the change. For example, if we increase any fee (other than for indexation-related increases or fluctuations in indirect costs) we'll notify you at least 30 days before the change. We will provide detailed information of investment fees and indirect costs for the previous financial year in our *Annual report*.

Example of annual fees and costs for Balanced Growth – Index

The table below gives an example of how the fees and costs in the Balanced Growth – Index option can affect your investment over a one-year period. You should use this table to compare this product with other products.

EXAMPLE — Balanced Growth – Index		BALANCE OF \$50,000
Investment fee	0.48% pa	For every \$50,000 you have invested in Balanced Growth – Index you will be charged \$240 each year
PLUS Administration fees	0.50% pa + \$87.48 pa	And , you will be charged up to \$250, plus \$87.48
PLUS Indirect costs*	0.05% pa	And , \$25 in indirect costs
EQUALS Cost of product		If your balance was \$50,000, then for that year you will be charged fees of \$602.48 for the product.

Note: Additional fees may apply. And, for each amount you withdraw from the product you will be charged an exit fee of \$80.

* Indirect costs are estimates and may vary from year to year. They are reflected in unit prices and not deducted directly from your account.

This example assumes that all of your account balance is invested in Balanced Growth – Index. It ignores the effect of earnings, tax, and other deductions on the account balance (such as any activity fees).

7. How super is taxed

Super can be taxed when you put money in, on investment earnings, or in certain circumstances, when you take money out.

The Government places a limit of \$1.6 million on the amount you can transfer into the tax-free retirement phase of super.

When you make contributions to your super

- Before-tax contributions such as employer SG and salary sacrifice are taxed at a concessional rate (15%), which is why they're also known as 'concessional' contributions. There's an annual cap (or limit) on before-tax contributions of \$25,000*.
- After-tax contributions come out of your PAYG earnings but are not taxed on entering the fund. They're known as 'non-concessional' contributions. There's an annual cap on non-concessional contributions of \$100,000*†. From 1 July 2017 you're able to claim a tax deduction on these types of contributions and, if you do, they'll count towards your concessional contributions cap.
- Where your spouse earns less than \$40,000 pa, you may be eligible for a tax offset of up to \$540 pa on non-concessional contributions you make on behalf of your spouse.

* Caps may increase slightly over time with indexation.

† Where your total superannuation balance is \$1.6 million or more you won't be eligible to make non-concessional contributions.

On your investment earnings

When your superannuation money is in the accumulation phase, investment earnings are taxed at the concessional rate of up to 15%. The same applies to investment earnings if your money is in a transition to retirement pension, or in the pension consolidation account.

When you retire, earnings are generally tax-free (subject to the \$1.6m transfer balance cap in the retirement phase). The investment earnings on any super money above that cap will be taxed at the concessional rate of up to 15%.

When you take money out of super

There's no tax on any tax-exempt component of your super benefit. Tax may apply to the taxable component of your benefit depending on your age or the type of withdrawal. Taxable and tax-exempt components depend on the tax treatment of contributions into your account. Once you turn 60, any income drawn from your super is generally tax free.

Providing your tax file number (TFN)

We have to request your TFN under the provisions of the Superannuation Industry (Supervision) Act 1993. You don't have to supply your TFN to us but if you do you will:

- be entitled to concessional rates of tax on your benefit
- aid the smooth transfer of benefits when you roll over from one fund to another
- make it easier to locate or consolidate any lost or unclaimed super you may have from previous employers.

If we don't hold your TFN:

- we can't accept after-tax contributions from you
- your before-tax contributions and withdrawals will be taxed at a higher rate.

Warning: The consequences of failing to provide a TFN may change in the future depending on tax laws.



You should read the important information about tax and super before making a decision. Go to the reference guide *Getting to know your pension* on our website at smartMonday.com.au/resources.aspx.

The material relating to tax and super may change between the time when you read this statement and the day when you become a member.

8. How to open an account

Read this PDS including any additional reference guides before deciding to apply for a smartMonday PENSION. You might want to consider the steps on page 7 before completing and the *Application* form located in the *Member kit* available at smartMonday.com.au/resources.aspx.

We'll send you a *Starter pack* shortly after opening your account. The reference guide *Getting to know your pension* available on the website will help you get the most out of your account.

Cooling-off period

You have a cooling-off period of 14 days (plus 5 business days, allowing for mailing). If you choose to exercise this right and cancel your membership then you must notify us in writing.

Keeping you informed

We may send or make certain information about your account available to you electronically rather than sending it via post. If we have your email address, we will either email you the information, or email you a notification that the information is either available on our website or can be accessed by logging in to your account online. In the future, we may also use messaging via SMS. The information we send or make available can include:

- > Newsletters (sent quarterly)
- > Your annual benefit statement
- > Significant event notices (SEN)
- > Financial Services Guides (FSG) and PDSs

If you don't want to receive information or notifications electronically you can change your communication preferences by logging in to your account online, or by calling us. Call us if you need paper copies of anything.

Privacy

The fund is subject to a privacy statement to protect your personal information. The trustee's privacy statement is available at eqt.com.au/global/privacystatement.

Information about Aon's privacy practices can be located in the *Aon Australia Group Privacy Policy Statement* at smartMonday.com.au.

Complaints resolution

We take complaints very seriously and will do our best to make things right. Please put your complaint in writing to the Enquiries Officer, smartMonday, PO Box 1949, Wollongong NSW 2500. We'll consider and respond to your complaint within 90 days (final resolution may take longer than 90 days), and we'll advise you of any decision within 30 days of the decision being made.

Transfers to the Aon Eligible Rollover Fund (ERF)

Your account balance may be transferred to the Aon ERF in certain circumstances. We'll write to you before transferring your account balance. See the guide *Getting to know your pension* smartMonday.com.au/resources.aspx. For more information on the Aon ERF see erf.aon.com.au.

9. Steps to consider before investing in a pension

Need financial advice?

Preparing for retirement is an important stage in life and getting financial advice is very important. There's lots to consider with your finances, especially your super. You'll need to make your super last as long as possible in retirement while providing you with the income you need to maintain a comfortable lifestyle.

If you have a financial adviser, they can help you make decisions about your super and a wide range of financial matters. If you don't have an adviser, call **1300 880 588** or email us at enquiries@smartMonday.com.au.

Get your super together

It helps to get all of your super rollovers and contributions together before investing in a pension (since you cannot add or contribute to a pension once it has started). Send us a completed *Request to transfer whole balance of superannuation benefits between funds* form available in the *Member kit* or forms section on our website, along with some proof of your identity.

If you don't already have a smartMonday super account with us, you can use a Pension Consolidation Account to combine your super money. To apply, complete the *Pension Consolidation Account Application* form in the *Member kit*.

The 'transfer balance cap' - \$1.6 million

The Government places a limit of \$1.6 million on the amount of money that can be transferred into tax-free retirement phase of super. The earnings on any excess above the threshold must be taxed at the concessional superannuation rate of up to 15%. This is usually managed by opening an account in smartMonday DIRECT. If this affects you, speak to your financial adviser to discuss your options, or call us on **1300 880 588**.

Choose how you would like your pension to be invested

See page 3 about our investment options, then choose your investment options on page 2 of the *Application* form.

Plan your pension payments

Choose the frequency and amount of income you wish to receive from your smartMonday PENSION, within the limits set by the Government — see the reference guide *Getting to know your pension* for more information. Of course, we'll need to know your bank account details to pay your income into.

Choose which investment options to drawdown your pension payments

Choose which investment options you'd like us to draw your pension income payments from on page 6 of the Application form. We'll redeem units from these options when payments are due. If you don't complete that section, we will redeem units in proportion to the investment strategy you hold.

Nominate a beneficiary

It's important to let us know who you would like to leave your superannuation money to when you die. There are three types of death benefit nomination options available to you in a smartMonday PENSION account:

- > Reversionary
- > Binding
- > Non-binding.

You can set up a reversionary or a binding nomination on the forms contained in the *Member kit*. You can set up a non-binding nomination by logging in online once you've been set up for online access. See the reference guide *Getting to know your pension* for more information about the different types of nominations.



You should read the important information about smartMonday PENSION before making a decision. Go to the reference guide *Getting to know your pension* at smartMonday.com.au/resources.aspx.

The material relating to smartMonday PENSION may change between the time when you read this statement and the day when you become a member.

WARNING: When combining or rolling over your super from other funds, you should take care to consider the impact of any exit fees and loss of insurance cover. Speak with your financial adviser, if you have one, or call us on **1300 880 588**.



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P. 1300 880 588
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W. smartMonday.com.au

It all adds up

 **Done today**
Smart easy actions

 **Positive actions**
Grow your wealth

 **Brighter futures**
Someday starts today

An investment in smartMonday PENSION is neither a deposit nor a liability of Aon Hewitt Limited, Equity Trustees Superannuation Limited, nor any of their related entities and none of them guarantees your investment in the product.

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