



# Product Disclosure Statement

Prepared: 5 May 2020

## About this Product Disclosure Statement

This Product Disclosure Statement (PDS) is a summary of the significant information about investing in smartMonday PENSION (USI: 68964712340010) under this PDS. You should consider it before making a decision about this product.

The trustee of smartMonday PENSION and issuer of this PDS is Equity Trustees Superannuation Limited ABN 50 055 641 757 AFSL 229757 RSE Licence L0001458. References to 'we', 'us', and 'our' are references to the trustee. The PDS is prepared by Aon Solutions Australia Limited ABN 48 002 288 646 AFSL 236667 (Aon) on behalf of the trustee.

The information in this PDS is general in nature and should not be relied upon as personal advice 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 circumstances.

Any statements in this PDS that have been made by, or are attributable to, a third party appear in the PDS with the consent of that third party.

### Updated PDS information

Information in this PDS is current at the date of preparation but can change from time to time. If non-materially adverse information in the PDS changes, the updated information will be made available at [smartMonday.com.au](http://smartMonday.com.au) or you can request a paper or electronic copy, free of charge, by calling us on **1300 112 403**.

## Contents

About smartMonday PENSION .....	1
How super works .....	2
Benefits of investing with smartMonday PENSION .....	2
Risks of super .....	3
Investments .....	4
Fees and other costs .....	20
How your pension works .....	30
Tax and privacy .....	37

## About smartMonday PENSION

Mondays are a chance to do things differently. To start fresh. To be proactive. To get on top of all those small things on your 'to do' list. Because even small things done today can add up to make a big difference tomorrow. At smartMonday, we've created a new style of super fund that makes it easy to take action.

With just a few smart, easy steps today, you can take positive action to stay in control of your superannuation. So you can attain the brighter future you dream of.

We have a range of investment options and flexible income payment options to help you manage your super savings in retirement in the form of a pension.

Let's get started! If you want to jump to the quick steps to opening your smartMonday PENSION account, see page 32.

smartMonday is a registered trading name of Aon, the sponsor of the Aon Master Trust ABN 68 964 712 340 (the fund). smartMonday PENSION is a part of the fund.

More information about the trustee, including board and executive remuneration, and other governance disclosure is available at [eqt.com.au/superannuation/etsl-registrable-superannuation-entity-disclosures](http://eqt.com.au/superannuation/etsl-registrable-superannuation-entity-disclosures).

## 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 (subject to Government limits) made mostly 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.

### Contributing to super over your working life and into retirement

Employers are currently required to contribute at least 9.5% of your earnings into super. Most people have the right to choose into which super fund their employer should direct superannuation guarantee (SG) contributions. Different types of contributions are available (eg employer contributions, voluntary member contributions, spouse contributions and government co-contributions).

Contributions cannot be made to a smartMonday PENSION account after the pension has commenced, however your accumulated super savings can be used to start a smartMonday PENSION to provide you with an income in retirement. It's important to consider the contributions available to you to build your super savings before commencing a pension, subject to any applicable Government limits. For example, if you are 65 or older, you may be able to make a contribution of up to \$300,000 into your super after selling your home, if eligible. This is called a 'Downsizer' contribution and is not subject to all the usual rules for making contributions (for example, the downsizer contribution will not be considered a non-concessional contribution or count towards your contribution caps).

If you're considering a downsizer contribution, we recommend checking the rules and your eligibility on the ATO website at [ato.gov.au/individuals/super/super-housing-measures](https://ato.gov.au/individuals/super/super-housing-measures).

We also strongly recommend seeking financial advice as this is a major event with potentially wide ranging and permanent consequences for you and your spouse. For instance, the downsizer contribution may impact your eligibility to claim the age pension.

Further information about the contribution options available to you can be found in Product Disclosure Statements for smartMonday's accumulation (super) accounts available at [smartMonday.com.au](https://smartMonday.com.au) or by contacting us on **1300 112 403**.

### Accessing your super as a pension

The Government sets limits on when you can withdraw from super including when you can withdraw your super in the form of income payments. Generally, you can't access your money as a lump sum or income payments until you've reached retirement age or meet some other condition of release prescribed by the Government.

For more information see the *How your pension works* section on page 30 and the *Tax and privacy* section on page 37.

### Want to know more?

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

## Benefits of investing with smartMonday PENSION

### Helping you transition into retirement

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.

#### Retirement pension account

Generally, for those who have retired from the workforce, become permanently incapacitated or terminally ill and with unrestricted non-preserved super benefits to invest. Investment earnings in a retirement pension are generally tax-free. There is a limit of \$1.6 million that the Government places on the amount of super that can be transferred by an individual (across all funds they participate in) to the tax-free retirement phase. If you breach the limit, you will personally have to pay additional tax. Refer to the information about tax on page 37 for further information. (The limit is subject to indexation over time).

#### 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 deducted from 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](https://smartMonday.com.au).

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

For more detailed information about each of these types of pensions, including your eligibility commence a pension, see the *How your pension works* section on page 30.

## 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.

## Online services

You can view and update your membership details, access account information, and transact on your account, via our secure online member portal.

## 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 send you a notification via email or SMS that the information is either available on our website or can be accessed by logging in to your account online. The information we can send or make available includes:

- Newsletters
- Annual benefit statement
- Significant event notices
- Product Disclosure Statement (PDS).

## Risks of super

Like any investment, there are risks of investing in super including the risk that the value of investments and level of returns will vary or that you may lose some of your money. These risks are relevant to any super investment including an investment through smartMonday PENSION.

## What is your acceptable level of risk?

The level of risk for each person will vary. How much risk you are willing to take will depend on a range of factors, including:

- your age and health
- the length of your retirement
- where other parts of your wealth are invested
- your risk tolerance.

## Investment risk

Your pension account balance can be invested in a range of asset classes, each carrying different levels of risk. Asset classes include shares, listed property, fixed interest, and cash. For information about the asset classes we invest in, refer to page 17.

Investment returns are not guaranteed, and past returns are not an accurate predictor of future returns. Six significant 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.
- **currency risk** — the risk that the value or future cash flows of an investment option will fluctuate because of changes in foreign exchange rates. Some investment options are exposed to currency risk through underlying allocations to international shares, international listed property and international fixed interest. However, currency risk is managed via diversification and hedging, where appropriate.
- **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 commence your pension, and large negative returns while you hold your pension would have a larger impact in dollar terms than in other circumstances.

The trustee uses a standard risk measure to rate and compare the level of risk for each investment option. See page 19 for more information.

## Other important risks to consider

- Your pension account, even after good investment performance, may not provide enough income in your retirement. There's a possibility you could outlive your retirement savings. This is called longevity risk. Income payments will only be made while there is sufficient money in your account.
- If you close your account you may get back less than the initial investment because of the investment performance and the impact of pension income payments, fees, costs and (where applicable) tax.
- Changes in super and tax laws may affect your pension including its tax effectiveness.

# Investments

## Investment options - summary

- You must choose one or more options from the list below. If you don't choose an investment option on your application form, your application cannot be accepted.
- If you're investing in a retirement pension (RP), more detailed information on the investment options is shown on pages 5 to 10.
- If you're investing in a transition to retirement pension (TRP), more detailed information on the investment options is shown on pages 11 to 16. Unlike the RP options, investment earnings in the TRP options are taxed at the concessional superannuation rate of up to 15%. Therefore there are differences in the performance and asset allocations of the options.
- **When selecting your investments, there is a minimum weighting of 5% in each investment option.**
- You can switch between investment options online or by sending us a *Change member details and options* form available on the website.
- For information about the fees and costs associated with the investment options, see pages 20-29.
- On notification of your death, your account balance will be invested in the **Cash investment option**. Where a reversionary beneficiary is validly nominated on your account, no change will be made to the investment strategy applicable to your account prior to your death.



### Important information

- Read the information about the investment options, considering the likely returns, risks, and your investment timeframe, before making a decision. Also consider the information about 'How we invest your money' on pages 17-19.
- The information in this PDS may change between the time you read it and when you make a decision. Non-materially adverse changes to the information on the investment options will be made available on our website or on request free of charge. Information about performance returns is available at [smartMonday.com.au/investments](http://smartMonday.com.au/investments).
- We can change, close or terminate investment options at any time. We'll notify you well in advance if there's anything that we feel will significantly affect your investments in the fund. Asset allocations in pre-mixed options may change without notification.
- The allocation of your account balance may drift away from your chosen investment strategy because of market movements and income payments over time. You should review your strategy from time to time.

Investment options	
Pre-mixed options	Sector options
Suitable if you prefer to leave decisions about asset allocation and security selection to us.	Suitable if you want greater control over the asset allocation of your portfolio but prefer to leave the security selection to us.
<ul style="list-style-type: none"> <li>➤ High Growth – Index</li> <li>➤ High Growth – Active</li> <li>➤ Growth – Index</li> <li>➤ Growth – Active</li> <li>➤ Balanced Growth – Index</li> <li>➤ Balanced Growth – Active</li> <li>➤ Moderate – Index</li> <li>➤ Moderate – Active</li> <li>➤ Defensive – Index</li> <li>➤ Defensive – Active</li> </ul>	<ul style="list-style-type: none"> <li>➤ Australian Shares – Index</li> <li>➤ Australian Shares – Diversified</li> <li>➤ Australian Shares – Core</li> <li>➤ International Shares – Index</li> <li>➤ International Shares – Index (\$A hedged)</li> <li>➤ International Shares – Diversified</li> <li>➤ International Shares – Core</li> <li>➤ International Shares – Core (\$A hedged)</li> <li>➤ Property – Australian Index</li> <li>➤ Property – Diversified</li> <li>➤ Fixed Interest – Australian Index</li> <li>➤ Fixed Interest – Australian</li> <li>➤ Fixed Interest – International Index (\$A hedged)</li> <li>➤ Fixed Interest – International</li> <li>➤ Fixed Interest – Diversified</li> <li>➤ Cash</li> </ul>

# Retirement pension

## Pre-mixed investment options

	High Growth – Index	High Growth – Active	Growth – Index	Growth – Active	Balanced Growth – Index
<b>Description</b>	Invests in growth assets including Australian and international shares and property. 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.	Invests in growth assets including Australian and international shares and property. 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.	Invests predominantly in growth assets including Australian shares, international shares and property and defensive assets in fixed interest. 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.	Invests predominantly in growth assets including Australian shares, international shares and property and defensive assets in fixed interest. 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.	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.
<b>Target return</b>	To provide a return at least 4.5% pa above inflation (after fees) over rolling 15-year periods.	To provide a return at least 4.75% pa above inflation (after fees) over rolling 15-year periods.	To provide a return at least 4% pa above inflation (after fees) over rolling 12-year periods.	To provide a return at least 4.25% pa above inflation (after fees) over rolling 12-year periods.	To provide a return at least 3.5% pa above inflation (after fees) over rolling 10-year periods.
<b>Suggested minimum timeframe</b>	15 years	15 years	12 years	12 years	10 years
<b>Investment strategy</b>	Invests 90–100% of the portfolio in growth assets.	Invests 90–100% of the portfolio in growth assets.	Invests 80–90% of the portfolio in growth assets and typically 15% in defensive assets.	Invests 80–90% of the portfolio in growth assets and typically 15% in defensive assets.	Invests 60–80% of the portfolio in growth assets and typically 30% in defensive assets.
<b>Risk/return profile</b>	Returns can be very volatile over the short to medium term. Historically, high growth assets have offered the highest long-term returns.	Returns can be very volatile over the short to medium term. Historically, high growth assets have offered the highest long-term returns.	Returns are generally less volatile than the High Growth portfolio but can still be very volatile over the short to medium term.	Returns are generally less volatile than the High Growth portfolio but can still be very volatile over the short to medium term.	There is likely to be volatility in returns in the short to medium term but volatility tends to decline over longer periods.
<b>Standard risk measure*</b>	6 (High)	6 (High)	5 (Medium to high)	5 (Medium to high)	4 (Medium)
<b>Asset allocation</b>	<b>Target %</b> <b>Range %</b>	<b>Target %</b> <b>Range %</b>	<b>Target %</b> <b>Range %</b>	<b>Target %</b> <b>Range %</b>	<b>Target %</b> <b>Range %</b>
Australian shares	46   0–70	46.5   0–70	39   0–70	39.5   0–70	32   0–70
International shares	46   0–70	46.5   0–70	39   0–70	39.5   0–70	32   0–70
Listed property	8   0–30	7   0–30	7   0–30	6   0–30	6   0–30
Alternative–growth	0   0–30	0   0–30	0   0–30	0   0–30	0   0–30
<b>Total growth</b>	<b>100   90-100</b>	<b>100   90-100</b>	<b>85   80-90</b>	<b>85   80-90</b>	<b>70   60-80</b>
Alternative–defensive	0   0–10	0   0–10	0   0–15	0   0–15	0   0–15
Aust. fixed interest	0   0–10	0   0–10	7.5   0–15	7.5   0–15	12.5   0–30
Int’l fixed interest	0   0–10	0   0–10	7.5   0–15	7.5   0–15	12.5   0–30
Cash	0   0–10	0   0–10	0   0–15	0   0–15	5   0–30
<b>Total defensive</b>	<b>0   0-10</b>	<b>0   0-10</b>	<b>15   10-20</b>	<b>15   10-20</b>	<b>30   20-40</b>

\* For the estimated number of negative annual returns over any 20-year period applicable to risk description shown here, see page 19.

# Retirement pension

## Pre-mixed investment options

	Balanced Growth – Active		Moderate – Index		Moderate – Active		Defensive – Index		Defensive – Active	
<b>Description</b>	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.		Invests predominantly in defensive assets including Australian and international fixed interest with some exposure to shares and property. 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.		Invests predominantly in defensive assets including Australian and international fixed interest with some exposure to shares and property. 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.		Invests in defensive assets including Australian and international fixed interest and cash. Intended to be suitable for those who can tolerate an occasional negative return because they intend to remain invested in this option for the suggested minimum timeframe.		Invests in defensive assets including Australian and international fixed interest and cash. Intended to be suitable for those who can tolerate an occasional negative return because they intend to remain invested in this option for the suggested minimum timeframe.	
<b>Target return</b>	To provide a return at least 3.75% pa above inflation (after fees) over rolling 10-year periods.		To provide a return at least 2.5% pa above inflation (after fees) over rolling 3-year periods.		To provide a return at least 2.75% pa above inflation (after fees) over rolling 3-year periods.		To provide a return at least 1.5% pa above inflation (after fees) over rolling 2-year periods.		To provide a return at least 1.75% pa above inflation (after fees) over rolling 2-year periods.	
<b>Suggested minimum timeframe</b>	10 years		3 years		3 years		2 years		2 years	
<b>Investment strategy</b>	Invests 60–80% of the portfolio in growth assets and typically 30% in defensive assets.		Invests 20–40% of the portfolio in growth assets and typically 70% in defensive assets.		Invests 20–40% of the portfolio in growth assets and typically 70% in defensive assets.		Typically invests 100% of the portfolio in defensive assets.		Typically invests 100% of the portfolio in defensive assets.	
<b>Risk/return profile</b>	There is likely to be volatility in returns in the short to medium term but volatility tends to decline over longer periods.		Relatively low returns but with less volatility than Balanced Growth options.		Relatively low returns but with less volatility than Balanced Growth options.		Relatively stable returns. Generally lower long-term returns than the other options.		Relatively stable returns. Generally lower long-term returns than the other options.	
<b>Standard risk measure*</b>	4 (Medium)		2 (Low)		2 (Low)		1 (Very low)		1 (Very low)	
<b>Asset allocation</b>	<b>Target %</b>	<b>Range %</b>	<b>Target %</b>	<b>Range %</b>	<b>Target %</b>	<b>Range %</b>	<b>Target %</b>	<b>Range %</b>	<b>Target %</b>	<b>Range %</b>
Australian shares	32	0–70	12	0–30	12	0–30	0	0–20	0	0–20
International shares	32	0–70	12	0–30	12	0–30	0	0–20	0	0–20
Listed property	6	0–30	6	0–30	6	0–30	0	0–20	0	0–20
Alternative–growth	0	0–30	0	0–15	0	0–15	0	0–20	0	0–20
<b>Total growth</b>	<b>70</b>	<b>60-80</b>	<b>30</b>	<b>20-40</b>	<b>30</b>	<b>20-40</b>	<b>0</b>	<b>0-20</b>	<b>0</b>	<b>0-20</b>
Alternative–defensive	0	0–15	0	0–20	0	0–20	0	0–40	0	0–40
Aust. fixed interest	12.5	0–30	30	0–60	30	0–60	30	0–90	30	0–90
Int'l fixed interest	12.5	0–30	30	0–60	30	0–60	30	0–90	30	0–90
Cash	5	0–30	10	0–60	10	0–60	40	10–90	40	10–90
<b>Total defensive</b>	<b>30</b>	<b>20-40</b>	<b>70</b>	<b>60-80</b>	<b>70</b>	<b>60-80</b>	<b>100</b>	<b>80-100</b>	<b>100</b>	<b>80-100</b>

\* For the estimated number of negative annual returns over any 20-year period applicable to risk description shown here, see page 19.

# Retirement pension

## Sector investment options

	Australian Shares – Index	Australian Shares – Diversified	Australian Shares – Core	International Shares – Index
<b>Description</b>	Invests in Australian shares. 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.	Invests in Australian shares. 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.	Invests in Australian shares. 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.	Invests mainly in developed markets shares and may have some exposure to emerging markets. Intended to be suitable for those who can tolerate negative returns in some years, and can accept significant volatility from foreign exchange fluctuations, because they intend to remain invested in this option for the suggested minimum timeframe.
<b>Target return</b>	To provide a return that closely matches the benchmark return before fees and tax.	To provide a return that exceeds the benchmark return (after fees but before tax) over rolling 5-year periods.	To provide a return that exceeds the benchmark return (after fees but before tax) over rolling 5-year periods.	To provide a return that closely matches the benchmark return before fees and tax.
<b>Suggested minimum timeframe</b>	15 years	15 years	15 years	15 years
<b>Benchmark index</b>	80% S&P/ASX 300 Accumulation Index 20% FTSE/ASFA Australian High Dividend Yield Index	30% S&P/ASX 300 Accumulation Index 70% S&P/ASX 200 Accumulation Index	30% S&P/ASX 300 Accumulation Index 70% S&P/ASX 200 Accumulation Index	MSCI World ex Australia Index (unhedged, net dividend reinvested)
<b>Investment strategy</b>	Uses a portfolio construction process that seeks to closely match the benchmark risk and return characteristics.	Invests mainly in shares listed, or due to be listed, on the Australian Securities Exchange.	Invests mainly in shares listed, or due to be listed, on the Australian Securities Exchange.	Uses a portfolio construction process that seeks to closely match the benchmark risk and return characteristics.
<b>Risk/return profile</b>	Returns can be very volatile over the short to medium term. Historically, shares have offered the highest long-term returns.	Returns can be very volatile over the short to medium term. Historically, shares have offered the highest long-term returns.	Returns can be very volatile over the short to medium term. Historically, shares have offered the highest long-term returns.	Returns can be very volatile over the short to medium term. Historically, shares have offered the highest long-term returns.
<b>Standard risk measure*</b>	6 (High)	6 (High)	6 (High)	6 (High)
<b>Target asset allocation</b>	100% Australian shares	100% Australian shares	100% Australian shares	100% international shares

\* For the estimated number of negative annual returns over any 20-year period applicable to risk description shown here, see page 19.

# Retirement pension

## Sector investment options

	International Shares – Index (\$A hedged)	International Shares – Diversified	International Shares – Core	International Shares – Core (\$A hedged)
<b>Description</b>	Invests mainly in developed markets shares and may have some exposure to emerging markets. 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.	Invests mainly in developed markets shares and may have some exposure to emerging markets. Intended to be suitable for those who can tolerate negative returns in some years, and can accept significant volatility from foreign exchange fluctuations, because they intend to remain invested in this option for the suggested minimum timeframe.	Invests mainly in developed markets shares and may have some exposure to emerging markets. Intended to be suitable for those who can tolerate negative returns in some years, and can accept significant volatility from foreign exchange fluctuations, because they intend to remain invested in this option for the suggested minimum timeframe.	Invests mainly in developed markets and may have some exposure to emerging markets. 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.
<b>Target return</b>	To provide a return that closely matches the benchmark return before fees and tax.	To provide a return that exceeds the benchmark return (after fees but before tax) over rolling 5-year periods.	To provide a return that exceeds the benchmark return (after fees but before tax) over rolling 5-year periods.	To provide a return that exceeds the benchmark return (after fees but before tax) over rolling 5-year periods.
<b>Suggested minimum timeframe</b>	15 years	15 years	15 years	15 years
<b>Benchmark index</b>	MSCI World ex Australia Index (hedged, net dividend reinvested)	MSCI World Index (unhedged, net dividend reinvested)	MSCI World Index (unhedged, net dividend reinvested)	MSCI World Index (hedged, net dividend reinvested)
<b>Investment strategy</b>	Uses a portfolio construction process that seeks to closely match the benchmark risk and return characteristics. Full \$A hedging.	Invests in shares listed, or due to be listed, on stock markets around the world with partial \$A hedging (generally less than 50%).	Invests in shares listed, or due to be listed, on stock markets around the world. No \$A hedging.	Invests in shares listed, or due to be listed, on stock markets around the world. Full \$A hedging.
<b>Risk/return profile</b>	Returns can be very volatile over the short to medium term. Historically, shares have offered the highest long-term returns.	Returns can be very volatile over the short to medium term. Historically, shares have offered the highest long-term returns.	Returns can be very volatile over the short to medium term. Historically, shares have offered the highest long-term returns.	Returns can be very volatile over the short to medium term. Historically, shares have offered the highest long-term returns.
<b>Standard risk measure*</b>	6 (High)	6 (High)	6 (High)	6 (High)
<b>Target asset allocation</b>	100% international shares	100% international shares including emerging markets	100% international shares including emerging markets	100% international shares including emerging markets

\* For the estimated number of negative annual returns over any 20-year period applicable to risk description shown here, see page 19.



# Retirement pension

## Sector investment options

	Property – Australian Index	Property – Diversified	Fixed Interest – Australian Index	Fixed Interest – Australian
<b>Description</b>	Invested in listed Australian property. 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.	Invested in listed Australian property and listed developed markets property. 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.	Invests in Australian fixed interest intended to be suitable for those seeking modest returns above inflation with a low risk of negative returns over the suggested minimum timeframe.	Invests predominantly in Australian fixed interest securities. Intended to be suitable for those seeking modest returns above inflation with a low to medium risk of negative returns over the suggested minimum timeframe.
<b>Target return</b>	To provide a return that closely matches the benchmark return before fees and tax.	To provide a return that exceeds the benchmark return (before fees and tax) over rolling 5-year periods.	To provide a return that closely matches the benchmark return before fees and tax.	To provide a return that exceeds the benchmark return (after fees but before tax) over rolling 3-year periods.
<b>Suggested minimum timeframe</b>	10 years	10 years	2 years	3 years
<b>Benchmark index</b>	S&P/ASX 300 A-REIT Accumulation Index	50% S&P/ASX 300 A-REIT Accumulation Index 50% FTSE EPRA/NAREIT Developed Index (hedged, net dividend reinvested)	Bloomberg AusBond Composite Bond Index	79% Bloomberg AusBond Composite Bond Index 21% Official Reserve Bank of Australia cash rate
<b>Investment strategy</b>	Uses a portfolio construction process that seeks to closely match the benchmark risk and return characteristics.	Invests in property securities listed, or due to be listed, on the Australian Securities Exchange and developed international markets.	Uses a portfolio construction process that seeks to approximate the benchmark in a range of risk areas.	Invests predominantly in Australian fixed interest assets with the scope to invest across the credit spectrum and may include an exposure to mortgages.
<b>Risk/return profile</b>	Returns can be volatile over the short to medium term. Historically, property has produced higher returns than fixed interest and cash investments.	Returns can be volatile over the short to medium term. Historically, property has produced higher returns than fixed interest and cash investments.	Relatively low but stable returns with some volatility.	Relatively low but stable returns with some volatility.
<b>Standard risk measure*</b>	4 (Medium)	4 (Medium)	1 (Very low)	3 (Low to medium)
<b>Target asset allocation</b>	100% Australian listed property securities	50% Australian listed properties securities 50% global listed property securities	100% Australian fixed interest	Predominantly Australian fixed interest

\* For the estimated number of negative annual returns over any 20-year period applicable to risk description shown here, see page 19.

# Retirement pension

## Sector investment options

	Fixed Interest – International Index (\$A hedged)	Fixed Interest – International	Fixed Interest – Diversified	Cash
<b>Description</b>	Designed to generate the risk and return outcomes of the benchmark index, which means negative returns when the bond market falls. There is no currency risk and this option is intended to be suitable for those seeking modest returns above inflation with a low to medium risk of negative returns over the suggested minimum timeframe.	Invests in overseas fixed interest securities across the credit spectrum. Foreign currency exposures are largely hedged back to the Australian dollar however there is some exposure to currency risk. This option is intended to be suitable for those seeking modest returns above inflation with a low to medium risk of negative returns over the suggested minimum timeframe.	Invests in fixed interest across the credit spectrum, with exposure to Australian and overseas markets. Foreign currency exposures are largely hedged back to the Australian dollar however there is some exposure to currency risk. This option is intended to be suitable for those seeking modest returns above inflation with a low to medium risk of negative returns over the suggested minimum timeframe.	Invests in deposits, fixed and floating rate securities with short-terms and high liquidity. Intended to be suitable for those who put more weight on capital security and liquidity than returns.
<b>Target return</b>	To provide a return that closely matches the benchmark return before fees and tax.	To provide a return that exceeds the benchmark return (after fees but before tax) over rolling 3-year periods.	To provide a return that exceeds the benchmark return (after fees but before tax) over rolling 3-year periods.	To provide a return that exceeds the benchmark return (before fees) over any 12-month period.
<b>Suggested minimum timeframe</b>	3 years	3 years	3 years	1-2 years
<b>Benchmark index</b>	50% Barclays Global Treasury Index (\$A hedged) 50% Barclays Global Aggregate Government-related and Corporate Index (\$A hedged)	Barclays Global Aggregate Index (\$A hedged)	10% Official Reserve Bank of Australia cash rate 40% Bloomberg AusBond Composite Bond Index 50% Barclays Global Aggregate Index (\$A hedged)	Official Reserve Bank of Australia cash rate
<b>Investment strategy</b>	Uses a portfolio construction process that seeks to approximate the benchmark in a range of risk areas. Full \$A hedging.	Invests in fixed interest assets across the credit spectrum internationally. Foreign currency exposures are largely hedged back to the Australian dollar.	Invests in fixed interest assets across the credit spectrum both in Australia and internationally and may include an exposure to mortgages. Foreign currency exposures in the portfolio are largely hedged back to the Australian dollar.	Invests in short-term securities.
<b>Risk/return profile</b>	Relatively low but stable returns with some volatility.	Relatively low but stable returns with some volatility. There may be some foreign currency exposure.	Relatively low but stable returns with some volatility. There may be some foreign currency exposure.	Low but stable returns with minimal volatility.
<b>Standard risk measure*</b>	3 (Low to medium)	3 (Low to medium)	3 (Low to medium)	1 (Very low)
<b>Target asset allocation</b>	100% international fixed interest	Predominantly international fixed interest	50% Australian fixed interest 50% international fixed interest	100% cash and short-term fixed interest securities

\* For the estimated number of negative annual returns over any 20-year period applicable to risk description shown here, see page 19.

# Transition to retirement pension

## Pre-mixed investment options

	High Growth – Index		High Growth – Active		Growth – Index		Growth – Active		Balanced Growth – Index	
<b>Description</b>	Invests in growth assets including Australian and international shares and property. 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.		Invests in growth assets including Australian and international shares and property. 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.		Invests predominantly in growth assets including Australian shares, international shares and property and defensive assets in fixed interest. 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.		Invests predominantly in growth assets including Australian shares, international shares and property and defensive assets in fixed interest. 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.		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.	
<b>Target return</b>	To provide a return at least 4% pa above inflation (after fees and taxes) over rolling 15-year periods.		To provide a return at least 4.25% pa above inflation (after fees and taxes) over rolling 15-year periods.		To provide a return at least 3.5% pa above inflation (after fees and taxes) over rolling 12-year periods.		To provide a return at least 3.75% pa above inflation (after fees and taxes) over rolling 12-year periods.		To provide a return at least 3% pa above inflation (after fees and taxes) over rolling 10-year periods.	
<b>Suggested minimum timeframe</b>	15 years		15 years		12 years		12 years		10 years	
<b>Investment strategy</b>	Invests 90–100% of the portfolio in growth assets.		Invests 90–100% of the portfolio in growth assets.		Invests 80–90% of the portfolio in growth assets and typically 15% in defensive assets.		Invests 80–90% of the portfolio in growth assets and typically 15% in defensive assets.		Invests 60–80% of the portfolio in growth assets and typically 30% in defensive assets.	
<b>Risk/return profile</b>	Returns can be very volatile over the short to medium term. Historically, high growth assets have offered the highest long-term returns.		Returns can be very volatile over the short to medium term. Historically, high growth assets have offered the highest long-term returns.		Returns are generally less volatile than the High Growth portfolio but can still be very volatile over the short to medium term.		Returns are generally less volatile than the High Growth portfolio but can still be very volatile over the short to medium term.		There is likely to be volatility in returns in the short to medium term but volatility tends to decline over longer periods.	
<b>Standard risk measure*</b>	6 (High)		6 (High)		5 (Medium to high)		5 (Medium to high)		4 (Medium)	
<b>Asset allocation</b>	<b>Target %</b>	<b>Range %</b>	<b>Target %</b>	<b>Range %</b>	<b>Target %</b>	<b>Range %</b>	<b>Target %</b>	<b>Range %</b>	<b>Target %</b>	<b>Range %</b>
Australian shares	46	0–70	44	0–70	39	0–70	37.5	0–70	32	0–70
International shares	46	0–70	44	0–70	39	0–70	37.5	0–70	32	0–70
Listed property	8	0–30	7	0–30	7	0–30	6	0–30	6	0–30
Alternative–growth	0	0–30	5	0–30	0	0–30	4	0–30	0	0–30
<b>Total growth</b>	<b>100</b>	<b>90-100</b>	<b>100</b>	<b>90-100</b>	<b>85</b>	<b>80-90</b>	<b>85</b>	<b>80-90</b>	<b>70</b>	<b>60-80</b>
Alternative–defensive	0	0–10	0	0–10	0	0–15	5	0–15	0	0–15
Aust. fixed interest	0	0–10	0	0–10	7.5	0–15	5	0–15	12.5	0–30
Int'l fixed interest	0	0–10	0	0–10	7.5	0–15	5	0–15	12.5	0–30
Cash	0	0–10	0	0–10	0	0–15	0	0–15	5	0–30
<b>Total defensive</b>	<b>0</b>	<b>0-10</b>	<b>0</b>	<b>0-10</b>	<b>15</b>	<b>10-20</b>	<b>15</b>	<b>10-20</b>	<b>30</b>	<b>20-40</b>

\* For the estimated number of negative annual returns over any 20-year period applicable to risk description shown here, see page 19.

# Transition to retirement pension

## Pre-mixed investment options

	Balanced Growth – Active	Moderate – Index	Moderate – Active	Defensive – Index	Defensive – Active
<b>Description</b>	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.	Invests predominantly in defensive assets including Australian and international fixed interest with some exposure to shares and property. 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.	Invests predominantly in defensive assets including Australian and international fixed interest with some exposure to shares and property. 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.	Invests in defensive assets including Australian and international fixed interest and cash. Intended to be suitable for those who can tolerate an occasional negative return because they intend to remain invested in this option for the suggested minimum timeframe.	Invests in defensive assets including Australian and international fixed interest and cash. Intended to be suitable for those who can tolerate an occasional negative return because they intend to remain invested in this option for the suggested minimum timeframe.
<b>Target return</b>	To provide a return at least 3.25% pa above inflation (after fees and taxes) over rolling 10-year periods.	To provide a return at least 2% pa above inflation (after fees and taxes) over rolling 3-year periods.	To provide a return at least 2.25% pa above inflation (after fees and taxes) over rolling 3-year periods.	To provide a return at least 1% pa above inflation (after fees and taxes) over rolling 2-year periods.	To provide a return at least 1.25% pa above inflation (after fees and taxes) over rolling 2-year periods.
<b>Suggested minimum timeframe</b>	10 years	3 years	3 years	2 years	2 years
<b>Investment strategy</b>	Invests 60–80% of the portfolio in growth assets and typically 30% in defensive assets.	Invests 20–40% of the portfolio in growth assets and typically 70% in defensive assets.	Invests 20–40% of the portfolio in growth assets and typically 70% in defensive assets.	Typically invests 100% of the portfolio in defensive assets.	Typically invests 100% of the portfolio in defensive assets.
<b>Risk/return profile</b>	There is likely to be volatility in returns in the short to medium term but volatility tends to decline over longer periods.	Relatively low returns but with less volatility than Balanced Growth options.	Relatively low returns but with less volatility than Balanced Growth options.	Relatively stable returns. Generally lower long-term returns than the other options.	Relatively stable returns. Generally lower long-term returns than the other options.
<b>Standard risk measure*</b>	4 (Medium)	2 (Low)	2 (Low)	1 (Very low)	1 (Very low)
<b>Asset allocation</b>	<b>Target %</b> <b>Range %</b>	<b>Target %</b> <b>Range %</b>	<b>Target %</b> <b>Range %</b>	<b>Target %</b> <b>Range %</b>	<b>Target %</b> <b>Range %</b>
Australian shares	30   0–70	12   0–30	12   0–30	0   0–20	0   0–20
International shares	30   0–70	12   0–30	12   0–30	0   0–20	0   0–20
Listed property	6   0–30	6   0–30	6   0–30	0   0–20	0   0–20
Alternative–growth	4   0–30	0   0–15	0   0–15	0   0–20	0   0–20
<b>Total growth</b>	<b>70   60-80</b>	<b>30   20-40</b>	<b>30   20-40</b>	<b>0   0-20</b>	<b>0   0-20</b>
Alternative–defensive	5   0–15	0   0–20	10   0–20	0   0–40	5   0–40
Aust. fixed interest	10   0–30	30   0–60	25   0–60	30   0–90	27.5   0–90
Int’l fixed interest	10   0–30	30   0–60	25   0–60	30   0–90	27.5   0–90
Cash	5   0–30	10   0–60	10   0–60	40   10–90	40   10–90
<b>Total defensive</b>	<b>30   20-40</b>	<b>70   60-80</b>	<b>70   60-80</b>	<b>100   80-100</b>	<b>100   80-100</b>

\* For the estimated number of negative annual returns over any 20-year period applicable to risk description shown here, see page 19.

# Transition to retirement pension

## Sector investment options

	Australian Shares – Index	Australian Shares – Diversified	Australian Shares – Core	International Shares – Index
<b>Description</b>	Invests in Australian shares. 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.	Invests in Australian shares. 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.	Invests in Australian shares. 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.	Invests mainly in developed markets shares and may have some exposure to emerging markets. Intended to be suitable for those who can tolerate negative returns in some years, and can accept significant volatility from foreign exchange fluctuations, because they intend to remain invested in this option for the suggested minimum timeframe.
<b>Target return</b>	To provide a return that closely matches the benchmark return before fees and tax.	To provide a return that exceeds the benchmark return (after fees but before tax) over rolling 5-year periods.	To provide a return that exceeds the benchmark return (after fees but before tax) over rolling 5-year periods.	To provide a return that closely matches the benchmark return before fees and tax.
<b>Suggested minimum timeframe</b>	15 years	15 years	15 years	15 years
<b>Benchmark index</b>	80% S&P/ASX 300 Accumulation Index 20% FTSE/ASFA Australian High Dividend Yield Index	30% S&P/ASX 300 Accumulation Index 70% S&P/ASX 200 Accumulation Index	30% S&P/ASX 300 Accumulation Index 70% S&P/ASX 200 Accumulation Index	MSCI World ex Australia Index (unhedged, net dividend reinvested)
<b>Investment strategy</b>	Uses a portfolio construction process that seeks to closely match the benchmark risk and return characteristics.	Invests mainly in shares listed, or due to be listed, on the Australian Securities Exchange.	Invests mainly in shares listed, or due to be listed, on the Australian Securities Exchange.	Uses a portfolio construction process that seeks to closely match the benchmark risk and return characteristics.
<b>Risk/return profile</b>	Returns can be very volatile over the short to medium term. Historically, shares have offered the highest long-term returns.	Returns can be very volatile over the short to medium term. Historically, shares have offered the highest long-term returns.	Returns can be very volatile over the short to medium term. Historically, shares have offered the highest long-term returns.	Returns can be very volatile over the short to medium term. Historically, shares have offered the highest long-term returns.
<b>Standard risk measure*</b>	6 (High)	6 (High)	6 (High)	6 (High)
<b>Target asset allocation</b>	100% Australian shares	100% Australian shares	100% Australian shares	100% international shares

\* For the estimated number of negative annual returns over any 20-year period applicable to risk description shown here, see page 19.

# Transition to retirement pension

## Sector investment options

	International Shares – Index (\$A hedged)	International Shares – Diversified	International Shares – Core	International Shares – Core (\$A hedged)
<b>Description</b>	Invests mainly in developed markets shares and may have some exposure to emerging markets. 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.	Invests mainly in developed markets shares and may have some exposure to emerging markets. Intended to be suitable for those who can tolerate negative returns in some years, and can accept significant volatility from foreign exchange fluctuations because they intend to remain invested in this option for the suggested minimum timeframe.	Invests mainly in developed markets and may have some exposure to emerging markets. Intended to be suitable for those who can tolerate negative returns in some years and can accept significant volatility from foreign exchange fluctuations, because they intend to remain invested in this option for the suggested minimum timeframe.	Invests mainly in developed markets and may have some exposure to emerging markets. 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.
<b>Target return</b>	To provide a return that closely matches the benchmark return before fees and tax.	To provide a return that exceeds the benchmark return (after fees but before tax) over rolling 5-year periods.	To provide a return that exceeds the benchmark return (after fees but before tax) over rolling 5-year periods.	To provide a return that exceeds the benchmark return (after fees but before tax) over rolling 5-year periods.
<b>Suggested minimum timeframe</b>	15 years	15 years	15 years	15 years
<b>Benchmark index</b>	MSCI World ex Australia Index (hedged, net dividend reinvested)	MSCI World Index (unhedged, net dividend reinvested)	MSCI World Index (unhedged, net dividend reinvested)	MSCI World Index (hedged, net dividend reinvested)
<b>Investment strategy</b>	Uses a portfolio construction process that seeks to closely match the benchmark risk and return characteristics. Full \$A hedging.	Invests in shares listed, or due to be listed, on stock markets around the world with partial \$A hedging (generally less than 50%).	Invests in shares listed, or due to be listed, on stock markets around the world. No \$A hedging.	Invests in shares listed, or due to be listed, on stock markets around the world. Full \$A hedging.
<b>Risk/return profile</b>	Returns can be very volatile over the short to medium term. Historically, shares have offered the highest long-term returns.	Returns can be very volatile over the short to medium term. Historically, shares have offered the highest long-term returns.	Returns can be very volatile over the short to medium term. Historically, shares have offered the highest long-term returns.	Returns can be very volatile over the short to medium term. Historically, shares have offered the highest long-term returns.
<b>Standard risk measure*</b>	6 (High)	6 (High)	6 (High)	6 (High)
<b>Target asset allocation</b>	100% international shares	100% international shares	100% international shares	100% international shares

\* For the estimated number of negative annual returns over any 20-year period applicable to risk description shown here, see page 19.

# Transition to retirement pension

## Sector investment options

	Property – Australian Index	Property – Diversified	Fixed Interest – Australian Index	Fixed Interest – Australian
<b>Description</b>	Invested in listed Australian property. 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.	Invested in listed Australian property and listed developed markets property. 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.	Invests in Australian fixed interest intended to be suitable for those seeking modest returns above inflation with a low risk of negative returns over the suggested minimum timeframe.	Invests predominantly in Australian fixed interest securities. Intended to be suitable for those seeking modest returns above inflation with a low to medium risk of negative returns over the suggested minimum timeframe.
<b>Target return</b>	To provide a return that closely matches the benchmark return before fees and tax.	To provide a return that exceeds the benchmark return (before fees and tax) over rolling 5-year periods.	To provide a return that closely matches the benchmark return before fees and tax.	To provide a return that exceeds the benchmark return (after fees but before tax) over rolling 3-year periods.
<b>Suggested minimum timeframe</b>	10 years	10 years	2 years	3 years
<b>Benchmark index</b>	S&P/ASX 300 A-REIT Accumulation Index	50% S&P/ASX 300 A-REIT Accumulation Index 50% FTSE EPRA/NAREIT Developed Index (hedged, net dividend reinvested)	Bloomberg AusBond Composite Bond Index	79% Bloomberg AusBond Composite Bond Index 21% Official Reserve Bank of Australia cash rate
<b>Investment strategy</b>	Uses a portfolio construction process that seeks to closely match the benchmark risk and return characteristics.	Invests in property securities listed, or due to be listed, on the Australian Securities Exchange and developed international markets.	Uses a portfolio construction process to approximate the benchmark in a range of risk areas.	Invests predominantly in Australian fixed interest assets with the scope to invest across the credit spectrum and may include an exposure to mortgages.
<b>Risk/return profile</b>	Returns can be volatile over the short to medium term. Historically, property has produced higher returns than fixed interest and cash investments.	Returns can be volatile over the short to medium term. Historically, property has produced higher returns than fixed interest and cash investments.	Relatively low but stable returns with some volatility.	Relatively low but stable returns with some volatility.
<b>Standard risk measure*</b>	4 (Medium)	4 (Medium)	1 (Very low)	3 (Low to medium)
<b>Target asset allocation</b>	100% Australian listed property securities	50% Australian listed properties securities 50% global listed property securities	100% Australian fixed interest	100% Australian fixed interest

\* For the estimated number of negative annual returns over any 20-year period applicable to risk description shown here, see page 19.

# Transition to retirement pension

## Sector investment options

	Fixed Interest – International Index (\$A hedged)	Fixed Interest – International	Fixed Interest – Diversified	Cash
<b>Description</b>	Designed to generate the risk and return outcomes of the benchmark index, which means negative returns when the bond market falls. There is no currency risk and this option is intended to be suitable for those seeking modest returns above inflation with a low to medium risk of negative returns over the suggested minimum timeframe.	Invests in overseas fixed interest securities across the credit spectrum. Foreign currency exposures are largely hedged back to the Australian dollar however there is some exposure to currency risk. This option is intended to be suitable for those seeking modest returns above inflation with a low to medium risk of negative returns over the suggested minimum timeframe.	Invests in fixed interest across the credit spectrum, with exposure to Australian and overseas markets. Foreign currency exposures are largely hedged back to the Australian dollar however there is some exposure to currency risk. This option is intended to be suitable for those seeking modest returns above inflation with a low to medium risk of negative returns over the suggested minimum timeframe.	Invests in deposits, fixed and floating rate securities with short-terms and high liquidity. Intended to be suitable for those who put more weight on capital security and liquidity than returns.
<b>Target return</b>	To provide a return that closely matches the benchmark return before fees and tax.	To provide a return that exceeds the benchmark return (after fees but before tax) over rolling 3-year periods.	To provide a return that exceeds the benchmark return (after fees but before tax) over rolling 3-year periods.	To provide a return that exceeds the benchmark return (before fees) over any 12-month period.
<b>Suggested minimum timeframe</b>	3 years	3 years	3 years	1-2 years
<b>Benchmark index</b>	50% Barclays Global Treasury Index (\$A hedged) 50% Barclays Global Aggregate Government-related and Corporate Index (\$A hedged)	Barclays Global Aggregate Index (\$A hedged)	10% Official Reserve Bank of Australia cash rate. 40% Bloomberg AusBond Composite Bond Index. 50% Barclays Global Aggregate Index (\$A hedged)	Official Reserve Bank of Australia cash rate
<b>Investment strategy</b>	Uses a portfolio construction process that seeks to approximate the benchmark in a range of risk areas. Full \$A hedging.	Invests in fixed interest assets across the credit spectrum internationally. Foreign currency exposures are largely hedged back to the Australian dollar.	Invests in fixed interest assets across the credit spectrum both in Australia and internationally and may include an exposure to mortgages. Foreign currency exposures in the portfolio are largely hedged back to the Australian dollar.	Invests in short-term securities
<b>Risk/return profile</b>	Relatively low but stable returns with some volatility.	Relatively low but stable returns with some volatility. There may be some foreign currency exposure.	Relatively low but stable returns with some volatility. There may be some foreign currency exposure	Low but stable returns with minimal volatility.
<b>Standard risk measure*</b>	3 (Low to medium)	3 (Low to medium)	3 (Low to medium)	1 (Very low)
<b>Target asset allocation</b>	100% international fixed interest	100% international fixed interest	50% Australian fixed interest 50% international fixed interest	100% cash and short-term fixed interest securities

\* For the estimated number of negative annual returns over any 20-year period applicable to risk description shown here, see page 19.



# How we invest your money

## The nuts and bolts of investing

A basic investment principle is that to expect a higher return you should be prepared to take more risk. If you want to reduce your risk, you should be prepared to expect a lower return. Each asset class has its own risk and return characteristics.

- **Shares** represent part ownership of a company. Owning shares can provide both capital growth and income in the form of dividends. Listed shares are traded on stock exchanges and prices can move considerably and frequently over the course of a day. Investments in shares offer the potential for higher returns over the longer term compared to cash, fixed interest or property. Shares are generally considered riskier than most other investment types, and some shares are riskier than others. **Shares in companies from emerging markets, and new companies operating in sectors with uncertain growth prospects, tend to be the riskiest investments.**
- **Listed property** represent share investments in commercial, retail, industrial, residential and hotel real estate. Property investments offer returns based on the value of real properties and rental income streams available from tenancy arrangements on those properties. Property trusts can either be listed on a stock exchange or unlisted. Listed trusts tend to have greater liquidity. Returns tend to be cyclical but property trusts offer the potential for higher returns over the longer term than cash and fixed interest.
- **Alternative assets** include absolute return funds, hedge funds, private securities, commodities and infrastructure. **Some strategies** may use specialist investment strategies such as short-selling and arbitrage. **Private securities can be shares in unlisted companies or loans such as a mortgage on a property. Private securities tend to be less liquid or illiquid and have a high cost to transact.** Alternative assets may be useful to diversify a portfolio because the timing and pattern of returns often differs from traditional assets and some alternatives may be relatively stable across economic and investment market cycles.
- **Fixed interest** investments are debt securities (including mortgages) issued by governments, banks or corporations. They pay interest at specified dates and repay the principal amount at maturity. Fixed interest investments carry the risk that the issuer will not be able to meet their payment commitments. This is known as credit risk, and some issuers such as companies may have a higher risk of default on payment than, for example, the Australian Government. This asset class also carries interest rate risk, which is the risk that interest rates may increase after the fixed interest instrument has been purchased. An increase in interest rates would typically decrease the market value of the portfolio. Conversely, a decrease in interest rates would increase the market value. Over the longer term, returns from fixed interest investments are generally lower than shares and property, but higher than cash.
- **Cash** is typically defined as short-term fixed interest or deposit-type securities (eg term deposits) with a maturity date generally less than one year. Cash investments offer a low risk of capital loss, but generally lower returns than most other asset classes.

# How we invest your money

## Diversification

You've probably heard the expression 'Don't put all your eggs in one basket'. It's often used to describe the concept of diversification. For your super, this means spreading your investments across different asset classes, underlying fund managers and investment strategies. The purpose of diversification is to reduce the overall risk of your investment portfolio.

A diversified portfolio typically falls into one of three categories:

- **Growth-oriented**—typically invests mainly in shares and listed property which are diversified across geographies and industries and are expected to generate higher capital growth over the longer term than defensive assets. The portfolio has a higher risk of capital loss than defensive strategies. It may also provide some income in the form of dividends from shares. The portfolio may also contain some alternative assets.
- **Moderate**—invests in a mix of growth-oriented and defensive-oriented strategies aiming to deliver a moderate return with a moderate level of risk.
- **Defensively-oriented**—invests mainly in cash, fixed interest and perhaps some alternative assets and growth assets. The portfolio has a lower risk of capital loss than growth-oriented strategies. Interest payments from fixed interest securities would provide steady income streams.

The fund offers a range of investment options (ie our pre-mixed and sector options) to help you to diversify your portfolio.

When building your pension portfolio, you may want some advice. Speak with your financial adviser or call us and we can put you in touch with one.

## Different investment approaches

Our range of investment options utilises both index and active management approaches.

Index approaches aim to track the risk and return characteristics, or other attributes, of a market index. Index managers typically charge less than active managers.

An active management approach seeks to use research and their portfolio construction process to outperform a specific market index or to meet an investment objective. There is a risk, especially over shorter periods, that such managers may underperform the relevant market index.

Investment managers seeking to offer greater performance than index managers typically charge more as they incur higher costs. The higher fees are based on the expectation of performance better than the market index.

## Selection of managers

We are responsible for the selection of the fund's underlying managers, asset allocation and currency management in consultation with the fund's asset consultant Aon. We appoint specialist investment managers to invest your assets. These include Equity Trustees Limited (ABN 46 004 031 298), an affiliate of the trustee. Equity Trustees Limited is the issuer of the EQT Cash Management Fund and EQT Wholesale Mortgage Income Fund

as well as the appointed manager of the Australian Equity and Fixed Income mandates in which the fund invests.

Transactions between Equity Trustees Superannuation Limited in its capacity as trustee of the fund and Equity Trustees Limited in its capacity as Investment Manager, are conducted on normal commercial terms.

## Environmental, social and governance considerations

We expect that in the modern investment market, the long-term sustainability and feasibility of investments may be impacted by underlying environmental, social and governance considerations (ESG). Accordingly, we may implement strategies which incorporate ESG processes and positive or negative ESG screening techniques.

Together with a range of other relevant factors, we consider the extent to which investment managers integrate ESG processes in their activities in the course of selecting investment managers.

## Use of derivatives

Under our derivatives policy, we may use derivatives such as futures or options from time to time in a fiduciary capacity for risk management and currency hedging.

The underlying investment managers may also use derivatives as part of their overall investment process. In most cases, derivatives are used for risk management purposes only and not for speculation.

## Inflation and how it is measured

Inflation is generally described as the increase in prices over time. The most common measure of inflation is the rate of change in the Consumer Price Index (CPI)\* which is published by the Australian Bureau of Statistics (ABS).

The CPI measures quarterly changes in the price of a 'basket' of goods and services which account for a high proportion of general household expenses (eg groceries, clothing, transport, and housing expenses).

The pre-mixed investment options described in this PDS aim to provide investment returns exceeding their inflation-based targets.

\* We use the Consumer Price Index (All Groups) for the eight capital cities (ABS 6401.0)

# How we invest your money

## Standard risk measure

To assist you in choosing how to invest your money the trustee uses a standard risk measure developed by industry associations to rate the level of risk for each of our investment options. You can use these risk ratings to compare investment options, both within the fund and across other super funds. There are seven risk bands:

Risk band	Risk label	Estimated number of negative returns over any 20 year period
1	Very low	Less than 0.5
2	Low	0.5 to less than 1
3	Low to medium	1 to less than 2
4	Medium	2 to less than 3
5	Medium to high	3 to less than 4
6	High	4 to less than 6
7	Very high	6 or greater

The standard risk measure doesn't take into account all forms of investment risk. For example it doesn't consider what the size of a negative return could be, or the likelihood of a positive return being less than what you may require to meet your personal objectives. Nor does it take into account the impact of administration fees and tax on the likelihood of a negative return.

We review the standard risk measure for each of our investment options at least annually.

The standard risk measure is only a guide. You should consider whether you're comfortable with the risks and potential losses associated with the investments you choose.

## Our unit pricing policy

We have adopted a formal unit pricing policy for the investment options in the fund. We can change this policy and any underlying procedures at any time.

The calculation of the unit price for each option is:

$$\frac{\text{Net asset value* (of the relevant option)}}{\text{The number of units on issue to members in that option}}$$

\* Net asset value is equal to the gross asset value (ie market value of the underlying investments and cash at bank for that investment option) as at the close of business on a given day, plus accrued income minus expense recoveries minus investment income tax provisions.

Unit pricing usually occurs daily on business days.

We reserve the right to suspend unit pricing or transaction processing activities in exceptional circumstances (for example, under situations of extremely volatile market conditions, or when large cash flows are moving into or out of the fund). Transactions that may be suspended in these circumstances can include benefit payments and switches.

### Application of unit prices

Unit prices are derived and applied in an equitable manner that values members' benefits and distributes investment earnings and losses fairly. We apply a 'forward pricing' mechanism to process transactions to and from your account in the fund. This means that all transactions are processed using a unit price calculated after the fund has received the transaction request.

- **Applications** — normally processed within 3 to 5 business days of receipt of the application monies (including rollovers into the fund) and all the necessary information, using the price applicable on the date of processing.
- **Benefit payments (eg pension income payments and commutations)** — normally processed within 3 to 5 business days after all necessary information is received, using the unit price on the day benefit payments (including transfers out of the fund) are processed.
- **Investment switches** — we process switches after receipt of the completed request and normally within 5 business days, using the unit prices applicable on the date of processing.
- **Other transactions** — such as deductions from your account for administration fees, or any rebates and refunds to your account, are processed using the unit price available in our systems on that date.

Unit prices fluctuate from day to day but in extraordinary market conditions the movements can be significant. Movements can also be significant in smaller investment options relative to size of the cash flows in and out of them. We do not accept liability for any losses you may have suffered as a result of these factors, except where it can be established that we have not applied our unit pricing policy correctly.

# Fees and other costs

## Did you know?

Small differences in both investment performance and fees and costs can have a substantial impact on your long-term returns. For example, total annual fees and costs of 2% of your account 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 or your employer, as applicable, 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](http://moneysmart.gov.au) has a superannuation fee calculator to help you check out different fee options.

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

Other fees, such as activity fees and advice fees for personal advice may also be charged, but these will depend on the nature of the activity or advice chosen by you. Entry fees and exit fees cannot be charged.

Taxes are set out in another part of this document. You should read all the information about fees and other costs because it is important to understand their impact on your investment. Investment fees and indirect costs vary depending on the investment option(s) you are invested in. The investment fees and indirect costs for each investment option offered by the fund are set out on page 22 (for Retirement pensions) and page 23 for (Transition to retirement pensions).

See [page 29](#) for the definition of each type of fee and cost according to the superannuation legislation. Not all the fees listed will apply to this product.

## Administration fees

These are the fees we charge for administering your pension account. There's a percentage-based fee and a dollar-based fee.

### Asset administration fee:

- > Retirement pension 0.35% pa
- > Transition to retirement pension 0.30% pa

This is a percentage-based fee that is deducted monthly from your account.

A portfolio rebate applies for a pension account balance that is over \$250,000 (see [page 27](#)).

**Member fee:** \$91.56 pa (\$7.63 per month)

This is a dollar-based fee that is deducted monthly from your account. If you have more than one pension account, this fee is deducted from each account. It is indexed annually each 1 July in line with inflation as measured by the change in the Average Weekly Ordinary Time Earnings (AWOTE) index.

## Investment fees

### Investment fee

This is the fee we charge to cover the investment costs relating to each investment option you are invested in. It includes fees of the fund managers managing the investments, fees and costs charged by the custodian we employ to hold the investments, and any other investment-related cost recoveries paid out of the fund. Different investment fees apply depending on the type of investment option you choose.

This fee is not deducted directly from your account. It is included in the unit price of each investment option and reduces your investment return.

# Fees and other costs

smartMonday PENSION		
Type of fee	Amount	How and when paid
<b>Investment fee<sup>1</sup></b>	<p>Depending on the investment option, ranges from:</p> <p><b>Retirement pension:</b> 0.45% to 0.92% pa</p> <p><b>Transition to retirement pension:</b> 0.50% to 0.97% pa</p> <p>The investment fee for each option is listed on the next two pages, depending on the type of pension you hold.</p>	Deducted from the assets of the investment option and included in the daily calculation of unit prices. See page 20 for more information about this fee.
<p><b>Administration fees:<sup>1</sup></b></p> <ul style="list-style-type: none"> <li>&gt; Asset administration fee: <ul style="list-style-type: none"> <li>▮ Retirement pension 0.35% pa</li> <li>▮ Transition to retirement pension 0.30% pa</li> </ul> </li> <li>&gt; Member fee<sup>2</sup> \$91.56 pa (\$7.63 per month)</li> </ul>		Deducted monthly directly from your account. Portfolio rebates apply for account balances over \$250,000. See page 20 for more information about this fee, or page 27 for more information about rebates.
Buy/sell spread	Nil	Not applicable
Switching fee	Nil	Not applicable
<b>Advice fees</b> relating to all members investing in particular investment option	Nil	Not applicable.
<b>Other fees and costs<sup>3</sup></b>	Various	Deducted from your account, where applicable.
<b>Indirect cost ratio<sup>1,4</sup></b>	<p>Depending on the investment option, ranges from:</p> <p><b>Retirement pension:</b> 0.00% to 0.30% pa (estimated)</p> <p><b>Transition to retirement pension:</b> 0.00% to 0.30% pa (estimated)</p> <p>The indirect cost ratio (ICR) for each option is listed on the next two pages.</p>	<p>Reflected in the daily unit price and may vary daily depending on the costs incurred outside the fund in investing the assets of the investment option.</p> <p>See page 25 for more information about indirect costs.</p>

<sup>1</sup> If your account balance for a product offered by the fund is less than \$6,000 at the end of the financial year, or at the time you close the product, the total combined amount of administration fees, investment fees and indirect costs charged to you is capped at 3% of the account balance. Any amount charged in excess of the cap will be refunded.

<sup>2</sup> Fee will be indexed each 1 July for changes in the Average Weekly Ordinary Time Earnings (AWOTE) index.

<sup>3</sup> Other fees may apply, including activity fees and advice fees for personal advice (as applicable). See the *Additional explanation of fees and costs* section on page 27 for more information.

<sup>4</sup> The ICR is estimated and may vary from year to year. The latest information is available at [smartMonday.com.au](http://smartMonday.com.au).

# Additional explanation of fees and costs

## Investment fees and indirect costs for Retirement Pension options

The information in this table is current as at the date of preparation of this PDS. Indirect costs may vary from year to year. The latest fee information is available at [smartMonday.com.au](http://smartMonday.com.au).

Investment option – Retirement Pension	Investment fee (% pa)	Indirect costs <sup>1</sup> (ICR % pa)	Investment fee + indirect costs <sup>1</sup> (% pa)
<b>Pre-mixed</b>			
High Growth – Index	0.48	0.02	0.50
High Growth – Active	0.92	0.18	1.10
Growth – Index	0.48	0.03	0.51
Growth – Active	0.87	0.17	1.04
Balanced Growth – Index	0.48	0.03	0.51
Balanced Growth – Active	0.82	0.15	0.97
Moderate – Index	0.48	0.04	0.52
Moderate – Active	0.72	0.12	0.84
Defensive – Index	0.48	0.06	0.54
Defensive – Active	0.57	0.11	0.68
<b>Sector</b>			
Australian Shares – Index	0.47	0.01	0.48
Australian Shares – Diversified	0.92	0.14	1.06
Australian Shares – Core	0.82	0.12	0.94
International Shares – Index	0.49	0.01	0.50
International Shares – Index (\$A hedged)	0.49	0.12	0.61
International Shares – Diversified	0.92	0.20	1.12
International Shares – Core	0.82	0.13	0.95
International Shares – Core (\$A hedged)	0.82	0.30	1.12
Property – Australian Index	0.46	0.02	0.48
Property – Diversified	0.75	0.21	0.96
Fixed Interest – Australian Index	0.47	0.07	0.54
Fixed Interest – Australian	0.65	0.09	0.74
Fixed Interest – International Index (\$A hedged)	0.49	0.06	0.55
Fixed Interest – International	0.72	0.16	0.88
Fixed Interest – Diversified	0.70	0.13	0.83
Cash	0.45	0.00	0.45

<sup>1</sup> Indirect costs are estimates. The ICR may include performance-related fees (see page 26).

## Investment fees and indirect costs for Transition to retirement pension (TRP) options

The information in this table is current as at the date of preparation of this PDS. Indirect costs may vary from year to year. The latest fee information is available at [smartMonday.com.au](http://smartMonday.com.au).

Investment option – Transition to retirement pension	Investment fee (% pa)	Indirect costs <sup>1</sup> (ICR % pa)	Investment fee + indirect costs <sup>1</sup> (% pa)
<b>Pre-mixed</b>			
High Growth – Index	0.53	0.02	0.55
High Growth – Active	0.97	0.17	1.14
Growth – Index	0.53	0.03	0.56
Growth – Active	0.92	0.16	1.08
Balanced Growth – Index	0.53	0.03	0.56
Balanced Growth – Active	0.87	0.14	1.01
Moderate – Index	0.53	0.04	0.57
Moderate – Active	0.77	0.11	0.88
Defensive – Index	0.53	0.05	0.58
Defensive – Active	0.62	0.10	0.72
<b>Sector</b>			
Australian Shares – Index	0.52	0.01	0.53
Australian Shares – Diversified	0.97	0.14	1.11
Australian Shares – Core	0.87	0.12	0.99
International Shares – Index	0.54	0.01	0.55
International Shares – Index (\$A hedged)	0.54	0.12	0.66
International Shares – Diversified	0.97	0.20	1.17
International Shares – Core	0.87	0.13	1.00
International Shares – Core (\$A hedged)	0.87	0.30	1.17
Property – Australian Index	0.51	0.02	0.53
Property – Diversified	0.80	0.21	1.01
Fixed Interest – Australian Index	0.52	0.07	0.59
Fixed Interest – Australian	0.70	0.09	0.79
Fixed Interest – International Index (\$A hedged)	0.54	0.06	0.60
Fixed Interest – International	0.77	0.16	0.93
Fixed Interest – Diversified	0.75	0.13	0.88
Cash	0.50	0.00	0.50

<sup>1</sup> Indirect costs are estimates. The ICR may include performance-related fees (see page 26).

## Examples of annual fees and costs

The level of fees and costs differs depending on whether you're investing in a retirement pension (RP) or a transition to retirement pension (TRP). However, investment earnings in the TRP investment options are taxed at the concessional superannuation rate (up to 15% pa) and have a different investment structure. The two tables below illustrate how fees and costs apply when you invest in a RP or a TRP over a one-year period (using an average account balance of \$50,000). Indirect costs shown are estimates.

These examples assume that all of your account balance is invested in the **Balanced Growth – Index** investment option, and ignores the effect of earnings, tax, and other deductions on the account balance (such as any activity fees).

### Retirement pension

The table below gives an example of how fees and costs for the Balanced Growth – Index option for this pension product can affect your pension investment over a 1 year period. You should use this table to compare this pension product with other retirement pension products.

EXAMPLE — Balanced Growth – Index		BALANCE OF \$50,000
Investment fees	0.48% pa	For every \$50,000 you have in the product you will be charged \$240 each year
<b>PLUS</b> Administration fees	0.35% pa + \$91.56 pa	<b>And</b> , you will be charged \$175 each year in administration fees based on a percentage of your balance, plus \$91.56 in administration fees each year regardless of your balance.
<b>PLUS</b> Indirect costs for the product	0.03% pa	<b>And</b> , indirect costs of \$15 each year will be deducted from your investment.
<b>EQUALS</b> Cost of product		If your balance was \$50,000, then for that year you will be charged fees of <b>\$521.56*</b> for the product.

**Note:** \*Additional fees may apply (eg Activity fees). A buy/sell spread does not apply.

### Transition to retirement pension (TRP)

The table below gives an example of how fees and costs for the Balanced Growth – Index option for this pension product can affect your pension investment over a 1 year period. You should use this table to compare this pension product with other transition to retirement pension products.

EXAMPLE — Balanced Growth – Index		BALANCE OF \$50,000
Investment fees	0.53% pa	For every \$50,000 you have invested in Balanced Growth – Index you will be charged \$265 each year
<b>PLUS</b> Administration fees	0.30% pa + \$91.56 pa	<b>And</b> , you will be charged \$150 each year in administration fees based on a percentage of your balance, plus \$91.56 in administration fees each year regardless of your balance.
<b>PLUS</b> Indirect costs for the product	0.03% pa	<b>And</b> , indirect costs of \$15 each year will be deducted from your investment.
<b>EQUALS</b> Cost of product		If your balance was \$50,000, then for that year you will be charged fees of <b>\$521.56*</b> for the product.

**Note:** \*Additional fees may apply (eg Activity fees). A buy/sell spread does not apply.



## Indirect costs

### Indirect cost ratio (ICR)

An indirect cost is any other cost that reduces your investment return and is not deducted directly from your account or paid out of the fund.

The indirect costs in each investment option are measured by the indirect cost ratio (ICR), which is included in the unit price of each option (along with the investment fee described in the previous section).

Our range of investment options get their exposure to shares, bonds, listed property and other asset classes by investing in wholesale managed funds. In turn, those funds buy and sell securities and may invest in specialist funds to gain access to certain markets or expertise. Along the way, transactional and operational costs are incurred outside the fund which are reflected in your investment return. These costs are not an additional charge to you.

Indirect costs vary depending on the investment option you choose and usually include:

- transactional and operational costs, and
- if applicable, performance-related fees (see next page)

Indirect costs shown in this PDS are estimates based on information provided by the underlying fund managers. These costs may vary from year to year. We will provide updated information about indirect costs from time to time on our website at [smartMonday.com.au](http://smartMonday.com.au).

### Transactional and operational costs

Transactional and operational costs are costs associated with the buying and selling of underlying investments and are defined (under relevant regulations) to include buy-sell spreads, brokerage, settlement costs (including related custody costs), clearing costs and stamp duty on investment transactions (depending on the nature of the underlying investments or assets) but do not include (in the case of superannuation funds) certain costs associated with over-the-counter derivative financial products and borrowing costs. There are no transactional and operational costs paid out of the fund's assets, any such costs are incurred outside the fund.

These costs can be incurred directly by underlying fund managers or as a result of a manager investing through a fund into another fund. This is referred to as gaining exposure to underlying assets through an *'interposed vehicle'*.

Examples of costs that are incurred by our underlying fund managers or through interposed vehicles in relation to the buying and selling of assets include brokerage and settlement costs on share trading and buy-sell spreads of or incurred by unitised managed funds.

Transactional and operational costs (excluding costs associated with over-the-counter derivatives, borrowing costs and any other investment-related costs that would otherwise form part of the investment fees of each of the investment options) vary depending upon the different asset classes and fund managers within each investment option.

**Table of estimated transactional and operational costs  
(excluding performance-related fees)**

Investment option	RP % pa	TRP % pa
<b>Pre-mixed</b>		
High Growth – Index	0.02	0.02
High Growth – Active	0.16	0.15
Growth – Index	0.02	0.02
Growth – Active	0.15	0.14
Balanced Growth – Index	0.03	0.03
Balanced Growth – Active	0.13	0.12
Moderate – Index	0.04	0.04
Moderate – Active	0.10	0.09
Defensive – Index	0.05	0.05
Defensive – Active	0.09	0.08
<b>Sector</b>		
Australian Shares – Index	0.01	0.01
Australian Shares – Diversified	0.14	0.14
Australian Shares – Core	0.12	0.12
International Shares – Index	0.01	0.01
International Shares – Index (\$A hedged)	0.06	0.06
International Shares – Diversified	0.17	0.17
International Shares – Core	0.12	0.12
International Shares – Core (\$A hedged)	0.21	0.21
Property – Australian Index	0.02	0.02
Property – Diversified	0.17	0.17
Fixed Interest – Australian Index	0.07	0.07
Fixed Interest – Australian	0.09	0.09
Fixed Interest – International Index (\$A hedged)	0.06	0.06
Fixed Interest – International	0.10	0.10
Fixed Interest – Diversified	0.10	0.10
Cash	0.00	0.00

**Buy-sell spreads**

While costs related to buy-sell spreads may be incurred indirectly via the transactional and operational costs described in the previous sections, we do not charge buy-sell spreads on the investment options. We reserve the right to charge spreads at any time by providing you with 30 days advance notice.

**Performance-related fees**

Some of our investment options may employ investment managers that charge an additional fee if their investment returns exceed certain prescribed performance targets. These fees are included in the indirect costs measure for each investment option (ie ICR), where applicable.

These fees can vary from year to year within a range, ie from zero up to a maximum that may be charged by the fund manager/s of that option. We have aggregated these potential fees to show you a maximum charge if all performance fee targets are achieved by the manager/s and shown in this table.

Investment option	Range (up to a max % pa)
<b>Pre-mixed</b>	
High Growth – Active	0 to 0.30
Growth – Active	0 to 0.30
Balanced Growth – Active	0 to 0.25
Moderate – Active	0 to 0.15
<b>Sector</b>	
Australian Shares – Diversified	0 to 0.35
Australian Shares – Core	0 to 0.45
International Shares – Diversified	0 to 0.35
International Shares – Core	0 to 0.45
International Shares – Core (\$A hedged)	0 to 0.45

## Switching fee

We do not charge a switching fee.

## Portfolio rebate

When your pension account balance is over \$250,000, you will receive a rebate on the asset administration fee for that account. The rebate, which is calculated using your balance at the end of each month, is credited back to your account monthly in the form of additional units in your chosen investment options.

Total account balance	Rebate (% pa)
First \$250,000	Nil
Next \$250,000	0.20
Over \$500,000	0.30

**Example:** Let's say you have a total account balance of \$800,000. The rebate would be calculated as follows:

Total account balance	Rebate applied	Rebate credited to your account
First \$250,000	\$250,000 x nil	Nil
Next \$250,000	\$250,000 x 0.2%	\$500
Over \$500,000	\$300,000 x 0.3%	\$900
<b>Total \$1,400</b>		

## Advice fees

### Personal financial advice

If you need personal financial advice you may wish to engage the services of a financial adviser. Call us and we can help put you in touch with one. Additional fees may be payable to the adviser for services they provide to you.

You can authorise the trustee to pay your financial adviser for personal advice about superannuation via a deduction from your account. You can negotiate the amount of the fee with the adviser and they will provide you with a *Statement of Advice* detailing the services provided and the fee charged for those services.

The different ways to deduct an adviser service fee are shown under *Activity fees* on page 28.

## Tax

For more information about the tax applicable to super, see the *Tax and privacy* section on page 37.

### Tax deductions

Administration costs are tax deductible to the fund. Any tax rebate attributable to these costs is not passed on to you in the form of reduced fees or costs.

### Goods and services tax (GST)

All fees shown in this PDS and charged to you are inclusive of GST, shown net of reduced input tax credits (RITCs), where applicable.

## Changes to fees and costs

We have the right to change the fees and costs described in this PDS without your consent. We will notify you of any changes at [smartMonday.com.au](http://smartMonday.com.au) or 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. The annual indexation of the member fee will not be notified to you.

After every 30 June, we will provide detailed information of indirect costs for the previous financial year on our website at [smartMonday.com.au](http://smartMonday.com.au) as soon as they become available.

We may charge additional costs arising from Government charges and legislation changes (see below).

## Government charges and legislation changes

From time to time, the Government makes changes to superannuation rules and infrastructure which result in implementation costs for the fund. The Government may also apply additional levies on super funds. We may deduct an appropriate amount from your account to recover some or all of these costs, but we'll notify you at least 30 days before we make any deduction.

## Activity fees

These fees apply where you have requested a specific activity or service:

Type of fee	Amount	How and when paid
<p><b>Adviser service fee</b></p> <p>There's a few ways to pay your adviser (if you have one) for superannuation related advice you obtain from them. Your adviser will provide you with a <i>Statement of Advice</i> outlining the fee you've agreed. The fee can be:</p> <ul style="list-style-type: none"> <li>➤ an ongoing asset-based fee</li> </ul> <p>or</p> <ul style="list-style-type: none"> <li>➤ one or both of the following: <ul style="list-style-type: none"> <li>▮ an ongoing fixed-dollar fee, and*/or</li> <li>▮ an ad hoc (one-off) fixed-dollar fee.</li> </ul> </li> </ul> <p>To authorise payment of the adviser service fee by way of a deduction from your account in the fund, you and your adviser need to complete and return an <i>Authority to advise</i> form available at <a href="http://smartMonday.com.au">smartMonday.com.au</a> or call us. The trustee has the discretion to refuse to deduct an adviser service fee.</p> <p>* The sum of ongoing and ad hoc fees is capped at the greater of \$10,000 pa or 2% pa of the total assets under advice across your super and pension products in the fund.</p>	<p>Up to 2% pa</p> <p>Up to \$10,000 pa Up to \$10,000 pa</p> <p>Adviser service fees are negotiable with your adviser, subject to the limits shown above</p>	<p>Calculated using your account balance at the end of each month and deducted monthly.</p> <p>Deducted monthly. Deducted as a one-off payment.</p> <p><b>Example:</b> Let's say you have a total account balance of \$100,000 at the end of a month and that you've agreed an ongoing asset-based adviser service fee of 1% pa. The amount deducted from your account for the month will be \$83 (ie 1% x \$100,000/12).</p>
<p><b>Family law fees</b></p> <p>Family law legislation comes into play if you separate or divorce from your spouse. Depending on the arrangements agreed to, a split of your pension account may be required.</p> <p>Family law can be complex, so we recommend that you and your spouse seek financial and legal advice before considering any splitting of your pension account.</p> <p>We're entitled to charge a reasonable fee for handling family law requests for information and transactions in relation to your pension account:</p> <ul style="list-style-type: none"> <li>➤ Valuation fee</li> <li>➤ Split fee</li> </ul>	<p>\$200</p> <p>\$160</p>	<p>Charged to the person requesting the information at the time the request is made.</p> <p>\$80 charged to each party at the time of the split, deducted (in relation to the amount applicable to you) from your account.</p>

## Defined fees

Type of fee or cost	Definition
<b>Activity fee</b>	<p>A fee is an <b>activity fee</b> if:</p> <ul style="list-style-type: none"> <li>(a) the fee relates to costs incurred by the trustee, or the trustees, of a superannuation entity that are directly related to an activity of the trustee, or the trustees: <ul style="list-style-type: none"> <li>(i) that is engaged in at the request, or with the consent, of a member; or</li> <li>(ii) that relates to a member and is required by law; and</li> </ul> </li> <li>(b) those costs are not otherwise charged as an administration fee, an investment fee, a buy sell spread, a switching fee, an advice fee or an insurance fee.</li> </ul>
<b>Administration fee</b>	<p>An <b>administration fee</b> 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:</p> <ul style="list-style-type: none"> <li>(a) borrowing costs; and</li> <li>(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</li> <li>(c) costs that are otherwise charged as an investment fee, a buy-sell spread, a switching fee, an activity fee, an advice fee or an insurance fee.</li> </ul>
<b>Advice fee</b>	<p>A fee is an <b>advice fee</b> if:</p> <ul style="list-style-type: none"> <li>(a) the fee relates directly to costs incurred by the trustee, or the trustees, of a superannuation entity because of the provision of financial product advice to a member by: <ul style="list-style-type: none"> <li>(i) a trustee of the entity; or</li> <li>(ii) another person acting as an employee of, or under an arrangement with, a trustee or trustees of the entity; and</li> </ul> </li> <li>(b) those costs are not otherwise charged as an administration fee, an investment fee, a switching fee, an activity fee or an insurance fee.</li> </ul>
<b>Buy/sell spreads</b>	<p>A <b>buy-sell spread</b> 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.</p>
<b>Indirect cost ratio (ICR)</b>	<p>The <b>indirect cost ratio</b> for an investment option offered by a superannuation entity, is the ratio of the total of the indirect costs for the investment option, to the total average net assets of the superannuation entity attributed to the investment option.</p> <p>Note: A fee deducted from a member's account or paid out of the superannuation entity is not an indirect cost.</p>
<b>Investment fee</b>	<p>An <b>investment fee</b> is a fee that relates to the investment of the assets of a superannuation entity and includes:</p> <ul style="list-style-type: none"> <li>(a) fees in payment for the exercise of care and expertise in the investment of those assets (including performance fees); and</li> <li>(b) costs that relate to the investment of assets of the entity, other than: <ul style="list-style-type: none"> <li>(i) borrowing costs; and</li> <li>(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</li> <li>(iii) costs that are otherwise charged as an administration fee, a buy-sell spread, a switching fee, an activity fee, an advice fee or an insurance fee.</li> </ul> </li> </ul>
<b>Switching fee</b>	<p>A <b>switching fee</b> is a fee to recover the costs of switching all or part of a member's interest in the superannuation entity from one investment option or product in the entity to another.</p>

# How your pension works



## Important information

This section of the PDS summarises the key features of a smartMonday PENSION, depending on the type of pension you acquire. Account based pensions are subject to pension standards in Government legislation which must be adhered to by the trustee. This PDS does not describe all of the pension standards. In the event of any inconsistency between the PDS and the standards, the standards will prevail.

## Investing in a pension

You can invest super savings you hold (including super savings arising from the payment of insured benefits) in a pension with a rollover (or transfer) from another account you hold in the fund and/or another super fund if you are an Australian citizen, New Zealand citizen or permanent resident of Australia:

- are permanently retired and have reached your preservation age—see table on this page
- leave employment at or after reaching age 60
- are age 65 or over
- are permanently incapacitated or suffering a terminal medical condition as defined in superannuation legislation, or
- have reached preservation age (irrespective of your employment status) and are investing in a transition to retirement pension (TRP). See table on this page.

You cannot acquire a smartMonday PENSION account if you are a temporary resident (subject to some limited exceptions - contact us for details).

You cannot add to your smartMonday pension once it has commenced. If you wish to transfer additional super benefits into your pension, you will either have to commence a second smartMonday pension or commute your current smartMonday pension, consolidate your benefits in an accumulation account (for example, a smartMonday PRIME or DIRECT account), and set up a new smartMonday pension.

You can make withdrawals (eg commutations) from your pension account that are additional to your regular income payments if there are unrestricted non-preserved benefits or you meet a condition of release—see page 35. This means, generally, you cannot make additional withdrawals from a TRP above the maximum annual income payments permitted for a TRP.

You can rollover your pension to another pension provider at any time, subject to the pro rata minimum annual income payments being made from your smartMonday pension.

## Social security benefits

Your social security benefits may be affected when you invest in a superannuation pension. Centrelink and the Department of Veterans' Affairs both have an assets test and an income test to determine the amount of your social security benefits, including the age pension or service pension you are eligible to receive from the Government.

Determining your social security entitlements and the effect your superannuation pension may have can be a complex topic. You should discuss your financial objectives and circumstances with a licensed financial adviser before making a decision to invest in a smartMonday PENSION. If you don't have an adviser, we can put you in touch with one. Call us on **1300 112 403** or email [ONE@smartMonday.com.au](mailto:ONE@smartMonday.com.au).

## Preservation ages

The preservation age is set by the Government and affects when you can access the preserved component of your super.

Your preservation age is based on your date of birth	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
1 July 1964 or after	60

# How your pension works

## Retirement pension and Transition to retirement pension (TRP)

There are two account-based pension options that can pay you a regular pension income stream out of your superannuation money, subject to the rules and limits set by the Government:

- **Retirement pension** — generally for those who have retired from the workforce, have suffered permanent incapacity or terminal medical condition and have unrestricted non-preserved super benefits to invest. The investment earnings in a retirement pension are generally tax-free, subject to a \$1.6 million limit that the Government places on the amount of superannuation that can be transferred by an individual (across all funds they participate in) to the tax-free retirement phase. If you breach the limit, you will personally have to pay additional tax. Refer to the information about tax on page 37 for further information. (The limit is subject to indexation over time).
- **Transition to retirement pension** — is designed for people who are planning to retire but may still want to continue working after they've reached their preservation age. 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 another condition of release. It will convert automatically once you turn 65. The investment earnings in a TRP are taxed at the concessional superannuation rate of up to 15%.

Retirement pension	Transition to retirement pension (TRP)
➤ Can be purchased only with unrestricted non-preserved super money.	➤ Can be purchased with restricted non-preserved, unrestricted non-preserved and/or preserved super monies. Any withdrawals from the TRP must first be made from any unrestricted non-preserved monies, then restricted non-preserved monies and finally preserved super monies.
➤ Elect to receive income payments monthly, quarterly, half-yearly or yearly.	➤ Elect to receive income payments monthly, quarterly, half-yearly or yearly.
➤ Income payments have a minimum annual limit based on your age and account balance at the start of your pension and, thereafter, at the start of each financial year— see page 34.	➤ Income payments have a minimum limit of 4% of your account balance (unless you are age 65 or over in which case a higher minimum limit applies) and a maximum annual limit of 10% of the account balance at the start of your pension and, thereafter, at the start of each financial year— see page 34.
➤ Make commutations/withdrawals at any time subject to conditions outlined on page 35.	➤ Generally, make commutations/withdrawals only if there are unrestricted non-preserved benefits or, in relation to preserved benefits and restricted non-preserved benefits, you meet another condition of release—see page 35.
	➤ Can convert to a retirement pension once you meet a condition of release—see page 35.

# How your pension works

## Steps to get started

To commence a smartMonday PENSION, you must complete the *Application* form contained in the Member kit accompanying this PDS. Applications must be accompanied by proof of ID.

The trustee reserves the right to reject your application in whole or in part.

Consider these steps when completing the *Application* form.

### 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. There may also be social security and taxation matters for you to consider, depending on your circumstances.

If you have a financial adviser, they can help you make decisions about your super and pension options, and a wide range of other financial matters. If you don't have an adviser, call **1300 112 403** or email us at **ONE@smartMonday.com.au**.

For personal taxation advice, you may also need to consult a taxation adviser. For information about social security, you can also contact the Department of Human Services' Financial Information Service (FIS) officers on **132 300**.

### 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). In relation to super savings you hold in another super fund or product, you can 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 proof of your identity. These rollovers can be made to an existing smartMonday accumulation (super) account you hold.

**WARNING:** When combining or rolling over your super from other funds, you should take care to consider the impact of any transaction costs (eg sell spread) that may apply and loss of any insurance cover you may have, in your other super funds.

**Please note:** If you don't already have a smartMonday super account with us, and you need to get your super together in one place, you may consider applying for a smartMonday DIRECT account before rolling over your super from other funds. smartMonday DIRECT is a product issued by Equity Trustees Superannuation Limited from the fund, and the Product Disclosure Statement (PDS) is available at **smartMonday.com.au**, or call us for more information. You should consider the PDS in deciding whether to acquire a smartMonday DIRECT account.

**Note:** If you do not want automatic insurance cover that you may be eligible for in smartMonday DIRECT, you can opt out of it on your *Application* form.

## Plan your pension payments

Choose the frequency and amount of income you wish to receive from your smartMonday pension, within limits set by the Government — see page 34. Of course, we'll need to know your bank account details to pay your income into. Pension payments are scheduled on the following months:

- > Monthly – every month;
- > Quarterly – March, June, September, and December;
- > Half-yearly – June and December;
- > Annually – June.

You can make changes to your arrangements by logging into your account online or sending us a *Change member details and options* form.

## Choose how you would like your pension to be invested

You can choose an investment option or a mix of options that suits you. We have two types of investment options:

- > Pre-mixed
- > Sector

See the *Investment* section on page 4 for more information about our range of investment options. If you don't choose an investment option on your application form, your application cannot be accepted.

Depending on what type of pension you are looking to set up, you'll need to choose your options from the relevant Retirement pension or Transition to retirement pension investment list.

Once you've commenced your pension, you can switch your investments at any time online or by sending us a *Change member details and options* form.

## Choose which investment options to drawdown your income

If you select more than one investment option for your pension account, you can choose which investment options you'd like us to draw your pension income payments from. We'll redeem units from these options when payments are due. If you don't choose your drawdown preference, we will redeem units in proportion to the investment strategy you hold. If there is an insufficient balance remaining in an investment option you have selected as part of your drawdown strategy, we will drawdown the payment by redeeming units on a pro rata basis across all the investment options you hold in your account. This strategy will continue until we receive an updated drawdown preference from you.

You can change your drawdown preference by logging into your account online or sending us a *Change member details and options* form.

## Nominate a beneficiary

It's important to let us know who you would like to leave your superannuation money to when you die. You should review your nomination/s regularly as circumstances can change. See the next page for more information on the different types of nominations.



# How your pension works

## Death benefit nominations

There are three 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 or by completing the relevant section of a *Change member details and options* form and sending it to us.

You can hold only one type of death benefit nomination on your account. In the event that you hold two or more death benefit nominations on your account, a valid reversionary beneficiary nomination will take precedence over all other nominations relating to your pension and, if you have not made a reversionary beneficiary nomination, a valid and effective binding death benefit nomination will take precedence over a non-binding death benefit nomination.

It's important to review your death benefit nomination regularly. Circumstances can change and you'll want to make sure your super savings are paid to the right people in your life.

### Reversionary nomination

Unlike binding and non-binding death benefit nominations, which can be made at any point in time, a reversionary beneficiary nomination can be made only at the time you set up your pension account.

A reversionary nomination allows you to nominate your spouse to receive your superannuation death benefit as a continuing income stream—your pension reverts to your spouse seamlessly on your death, if the nomination is still valid. This type of nomination takes precedence over all other types of death benefit nominations relating to your pension.

A reversionary nomination does not need to be renewed, but you should review your nomination if your personal circumstances change. For instance, if your spouse predeceases you or you divorce your spouse, your reversionary nomination will be considered invalid when the death claim is assessed.

If a reversionary beneficiary nomination is not valid at the time the death claim is lodged, the trustee will distribute your death benefit in accordance with the terms of the trust deed governing the fund, which sets out the following:

- The death benefit will be paid in accordance with any valid and effective binding nomination that has been accepted by the trustee and not revoked by you,
- If you have not made a binding nomination, or the nomination you have made is not valid or effective, the death benefit will be paid at the discretion of the trustee to any one or more of your Legal Personal Representative and Dependants in the proportions the trustee decides,
- If you do not have any Legal Personal Representative or Dependants, the death benefit will be paid to any other persons chosen by the trustee and permitted under the superannuation law in the proportions the trustee decides.

Any changes to a reversionary beneficiary nomination will require your pension to be commuted and set up again by completing a new *Application* form.

### Binding nomination

If you wish to make a binding death benefit nomination, which is legally binding on the trustee, complete and send us the *Binding death benefit nomination* form in the *Member kit*.

A binding nomination is valid for three years from the day after the date of signature and it can be renewed, revoked or amended at any time.

Generally, if your binding nomination is invalid (for example, the nomination has not been properly completed) or ineffective (for example, the nomination specifies a beneficiary who is not your dependant or legal personal representative), it becomes a non-binding nomination whereby the decision as to whom your death benefit is paid is at the discretion of the trustee.

### Non-binding nomination

You can make a non-binding death benefit nomination by logging in online once you've been set up for online services, or by completing the relevant section of a *Change member details and options* form and sending it to us. A non-binding nomination is used only as a guide to your wishes on who should receive your death benefit, and it is not legally binding on the trustee. It's a handy option if you want to get something in place quickly while you consider a more permanent option. You should review your nomination regularly.

# How your pension works

## Income payments and commutations

An account-based pension allows you to choose the amount of income you would like to receive each year, subject to your account balance and the limits set by the Government.

### Income payments

Regular income payments are made from your account until your account balance is exhausted. If you die, the trustee will pay the remainder of your benefits in accordance with any binding instructions you provided in your death benefit nomination or in accordance with the obligations set out in the fund's trust deed (see page 33).

### Frequency of payments

You can choose to receive regular payments monthly, quarterly, half-yearly or yearly. Pension payments are scheduled on the following months:

- Monthly – every month;
- Quarterly – March, June, September, and December;
- Half-yearly – June and December;
- Annually – June.

For each payment, units in your account will be redeemed at the prevailing unit price (see page 19 for information on unit prices).

Payments can be made via direct credit into your bank account. Payments are made on the 15th of the month (or the following month if your application is received after the 10th of any month). Payments will be made at the selected frequency thereafter. Payments should be in your bank account by the 21<sup>st</sup> of the month.

At the beginning of each financial year, we'll write to you asking you to elect your pension income payment amount for the year (see next page *Changing your income payments*).

### Income payment amounts

The Government sets the minimum level of income that must be drawn from a pension. This will depend on your age and account balance (see the table on this page).

### Minimums

You can work out your minimum payment amount by multiplying the balance you have when you open your pension account and at the start of each financial year by the amount in the table below which is relevant to your age. (Annual payments are always rounded to the nearest \$10.)

If you start your pension part way through the financial year (on a date other than 1 July), the minimum is a pro rata amount based on the number of days left in the year to receive your income payments—see the example on the next page.

If you start your pension in June, no minimum payment applies for that month (in the first financial year you open your pension account).

Transfers or rollovers to other super funds (and any other lump sum commutations) do not count towards meeting the minimum annual payment.

### Minimum annual income for each financial year\*

Age	% of account balance
Under 65	4
65 to 74	5
75 to 79	6
80 to 84	7
85 to 89	9
90 to 94	11
95+	14

\* Sometimes the Government revises the minimum annual income. If this happens, we will provide updated information on our website at [smartMonday.com.au](http://smartMonday.com.au).

### Maximums

No maximum annual income payment limits apply to a retirement pension.

If you have a TRP, there is a maximum annual income payment limit set by the Government of 10% of the account balance at the start of your pension and at the start of each financial year. (Please note that the minimums in the table above also apply to a TRP).

# How your pension works

## Example

### Minimum annual income payment with a 1 July start date

If you open your pension account with \$150,000 on 1 July 2019 and you are under 65 years of age, calculate your minimum annual payment as follows:

$$\$150,000 \times 4\% = \$6,000 \text{ pa}$$

This would mean that the minimum pension income amount for the year would be \$6,000 and you must elect to take at least this amount in the financial year. If you take monthly payments of this amount, it would work out to \$500 per month (ie  $\$6,000/12 = \$500$ ).

### Minimum annual income payment with a start date other than 1 July

If you open your pension account with \$150,000 on, say, 1 January 2020 and you are under 65 years of age, you would calculate your minimum annual payment as follows:

$$\$150,000 \times 4\% = \$6,000 \text{ pa}$$

$$\$6,000 \times 181 \text{ days remaining} / 365 \text{ days} = \$2,980 \text{ pa}$$

(rounded to the nearest \$10)

This would mean that the minimum pension income amount for the remainder of the year would be \$2,980 and you must elect to take at least this amount in the financial year. If you take monthly payments of this amount it would work out to \$497 per month (ie  $\$2,980/6 = \$497$ ).

## Changing your income payments

We will send you a letter at the beginning of each financial year that includes your minimum annual income payment amount for the year. At this time you will be able to elect the payment amount you wish to receive for the financial year. This amount must be above the minimum, and for a TRP, must be below the maximum stipulated under the law.

You can change the amount and frequency of your payments (within the set limits) by logging into your account online, completing a *Change member details and options* form at [smartMonday.com.au](http://smartMonday.com.au) or calling us on **1300 112 403**. Any change to your pension payment amount will be treated as regular pension payment (not a commutation) unless you elect (where permissible) that the amount is not a pension payment.

The trustee reserves the right to change your payment amount or frequency where it considers necessary or appropriate to ensure Government pension standards are met.

If your pension account is invested in more than one investment option, you can choose which investment options you'd like us to draw your income payments. We'll redeem units from these options when payments are due. If you don't make a selection, we will redeem units in proportion to the investment strategy you hold.

You can change your drawdown preference by logging into your account online or by sending us a *Change member details and options* form.

## Commutations (withdrawals)

You can make lump sum withdrawals of all or part of your retirement pension account at any time, provided you have received the minimum income payment for the period.

If you invest in a TRP, there are restrictions on accessing any preserved and restricted non-preserved amounts that are in excess of the maximum annual income payment. Very limited exceptions apply, for example, to give effect to a family law payment split.

Your TRP will be converted to a retirement pension when you notify us that you've met a 'condition of release' which gives you unrestricted access to your TRP account balance, including:

- > reaching preservation age and permanently retiring from the workforce
- > leaving employment at or after age 60, or
- > reaching age 65 (converts automatically).

You will then be able to make lump sum withdrawals from your pension subject to the retirement pension rules.

You may be able to withdraw preserved and restricted non-preserved benefits before this if the super benefit is used to commence a new TRP or is invested back into an accumulation account in smartMonday or (by rollover to) another super fund. See your adviser or contact us for more information.

You can request a commutation by using a *Commutation or rollover request* form at [smartMonday.com.au](http://smartMonday.com.au) or by calling us on **1300 112 403**. Commutation requests must be accompanied by proof of ID.

**Note:** There are some situations in which you may be required by the Australian Taxation Office and/or the trustee to commute all or part of a retirement pension, to ensure the tax-free status of underlying pension assets is maintained.

## Cooling off and complaints

### Cooling-off period

You have a cooling-off period of 14 days (plus 5 days) after your smartMonday PENSION account is opened or when you received confirmation of the account's establishment (whichever is earlier). During this period, you can cancel your pension membership and we will deal with any investment amount you've made to your account in accordance with Government legislation. In the case of a Retirement pension, your investment amount can be refunded to you. In the case of a Transition to retirement pension the amount of the refund will ordinarily need to be retained in the superannuation system. Adjustments for investment fluctuations, taxes and fees or costs as permitted by Government legislation will be made to the refunded amount. Call us on **1300 112 403** for details.

### Complaints

We take complaints very seriously and will do our best to make things right, and we learn from your feedback so we can improve our processes for next time. To help us achieve that goal we've set up a formal procedure to ensure your matter is handled fairly and also as quickly as possible.

#### Call us

As a first step we always recommend calling us on **1300 112 403**. Alternatively, you can contact AFCA at any time (see below).

#### Write to us

If we're unable to resolve the matter immediately we'll ask you to put your complaint in writing to the 'Enquiries Officer' at:

- > **Email:** [ONE@smartMonday.com.au](mailto:ONE@smartMonday.com.au)
- > **Post:** PO Box 1282, Albury NSW 2640

#### Let us put it right

The length of time required to resolve your enquiry or complaint depends on the nature and complexity of the matter. By law, we're required to deal with your complaint within 90 days. We'll certainly attempt to do so as quickly as possible and we'll keep you informed of progress along the way.

#### Still not happy?

You may also refer the matter to:

Australian Financial Complaints Authority (AFCA)

**Post:** GPO Box 3, Melbourne VIC 3001

**Phone:** 1800 931 678

**Email:** [info@afca.org.au](mailto:info@afca.org.au)

**Online:** [www.afca.org.au](http://www.afca.org.au)

AFCA is a service authorised by the Government that provides fair and independent financial services complaint resolution. It is free to use. Time limits may apply to make a complaint with AFCA so you should act promptly or otherwise consult the AFCA website to find out if or when the time limit relevant to your circumstances expires.

# Tax and privacy

## Tax

Tax on pensions can be complex and taxation laws can change from time to time. This section provides a summary of key tax rules relevant to pensions assuming we hold your tax file number, and is subject to change from time to time. Talk to your financial adviser or visit [ato.gov.au/super](https://ato.gov.au/super) for the latest information including tax thresholds and rates applicable from year to year.

Another good source of information on super is the Australian Securities and Investments Commission (ASIC) website [moneysmart.gov.au](https://moneysmart.gov.au).

The tax information below is based on relevant tax laws at the time of preparation of this PDS.

If the taxable component of any lump sum or pension benefit contains an untaxed element, higher tax may apply.

### Providing your tax file number (TFN)

Under the law, we must request your TFN. You are not obliged to provide your TFN but, if you don't, we may have to withhold tax from your income payments at the highest marginal tax rate if you are under 60. For more information about TFNs, refer to page 39.

### Taxation of superannuation rollovers and lump sums

#### Roll overs

If you are under 60, by rolling over your super lump sum into a smartMonday PENSION, you can defer or eliminate the payment of any tax on the lump sum that would be payable if you 'cashed' it. See *Commutations* on page 35.

#### Untaxed lump sum payments

Tax at the rate of 15% applies to certain portions of super lump sum rollovers which have not been subject to tax and are used to invest in a pension. Typically, this applies to rollovers from untaxed super funds such as public-sector schemes.

### Tax on investment earnings

Generally, no tax is payable by the trustee on the investment earnings in a retirement pension. Tax on notional earnings on amounts in excess of a Government limit on the amount of money that can be held by an individual in the tax-free retirement phase may be payable by a member, depending on their circumstances.

Tax of up to 15% is deducted from investment earnings in a transition to retirement pension. This tax is taken into account in the unit prices (and net returns) for the investment options for transition to retirement pensions.

#### The 'transfer balance cap' - \$1.6 million

The Government places a limit (\$1.6 million in the 2019/2020 financial years, subject to indexation over time) on the amount of money that can be transferred to the tax-free retirement phase of super. Any notional earnings on the amount above this limit (excess amount) is subject to tax up to 15% (for the first breach of the limit) or 30% (for subsequent breaches), payable directly by you. The notional earnings are based on a calculation set by legislation and calculated. The tax applies while the limit is exceeded, that is, until you commute (withdraw) the excess amount, for example, by transferring the excess amount into an accumulation account. This can be managed, for example, by opening an account in smartMonday DIRECT into which the excess amount can be transferred. The Product Disclosure Statement (PDS) for smartMonday DIRECT is available on the website at [smartMonday.com.au](https://smartMonday.com.au) or call us for more information. You should consider the PDS in deciding whether to acquire a smartMonday DIRECT account.

# Tax and privacy

## Income payments (*other than income payments to a reversionary beneficiary*)

### Under 60

When you invest in a pension the tax-free and taxable components of your lump sum benefit will be proportioned to determine what part of your pension is to be treated as taxable income.

No tax is deducted from the tax-free portion of your pension payments. The taxable portion of your pension payments is fully assessable and is subject to tax at your marginal tax rate although a tax offset may apply (see below). Tax will be deducted from each payment in accordance with the pay as you go (PAYG) income tax rate and paid to the ATO.

You will receive a PAYG payment summary at the end of each financial year for you to include in your tax return.

### 60 and over

Generally, all pension payments are paid tax-free.

### Tax offset

You may be entitled to a tax offset of up to 15% on the amount of each pension payment that is assessable for income tax purposes. This offset is generally only available for pension payments made after you reach your preservation age or, if you are below your preservation age, your benefit qualifies as a disability superannuation benefit.

## Commutations

If you commute/withdraw a lump sum from your pension account, it will be taxed as a superannuation lump sum, unless you are age 60 or over in which case it will be tax-free. If taxable as a lump sum, tax (up to 20%, plus the Medicare levy) is only generally applicable to the amount of any taxable component in excess of a tax-free threshold (\$210,000 for the 2019/2020 financial year, subject to future indexation).

Commutations will be proportioned between the tax-free and taxable components of your pension payments. The proportions that apply are calculated at the commencement of your pension.

You cannot elect that a payment from a transition to retirement pension (up to the maximum annual payment limit) is to be treated as a lump sum withdrawal. All payments from preserved and unrestricted non-preserved monies in a transition to retirement pension will be treated as regular pension payments for tax purposes.

If you receive your transition to retirement pension balance as a lump sum benefit because you suffer a terminal medical condition, your benefit will be tax-free regardless of your age.

## Tax on death benefits

Tax on death benefits varies according to who receives the benefit and how it is paid. Lump sum death benefits are tax-free if paid to a spouse, a child under the age of 18, or any person financially dependent on you or in an interdependent relationship with you.

Lump sum death benefits paid to a non-dependant for tax purposes are taxed at 15% on the taxable component, plus Medicare levy.

If a death benefit is paid to your legal personal representative (ie your estate), they will be responsible for withholding the appropriate level of tax for the final beneficiary.

The tax treatment of death benefits paid to a reversionary beneficiary as an income stream depends on the age of the member and their beneficiary spouse at the time of the death claim. For example, where either of the deceased or recipient are 60 or older, the pension will usually be tax-free. The personal circumstances of the reversionary beneficiary may also affect the tax treatment of investment earnings associated with their benefit.

The tax rules applicable to death benefit pension payments are complex and you should obtain taxation and financial advice relevant to you (and your beneficiary's) circumstances if you would like further information about this.

# Tax and privacy

## Privacy

### Your right to privacy

When you provide instructions to us, we will be collecting personal information about you. This information is needed to admit you as a member of the fund, administer your superannuation benefits and identify when you may become entitled to your benefits and to comply with Australian taxation laws and other applicable laws and regulations. If the information requested is not provided, we may be unable to administer your benefits, or your benefits may be restricted.

### Privacy Statement

A copy of the trustee's privacy statement is available at [eqt.com.au/global/privacystatement](http://eqt.com.au/global/privacystatement). Alternatively, you can contact the trustee's Privacy Officer on (03) 8623 5000 or via email at [privacy@eqt.com.au](mailto:privacy@eqt.com.au). You should refer to the Privacy Statement for more detail about the personal information that we collect and how personal information is collected, used and disclosed. Some general information is set out below.

### Use and disclosure

The information that you provide may be disclosed to certain organisations to which we have outsourced functions, or which provide advice to us and/or to Government bodies, including but not limited to:

- Organisations involved in providing, administration and custody services for the fund, the fund's insurers, accountants, auditors, legal advisers, and/or those that provide mailing and/or printing services.
- In the event that you make a claim for a disablement benefit, the insurer may be required to disclose information about you to doctors and other experts for the purposes of assessing your claim.
- The ATO, APRA, ASIC, AUSTRAC, Centrelink and/or other government or regulatory bodies.
- Those where you have consented to the disclosure and/or as required by law.

In some cases, these organisations may be situated in Australia or offshore.

Aon is the administrator of the fund, and its privacy practices are set out in the *Aon Australia Group Privacy Policy Statement* at [smartMonday.com.au](http://smartMonday.com.au).

### Your tax file number (TFN)

Under the Superannuation Industry (Supervision) Act 1993, we are authorised to collect, use and disclose your TFN. We may disclose it to another super fund, when your benefits are being transferred, unless you request us in writing that your TFN not be disclosed to another super fund.

Declining to quote your TFN to us is not an offence, however providing your TFN will have the following advantages:

- the fund will be able to accept all permitted types of contributions to your account;
- other than the tax that may ordinarily apply, you will not pay more tax than you need to – this affects both contributions to your super and benefit payments when you start drawing down your super benefits; and
- it will make it much easier to find different super accounts in your name so that you receive all your super benefits when you retire.

### Direct marketing

We may from time to time provide you with direct marketing and/or educational material about products and services we believe may be of interest to you. Should you not wish to receive this information from us (including by email or electronic communication), you have the right to 'opt out' by contacting us.

### Access and correction

Subject to some exceptions allowed by law, you can ask for access to your personal information. You will be given reasons if you are denied access to this information. Our Privacy Statement outlines how you can request to access and seek the correction of your personal information.

### Privacy complaints

Our Privacy Statement contains information about how you can make a complaint if you think we have breached your privacy and about how we will deal with your complaint.

### Customer identification

The AML/CTF Act requires the providers of financial products and services to conduct customer identification. This may occur on account opening, during the course of the customer relationship and/or upon withdrawal of funds. You will be asked to provide copies of appropriate documentation to verify your identity. This may affect processing times for certain transactions – for example, withdrawals may be delayed if suitable identification is not provided when requested. We will not be liable to you if any transactions or requests are delayed or refused due to any AML/CTF Act requirement.



E. [ONE@smartMonday.com.au](mailto:ONE@smartMonday.com.au)  
P. 1300 112 403  
W. [smartMonday.com.au](http://smartMonday.com.au)  
M. PO Box 1282 Albury NSW 2640