

# PERPETUAL SMALL APRA FUND SERVICE

Product Disclosure Statement

**PRODUCT DISCLOSURE STATEMENT**

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Perpetual 

## IMPORTANT NOTES

A Small APRA Fund (SAF) is a 'do-it-yourself' superannuation fund (DIY fund) with less than five members and a professional trustee. SAFs are subject to prudential regulation by the Australian Prudential Regulation Authority (APRA).

You should read this Product Disclosure Statement (PDS) carefully before making a decision to use the Service.

Unless otherwise stated in relation to particular disclosures, references in this PDS to 'we', 'us', 'our', 'trustee' and 'Perpetual' are to Perpetual Superannuation Limited, the trustee of the Funds using the Service.

Perpetual Superannuation Limited is a wholly owned subsidiary of Perpetual Limited (ABN 86 000 431 827) and a member of the Perpetual Group.

'Perpetual Group' means Perpetual Limited and its subsidiaries.

'Fund' means your SAF to be specified in the application form included in this PDS. Each Fund has a trust deed that sets out the rules for the establishment and operation of the Fund.

References to 'you' or 'your' are to members and prospective members of a Fund using the Service.

The Service includes the establishment of your Fund (if required), trustee, fund and investment administration and asset custody services for your Fund. We will act as trustee of your Fund and another company in the Perpetual Group will hold your Fund's assets as custodian.

References to 'the law' are to the Superannuation Industry (Supervision) Act 1993 (SIS), the Corporations Act 2001, Regulations made under these Acts, general trust law and any other applicable laws.

This PDS is only available to persons receiving it (electronically or otherwise) within Australia.

You may request further information which has previously been made available to the public and which might reasonably influence your decision whether to use the Service. Such information is accessible by contacting us (see inside back cover of this PDS for details). We'll tell you if there is a charge to provide you with this further information.

Your interest in your Fund is subject to investment risk. These risks may include the loss of income and capital invested.

Neither we nor any company in the Perpetual Group, nor any other party referred to in this PDS, guarantee that you will earn any return on your Fund's investments or that your investment will gain in value or retain its value.

This PDS describes the important features of the Service. You should read this PDS carefully before making a decision to establish a SAF in, or transfer an existing DIY fund into, the Service. This PDS should help you to decide whether the Service will meet your needs and may assist you to compare it to others.

The information contained in this PDS is of a general nature only. It is factual information only, based on legislation current as at the issue date of this PDS. No responsibility is accepted for any loss created as a result of subsequent legislative changes.

We may update this PDS (including terms and features of the Service where we are permitted under the trust deed) for changes that are not materially adverse without issuing a supplementary PDS. The PDS and updated information will be available at our website and you can also obtain a paper copy free of charge, on request. If we make or become aware of any change that is materially adverse, we'll replace this PDS or issue a supplementary PDS. Any replacement and/or supplementary PDS will be available at our website and you can also obtain a paper copy free of charge, on request. If there is an increase in fees and costs (other than Government fees and charges), 30 days' prior written notice will be given to you.

You should keep a copy of the current PDS and any other supplementary material updating the PDS for future reference.

This PDS does not take into account any member's particular investment objectives, financial situation or needs. We recommend that you obtain professional advice from a financial and/or tax adviser, taking into account your own objectives, financial situation and needs, before deciding to use the Service. You should also assess and consider the tax implications of having a SAF.

Applications to use the Service may only be made on the relevant application form provided in the current PDS.

All amounts in this PDS are in Australian dollars (unless otherwise specified). A business day is a working day for Perpetual in Sydney.



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# GENERAL INFORMATION

## INTRODUCTION

### ABOUT DO-IT-YOURSELF SUPERANNUATION

Superannuation funds are long-term savings vehicles designed to help provide an income to you in retirement. They offer a number of tax concessions, for example:

- when you contribute, you can invest 'before tax dollars' through salary sacrifice or claim a tax deduction in some circumstances for personal contributions
- while your money is invested, you benefit because complying superannuation funds are concessional tax, with a maximum tax rate of 15% and
- when you receive the benefits, you generally won't pay any tax on them if you are aged 60 and over.

DIY funds are very flexible vehicles that enable you to effectively accumulate and manage your retirement assets. SAFs can have up to four members, and give the members the ability to invest their super directly into a wide variety of assets, including shares and real estate. They also allow members to have flexibility and influence over the way their superannuation is managed, and the benefits it provides.

### ABOUT PERPETUAL SMALL APRA FUND SERVICE

The Service is a comprehensive trustee, fund, investment administration and asset custody service for SAFs. It operates on the basis that we act as trustee of your new Fund that we establish for you or we become the trustee of your existing DIY fund.

As the trustee of your Fund, we must meet competency and capital adequacy standards set by APRA and will be responsible for the administration, management and compliance of your Fund.

The Service uses Perpetual Private Investment Wrap, an investor directed portfolio service (IDPS) operated by Perpetual Trustee Company Limited ABN 42 000 001 007, AFSL 236643 (PTCo), in providing custody and investment administration services to your Fund.

Each member may have a number of different accounts within the Fund providing for a range of superannuation and pension benefits.

We suggest a minimum initial balance of \$400,000 to set up a SAF under the Service and our minimum administration fees (refer to the 'Fees and other costs' section for details) are based on this amount.

### THE SERVICE ALLOWS YOU TO:

- take advantage of more sophisticated wealth management and accumulation strategies
- be relieved of the burden of the day-to-day fund administration

- have a high level of input into your superannuation investment portfolio
- make superannuation contributions
- roll over superannuation benefit payments
- receive superannuation benefit payments and/or
- receive a retirement income.

Your financial and/or tax adviser can assist you in this regard.

## ADVANTAGES OF A SAF WITH THE SERVICE

### FLEXIBILITY

The investment options available with a SAF give you more investment control, allowing you to tailor investments to better meet your needs and expectations.

The Service gives you the flexibility to mix superannuation benefit payments with pensions, as appropriate to your specific circumstances.

Pensions paid from your Fund allow you to retain more control over your capital and investments than most other types of retirement income streams.

### TAX MANAGEMENT

A SAF provides you with a vehicle that can accommodate sophisticated retirement and financial planning strategies, including capital gains tax (CGT) management.

Accumulating wealth using a SAF generally gives you control over the timing of asset sales and purchases, which plays a major role in managing your Fund's tax position.

When you retire after age 60 your Fund can pay you a lump sum and/or pension which is generally tax-free.

### ESTATE PLANNING

For most Australians, superannuation forms a significant part of their accumulated wealth. The Service allows you to retain control over your retirement capital and can play a key role in your estate planning arrangements.

### PEACE OF MIND

The Service will remove the trustee and administrative burden associated with running your Fund and its pensions. We handle the day-to-day safekeeping of assets and administration matters, leaving you free to focus on investment and financial planning decisions.

## AN ORGANISATION YOU CAN TRUST

Perpetual Superannuation Limited is part of the Perpetual Group, which is one of Australia's most trusted financial services institutions and has been in operation for over 125 years.

## PERPETUAL SMALL APRA FUND SERVICE AT A GLANCE

| FEATURES                                | PERPETUAL SMALL APRA FUND SERVICE  |
|---|--|
| <b>Fund establishment</b>               | Prepares and executes your Fund's trust deed   |
|   | Lodges election to become a regulated fund   |
|   | Applies to APRA for the Registrable Superannuation Entity (RSE) number for your Fund               |
| <b>Transfer of an existing DIY fund</b> | Prepares trust deed amendments to align to Perpetual's standard rules                              |
|   | Assesses completeness of Fund records and administration   |
|   | Collates information to enable transfer  |
|   | Transfers assets and enters Fund records onto our systems  |
| <b>Asset custody and management</b>     | Holds all assets in safekeeping  |
|   | Arranges asset purchases and sales   |
|   | Collects and reconciles income received  |
|   | Pays Fund expenses   |
|   | Manages real property <sup>1</sup>   |
| <b>Fund and member reporting</b>        | Confirms all transactions with quarterly periodic account statements                               |
|   | Provides website access to up-to-date asset and transactional information                          |
|   | Prepares annual member reports   |
|   | Provides copy of annual accounts   |
| <b>Compliance and administration</b>    | Ensures compliance with the law  |
|   | Prepares annual accounts   |
|   | Prepares and lodges regulatory returns   |
|   | Maintains the trust deed   |
|   | Completes Fund accounting  |
|   | Completes Fund and member record keeping   |
|   | Prepares and lodges business activity statements and instalment activity statements where required |
|   | Completes annual PAYG withholding tax reporting  |
|   | Arranges Fund audit  |
|   | Liaises with regulatory authorities  |
| <b>Benefit payments</b>                 | Makes payment decisions  |
|   | Makes superannuation benefit payments  |
|   | Produces superannuation benefit payments documentation   |
|   | Establishes pensions   |
|   | Makes pension payments   |
| <b>Investments</b>                      | Provides a range of investment strategies to choose from   |
|   | Allows investment in a wide range of investment types <sup>2</sup>                                 |
|   | Online share trading is available <sup>3</sup>   |
|   | Ensures investment compliance with the law   |
|   | Monitors investments to ensure compliance with selected investment strategy                        |

1 Perpetual generally outsources this service on behalf of the Fund.

2 Either you or your authorised adviser make investment recommendations to Perpetual as trustee of your Fund. Perpetual provides guidelines with respect to investments it can accept as trustee in compliance with the law – see 'Your Fund's investments' starting on page 12 for further information.

3 You can use a simple, convenient online trade placement and execution facility. If you would like to use the 'Online share transaction facility', contact us for further information. Once you accept its terms and conditions, we'll then establish your transaction facility and send you your account details and password.

## THE MAIN PARTICIPANTS

### YOU

DIY superannuation is not for everyone, however our experience suggests that it can be suitable for people:

- with at least \$400,000 to invest in super
- who want to have a significant role in determining their Fund's investments, either directly or through their adviser and/or
- wishing to take advantage of the more sophisticated wealth accumulation and management strategies afforded by a SAF (your financial adviser may assist you).

### TRUSTEE

Perpetual will be the trustee of your Fund. Under the law Perpetual has responsibility for maintaining your Fund's compliance with the law to secure the resulting tax concessions and to ensure that your Fund is maintained in the best interests of the members.

### CUSTODIAN

Custody refers to the safekeeping of assets on behalf of another. The custodian holds assets, collects and reconciles income, settles asset purchases and sales, re-values assets and facilitates any offshore investments.

A company in the Perpetual Group will hold custody of all of your Fund's assets. This may involve the appointment of sub-custodians. Any additional costs for a sub-custodian's service are detailed in the 'Fees and other costs' section.

### ADMINISTRATOR

Perpetual has a dedicated team which specialises in DIY fund administration. The administration team is responsible for your Fund's establishment or transfer and administration.

### YOUR ADVISER

Your adviser is integral to the establishment (if required) and ongoing management of your Fund. As your main point of contact for Fund queries, your adviser can help you identify an appropriate investment strategy which best suits your risk profile and needs, and can provide you with information about the investment options available to implement the strategy.

Your adviser will be authorised to place your investment instructions for the Fund (including to buy and sell investments). We will act on the instructions received from your adviser as if those instructions were from you.

Details of the services your adviser will provide will be outlined in the Financial Services Guide and Statement of Advice they are obliged to give you.

## GETTING STARTED

To use the Service, you will need to either set up a new SAF or transfer an existing DIY fund (SAF or SMSF) into the Service.

### SETTING UP A NEW SAF

#### 1. APPLYING

Setting up a new SAF is easy and your financial adviser is well placed to help you. Simply fill in the relevant application forms attached to this PDS and send them to us at the address on the inside back cover.

Each member of your Fund will need to fill in an application form.

Perpetual reserves the right to accept your application in its absolute discretion.

#### 2. INITIAL CONTRIBUTIONS AND ROLLOVERS

You will find 'Contribution details' forms on pages 57 and 59 to use for making contributions. More details on the types of contributions that can be made to your Fund can be found on pages 18-20.

If you are setting up a new SAF using a rollover from another fund, we'll need to send a transfer instruction to that fund. The 'Benefit transfer request' form on page 53 can be used for this purpose.

Limits apply to both concessional and non-concessional contributions (see page 19 for details).

#### 3. ONCE ESTABLISHED

We'll notify you once your Fund is fully established and ready to operate, and will send you details of our investment policy, administration guidelines and a copy of your Fund's trust deed. Where required we will also apply to the Australian Taxation Office (ATO) for an Australian business number (ABN) and/or register your Fund for goods and services tax (GST) purposes.

### TRANSFERRING AN EXISTING DIY FUND

If you have an existing DIY fund, you may transfer this fund to Perpetual. This means that, depending on the nature of the fund and its investments, Perpetual may agree to being appointed as trustee. The process involved is outlined below:

#### 1. ASSESSMENT

We must first determine whether or not we'll be prepared to act as trustee for the Fund. We'll send you a detailed checklist of the information that we need to make this assessment, including:

- completed application forms from all members
- the DIY fund's original trust deed and all amending deeds
- a current list of all assets held by the DIY fund
- a copy of the DIY fund's most recent set of audited financial statements



- a copy of the DIY fund's current investment strategy
- a copy of the regulator's acknowledgment that the DIY fund is a regulated fund under the law and
- confirmation of lodgement of prior years' tax and regulatory returns.

Once we have reviewed the information provided, we'll advise you of any further information required prior to Perpetual becoming trustee.

## 2. RETIREMENT AND APPOINTMENT

We'll generally prepare any necessary legal documentation to effect the retirement of the existing trustee, appointment of Perpetual as the new trustee, and amendment to the rules of your Fund so that our standard SAF rules apply. You should speak to your legal, financial and/or tax adviser before executing any legal documentation as there may be tax and other consequences.

Once you appoint Perpetual as the trustee of your Fund, we'll notify APRA and the ATO.

## 3. COLLATE AND RECONCILE FUND INFORMATION

Perpetual must establish and confirm the Fund's present financial position. This involves us processing in our administration system all of the Fund's transactions from the most recent audit up to the present date. At the same time we confirm the CGT history of the assets and the exact asset holdings.

The length of time that this will take to complete will depend on the types of assets held, the frequency of purchases and sales and any dividend reinvestment or other relevant transactions, as well as the quality of the data received.

If we find that prior work is incomplete or requires rectification, we'll inform you and provide an estimate of the cost for us to complete that work.

During this stage it is important to make as few transactions as possible, as this adds to the complexity of the reconciliation we need to do and the time it will take to complete. As a result we recommend that you make any investment changes in your DIY fund prior to commencement of the transfer.

## 4. TRANSFER OF ASSETS AND CASH

The Fund's assets are transferred into the name of the custodian. Generally an asset transfer document is required. This may result in stamp duty being incurred by the Fund. In some instances we may ask you to provide us with a limited power of attorney, to assist with the efficient transfer of assets.

## 5. FUNDS PAYING PENSIONS

Where an existing DIY fund is paying a pension, we'll require full details about the pension, together with details of the current year pension calculations.

## 6. FUNDS WITH INSURANCE POLICIES

Where a DIY fund provides insurance benefits for a member, we'll need to arrange the transfer of the policy into Perpetual's name as trustee of your Fund. Usually this requires completion of a memorandum of transfer to be sent with the original policy document to the insurer for endorsement and registration.

## 7. TAKEOVER COMPLETION

Once the assets have been transferred to us and the Fund established within our administration system and provided we have received confirmation from the ATO and APRA, your Fund is fully operational. Where required, we will also apply to APRA for a Registrable Superannuation Entity (RSE) number.

## PROOF OF IDENTITY REQUIREMENTS

All members of your Fund must complete the 'Customer identification form – Individuals and sole traders' (which is provided with this PDS and is also publicly available at our website) so that we can satisfy our obligations under the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 to verify your identity. You must also provide certified copies of identification documents as outlined. Failure to provide completed 'Customer identification forms' by all members with your application may result in a delay in processing your application or paying you a benefit.

We may also require additional information from you to assess your application and after we have accepted your application to use the Service.

The section titled 'About AML/CTF legal requirements' in the 'Customer identification form' provides important information about our obligations under this legislation (including collecting and verifying personal information about you, monitoring your transactions and reporting certain information to the regulator), which you should read. We are not liable for any loss you may suffer as a result of our compliance with this legislation.

# UNDERSTANDING RISK

## INVESTMENT RISKS

All investments carry risk. The value of your Fund's investments may fall for a number of reasons, which means that you may receive back less than your original investment when you withdraw or you may not receive income over a given timeframe. Before making an investment decision, it's important to understand the risks that can affect the value of your Fund's investments. While it's not possible to identify every risk relevant to investing, we have detailed in the following table significant risks that may affect your Fund's investments. Different strategies may carry different levels of risk, depending on the assets that make up the strategy, and assets with the highest long-term returns may also carry the highest level of short-term risk due to their generally larger fluctuations in returns.

Before making an investment decision, it is important to understand the risks that can affect the value of your Fund's investments. The level of risk for each person will vary depending on age, investment timeframes, other investments and risk tolerance.

The risk information contained in this PDS is of a general nature only. You should also obtain specific information about the risks associated with any particular investments that you may choose for your Fund.

Your financial adviser can assist you in determining appropriate investments for your Fund.

## SIGNIFICANT RISKS

| TYPE OF RISK                    | DESCRIPTION OF RISK   |
|---------------------------------|---|
| Investment risk                 | The value of the investments in your Fund may fall for a number of reasons, including the risks set out below.  |
| Market and economic risk        | Certain events may have a negative effect on the price of all types of investments within a particular market. These events may include changes in economic, social, technological or political conditions, as well as market sentiment.  |
| Asset risk                      | A particular asset that your Fund invests in may fall in value, which can result in a reduction of your investment.   |
| Currency risk                   | For investments in international assets, which have currency exposure, there is potential for adverse movements in exchange rates to reduce their Australian dollar value. For example, if the Australian dollar rises, the value of international investments expressed in Australian dollars can fall.  |
| Interest rate risk              | Changes in interest rates may have a negative impact, either directly or indirectly, on investment returns.   |
| Credit risk                     | The issuer or party to a transaction may not repay the principal, make interest payments or fulfil other financial obligations in full and/or on time.<br>The market value of an investment can also fall significantly when the perceived risk of a note or bond increases or its credit rating declines.  |
| Liquidity risk                  | The absence of an established market or shortage of buyers for an investment can result in a loss if the holder of the investment needs to sell it within a particular timeframe. A shortage of liquidity can also result in delays in the payment of benefits from a Fund.   |
| Derivatives risk                | Derivative values can fluctuate significantly and in certain circumstances a derivative can be more volatile than the underlying asset or index. The value of a derivative contract may fall as a result of an adverse movement in the underlying asset or index. Losses can be magnified where a greater exposure is created through the derivative position than is backed by the assets of a fund. Derivatives may also be subject to liquidity risk and/or counter-party risk. Depending on market conditions derivative positions can be costly or difficult to reverse. |
| Counter-party risk              | A loss may occur if the other party to a contract defaults on their obligations under the contract.   |
| Legal and regulatory risk       | Changes in legislation and differences between rules (including interpretation of the law) in domestic and foreign markets, including those dealing with superannuation, taxation, accounting and investments, may adversely affect your Fund's investments (see 'Other risks' on page 8 for more information).   |
| Portfolio concentration risk    | Investing in a portfolio with a smaller number of investments may lead to more volatile returns than investing in a more diversified portfolio.   |
| Investment strategy risks       | Your Fund's investment strategy may involve specific risks. These include gearing risk (see page 7).<br>You should also refer to the relevant disclosure document for each of your Fund's investments for details about any specific investment strategy risks.   |
| Member directed investment risk | The assets you select for your Fund's investments may not meet your investment return expectations or may compromise your Fund's investment compliance with the law (see page 7).   |



## GEARING RISK

The law allows your Fund to use gearing (that is, borrowing to invest) as an investment strategy provided certain rules are met.

While gearing can result in larger investment gains in a rising market, it is also likely to magnify losses in a falling market.

**Gearing increases the volatility of investment returns. Consequently, a geared investment is considered to have a higher investment risk than a comparable investment that is ungeared.**

The returns on a geared investment depend on the underlying type(s) of investments as well as the level of gearing and the costs of borrowing, including interest rates.

The greater the level of gearing, the greater the potential for loss of capital. As the following example shows, a 10% fall in the market value of assets in an ungeared investment fund could translate into a 20% fall in the value of the same portfolio in a geared investment fund with a gearing level of 50% (excluding fees and borrowing costs).

### EXAMPLE

| YOUR FUND'S INVESTMENT AMOUNT                              | \$1,000      | \$1,000      |
|--|--------------|--------------|
| Investment fund gearing level                              | nil          | 50%          |
| Amount borrowed by investment fund                         | n/a          | \$1,000      |
| Amount invested in the market                              | \$1,000      | \$2,000      |
| IF THE VALUE OF THE INVESTMENT FUND'S ASSETS FALLS BY 10%: |              |              |
| Fall in value of investment fund's assets                  | \$100        | \$200        |
| Value of investment fund's assets after fall               | \$900        | \$1,800      |
| Outstanding loan   | n/a          | \$1,000      |
| <b>Value of your Fund's investment</b>                     | <b>\$900</b> | <b>\$800</b> |
| <b>Loss of investment capital</b>                          | <b>\$100</b> | <b>\$200</b> |
| <b>Effective rate of loss</b>                              | <b>10%</b>   | <b>20%</b>   |

Consequently, the greater the level of gearing, the less the fall in asset value needs to be for a greater loss of your investment capital.

Please refer to the 'Asset diversification limits' table on page 14 for details of limits relating to geared investments.

## MEMBER DIRECTED INVESTMENT RISK

We have structured a range of investment strategies to provide an appropriate framework for your Fund's investment portfolio (see page 9 for further information). However, you choose the underlying assets for your Fund within this framework. There is a risk that the assets you select may not meet your investment return expectations, and may fall in value. There are also risks that a member's individual portfolio under the chosen investment strategy may not be adequately diversified or sufficiently liquid to meet their individual needs.

Also, if you select investments for your Fund that are not permitted by law, your Fund may become non-complying and lose its concessional tax status. Our investment policy is designed to mitigate this risk (see 'Investment policy summary' on page 12 for further information).

## MANAGING INVESTMENT RISKS

While you cannot eliminate investment risks for your Fund, it is important to consider your individual investment timeframe, your investment objectives and your individual risk tolerance. Choose your Fund's investments carefully.

We recommend you consult your financial adviser to assist you with your choice of investment strategy, investments and risk tolerance. This will help you with your choice of investments for your Fund and the level of diversification you need.

## SELECTING SUITABLE INVESTMENTS

Your financial adviser can provide you with advice on which investments for your Fund are best suited to your circumstances. There are several important considerations when making your selection:

- **Risk profile:** Different types of investments have different levels of expected risk and return. Likewise members have varying degrees of risk tolerance. Before you make your selection, it is important to understand your own risk profile in order to match your risk and return expectations with those of the investments you select for your Fund.
- **Investment time horizon:** Your investment timeframe will influence your tolerance to volatility.
- **Risk tolerance:** Risk tolerance is your ability to cope with potential losses on your investments. If you are more concerned with the security of your investments than the level of returns, you will generally be considered to be a conservative investor. The more willing you are to endure the ups and downs in the market in order to achieve your desired returns, the higher your risk tolerance.
- **Return expectations:** To achieve returns greater than the cash or fixed income bond rates you need to have a greater risk tolerance. If you want to achieve the high returns over the long term then you must be prepared to accept the risk of low returns as well as possible negative returns in the short term. Returns are not guaranteed.

## DIVERSIFICATION

Diversifying your Fund's investments can help reduce both risk and the volatility of investment returns. While having a diversified portfolio can mean your best performing investment offsets the worst, the reverse also holds in that your worst performing investment can offset the best.

You can diversify your Fund's investments in several ways:

1. **Across different asset classes:** You can diversify by spreading your Fund's investments across the different major asset classes such as shares, property, fixed income and cash. Since each asset class has its own volatility and return characteristics, by combining them you can tailor the range of investments to help meet your needs.
2. **Across several assets within the one class:** You can diversify your Fund's investment across a range of assets within the one class such as shares. Assets within the same class can have differing volatility and return characteristics. Combining them within your portfolio can help diversify the asset risk of the individual asset and reduce the reliance upon one asset in particular.
3. **Across several investment managers (for managed investments):** Investment managers have different investment styles which may lead to variations in returns in various market conditions. Diversifying across investment managers can reduce the reliance upon one style.

## OTHER RISKS

### TAXATION

The rate of income, capital gains or contribution tax payable may change, or additional taxes applied, due to changes in legislation or government policy.

### ACCESS TO BENEFITS

Access to your superannuation may be further restricted by future changes in legislation.

### TECHNOLOGY RISK

As with any service that uses technology, there is some risk that key systems hardware and software may fail, causing a delay in the processing and reporting of transactions. We have sought to manage this risk through establishing formal contracts with the fund and investment administrators which includes monitoring of key service levels spanning manual and automated processes, implementing incident reporting processes and business continuity plans. Our framework also includes independent assurances provided over the administrator's systems and control procedures.

## RELIANCE ON INFORMATION PROVIDED BY THIRD PARTIES

There is also risk associated with reliance on information provided by product issuers and other external service providers. These risks are managed by having formal service agreements in place with third parties. If they notify us of any errors, they are corrected promptly and if the changes are material, they are communicated to you and/or your adviser.

# INVESTMENTS

## INVESTMENT STRATEGY

We understand the importance of your Fund's investments and have developed an investment policy that provides you with a high level of investment flexibility, while maintaining compliance with the law.

Our investment policy includes guidelines for prudent levels of diversification and liquidity for the assets you select for your Fund's investment portfolio. You should carefully consider with your financial adviser whether your investments are adequately diversified and sufficiently liquid for your needs.

## FORMULATING YOUR FUND'S INVESTMENT STRATEGY

Your Fund must have an investment strategy which is based on the objectives your Fund seeks to achieve. As your Fund's trustee, we have formulated a number of investment strategies that seek to achieve various investment objectives.

Issues we consider when formulating a Fund's investment strategy include:

- the risk and likely return from the types of assets held
- diversification (the range of investments within the portfolio)
- liquidity of investments (the ease with which they can be sold to meet cash needs)
- the ability to meet Fund expenses and obligations to members
- the reliability of valuation information in relation to the types of investments that may be held by the Fund
- the expected tax consequences for, and the costs that might be incurred by, the Fund in relation to the types of investments held.

We do not take into account other considerations such as labour standards or environmental, social or ethical considerations.

## SELECTING YOUR INVESTMENT STRATEGY

We have developed five investment strategies for use by members (see the 'Investment strategies' table on page 10 for details). You must select one of these investment strategies when completing the application form attached.

You cannot make contributions or rollovers to your Fund until you choose an investment strategy and it is accepted by the trustee. If you have transferred assets to us before your Fund has an investment strategy we'll hold and safeguard those assets, in the form in which we receive them, until a suitable investment strategy is selected by you and adopted by us.

Members can select a single investment strategy for the Fund as a whole. Alternatively, a member can select an investment strategy for their individual account within the Fund, in which case we'll administer the assets for that member account on a segregated basis.

Each investment strategy sets minimum and maximum limits for growth and defensive assets.

In setting the investment objectives and strategies, the trustee has regard to the historical and expected future rates of return on various asset classes. The trustee has ensured that investment strategies available to members cover the risk and return spectrum.

## CHANGING YOUR INVESTMENT STRATEGY

As your circumstances change, you can select another investment strategy that more effectively meets your needs as a member.

A summary of the investment strategies available to you when using the Service is set out in the 'Investment strategies' table on page 10. Changes to your selected investment strategy must be made in writing. Should you require further information please contact your adviser, or Perpetual if you do not have an adviser (our contact details are on the inside back cover).

## INVESTMENT STRATEGIES

|  | CAUTIOUS  | CONSERVATIVE   | BALANCED   |     |               |     |     |                  |     |      |   |              |     |     |               |     |     |                  |     |     |   |              |     |     |               |     |     |                  |     |     |
|--|---|--|--|-----|---------------|-----|-----|------------------|-----|------|---|--------------|-----|-----|---------------|-----|-----|------------------|-----|-----|---|--------------|-----|-----|---------------|-----|-----|------------------|-----|-----|
| <b>Investment objective</b>              | To provide a consistent level of income and preserve capital over the short term.   | To provide a consistent level of income while retaining the ability to achieve some capital growth over the short-to-medium term.  | To provide moderate levels of income and capital growth over the medium term.  |     |               |     |     |                  |     |      |   |              |     |     |               |     |     |                  |     |     |   |              |     |     |               |     |     |                  |     |     |
| <b>Strategy</b>                          | This investment strategy provides for a substantial investment in defensive assets such as cash and fixed income assets, with little or no investment in growth assets.   | This investment strategy provides for the majority of investments in defensive assets whilst providing some scope for investment in growth assets.   | This investment strategy provides for a balance of investments in growth and defensive assets.   |     |               |     |     |                  |     |      |   |              |     |     |               |     |     |                  |     |     |   |              |     |     |               |     |     |                  |     |     |
| <b>Standard risk measure<sup>1</sup></b> | 2 – Low   | 5 – Medium to high   | 6 – High   |     |               |     |     |                  |     |      |   |              |     |     |               |     |     |                  |     |     |   |              |     |     |               |     |     |                  |     |     |
| <b>Risk</b>                              | <p>The risk profile of this strategy is low over the short term, with emphasis being on generation of income and preservation of capital.</p> <p>This strategy may be suitable for those who seek regular income returns and are prepared to accept lower overall returns over time with lower levels of volatility in order to preserve capital over the short term.</p>   | <p>The risk profile of this strategy is lower over the short term, with emphasis being on generation of income with the potential to achieve some capital growth. Investment in growth assets may result in some capital losses but the investments in defensive assets should act to limit losses of the portfolio.</p> <p>This strategy may be suitable for those who seek regular income returns but who are prepared to accept a low level of volatility in capital values from year to year to achieve some capital growth.</p> | <p>The risk profile of this strategy is medium over the short term. While it is possible that some growth assets may provide a loss in the short term, the investments in defensive assets should act to reduce losses of the portfolio.</p> <p>This strategy may be suitable for those who seek a moderate level of income and capital growth over periods of, typically, three to five years with a medium level of volatility in investment returns and asset values in the short term.</p> |     |               |     |     |                  |     |      |   |              |     |     |               |     |     |                  |     |     |   |              |     |     |               |     |     |                  |     |     |
| <b>Asset allocation<sup>2</sup></b>      | <table border="1"> <thead> <tr> <th>Asset sector</th> <th>Min</th> <th>Max</th> </tr> </thead> <tbody> <tr> <td>Growth assets</td> <td>0%</td> <td>10%</td> </tr> <tr> <td>Defensive assets</td> <td>90%</td> <td>100%</td> </tr> </tbody> </table>   | Asset sector   | Min  | Max | Growth assets | 0%  | 10% | Defensive assets | 90% | 100% | <table border="1"> <thead> <tr> <th>Asset sector</th> <th>Min</th> <th>Max</th> </tr> </thead> <tbody> <tr> <td>Growth assets</td> <td>10%</td> <td>50%</td> </tr> <tr> <td>Defensive assets</td> <td>50%</td> <td>90%</td> </tr> </tbody> </table> | Asset sector | Min | Max | Growth assets | 10% | 50% | Defensive assets | 50% | 90% | <table border="1"> <thead> <tr> <th>Asset sector</th> <th>Min</th> <th>Max</th> </tr> </thead> <tbody> <tr> <td>Growth assets</td> <td>40%</td> <td>80%</td> </tr> <tr> <td>Defensive assets</td> <td>20%</td> <td>60%</td> </tr> </tbody> </table> | Asset sector | Min | Max | Growth assets | 40% | 80% | Defensive assets | 20% | 60% |
| Asset sector                             | Min   | Max  |  |     |               |     |     |                  |     |      |   |              |     |     |               |     |     |                  |     |     |   |              |     |     |               |     |     |                  |     |     |
| Growth assets                            | 0%  | 10%  |  |     |               |     |     |                  |     |      |   |              |     |     |               |     |     |                  |     |     |   |              |     |     |               |     |     |                  |     |     |
| Defensive assets                         | 90%   | 100%   |  |     |               |     |     |                  |     |      |   |              |     |     |               |     |     |                  |     |     |   |              |     |     |               |     |     |                  |     |     |
| Asset sector                             | Min   | Max  |  |     |               |     |     |                  |     |      |   |              |     |     |               |     |     |                  |     |     |   |              |     |     |               |     |     |                  |     |     |
| Growth assets                            | 10%   | 50%  |  |     |               |     |     |                  |     |      |   |              |     |     |               |     |     |                  |     |     |   |              |     |     |               |     |     |                  |     |     |
| Defensive assets                         | 50%   | 90%  |  |     |               |     |     |                  |     |      |   |              |     |     |               |     |     |                  |     |     |   |              |     |     |               |     |     |                  |     |     |
| Asset sector                             | Min   | Max  |  |     |               |     |     |                  |     |      |   |              |     |     |               |     |     |                  |     |     |   |              |     |     |               |     |     |                  |     |     |
| Growth assets                            | 40%   | 80%  |  |     |               |     |     |                  |     |      |   |              |     |     |               |     |     |                  |     |     |   |              |     |     |               |     |     |                  |     |     |
| Defensive assets                         | 20%   | 60%  |  |     |               |     |     |                  |     |      |   |              |     |     |               |     |     |                  |     |     |   |              |     |     |               |     |     |                  |     |     |
|  | GROWTH  | HIGH GROWTH  |  |     |               |     |     |                  |     |      |   |              |     |     |               |     |     |                  |     |     |   |              |     |     |               |     |     |                  |     |     |
| <b>Investment objective</b>              | To provide higher levels of capital growth over the medium-to-long term.  | To maximise capital growth over the long term.   |  |     |               |     |     |                  |     |      |   |              |     |     |               |     |     |                  |     |     |   |              |     |     |               |     |     |                  |     |     |
| <b>Strategy</b>                          | This investment strategy provides for the majority of investments in growth assets whilst providing some scope for investment in defensive assets.  | This investment strategy provides for a substantial investment in growth assets such as equities and property assets, with only a small allocation towards defensive assets.   |  |     |               |     |     |                  |     |      |   |              |     |     |               |     |     |                  |     |     |   |              |     |     |               |     |     |                  |     |     |
| <b>Standard risk measure<sup>1</sup></b> | 6 – High  | 6 – High   |  |     |               |     |     |                  |     |      |   |              |     |     |               |     |     |                  |     |     |   |              |     |     |               |     |     |                  |     |     |
| <b>Risk</b>                              | <p>The risk profile of this strategy is medium to high over the short term. Growth assets consistent with this strategy exhibit price volatility. It is possible that investments may provide a loss in the short-to-medium term.</p> <p>This strategy may be suitable for those who seek a higher level of overall return over periods in excess of, typically, five years and who are prepared to accept a higher level of volatility in investment returns and asset values in the short-to-medium term.</p> | <p>The risk profile of this strategy is the highest over the short term. Growth assets consistent with this strategy exhibit price volatility. It is possible that investments may provide a loss in the medium term.</p> <p>This strategy may be suitable for those with a long-term investment horizon and who seek higher levels of overall return. Investors need to be prepared to accept higher levels of volatility in investment returns and asset values in the medium term.</p>  |  |     |               |     |     |                  |     |      |   |              |     |     |               |     |     |                  |     |     |   |              |     |     |               |     |     |                  |     |     |
| <b>Asset allocation<sup>2</sup></b>      | <table border="1"> <thead> <tr> <th>Asset sector</th> <th>Min</th> <th>Max</th> </tr> </thead> <tbody> <tr> <td>Growth assets</td> <td>60%</td> <td>90%</td> </tr> <tr> <td>Defensive assets</td> <td>10%</td> <td>40%</td> </tr> </tbody> </table>   | Asset sector   | Min  | Max | Growth assets | 60% | 90% | Defensive assets | 10% | 40%  | <table border="1"> <thead> <tr> <th>Asset sector</th> <th>Min</th> <th>Max</th> </tr> </thead> <tbody> <tr> <td>Growth assets</td> <td>80%</td> <td>98%</td> </tr> <tr> <td>Defensive assets</td> <td>2%</td> <td>20%</td> </tr> </tbody> </table>  | Asset sector | Min | Max | Growth assets | 80% | 98% | Defensive assets | 2%  | 20% |   |              |     |     |               |     |     |                  |     |     |
| Asset sector                             | Min   | Max  |  |     |               |     |     |                  |     |      |   |              |     |     |               |     |     |                  |     |     |   |              |     |     |               |     |     |                  |     |     |
| Growth assets                            | 60%   | 90%  |  |     |               |     |     |                  |     |      |   |              |     |     |               |     |     |                  |     |     |   |              |     |     |               |     |     |                  |     |     |
| Defensive assets                         | 10%   | 40%  |  |     |               |     |     |                  |     |      |   |              |     |     |               |     |     |                  |     |     |   |              |     |     |               |     |     |                  |     |     |
| Asset sector                             | Min   | Max  |  |     |               |     |     |                  |     |      |   |              |     |     |               |     |     |                  |     |     |   |              |     |     |               |     |     |                  |     |     |
| Growth assets                            | 80%   | 98%  |  |     |               |     |     |                  |     |      |   |              |     |     |               |     |     |                  |     |     |   |              |     |     |               |     |     |                  |     |     |
| Defensive assets                         | 2%  | 20%  |  |     |               |     |     |                  |     |      |   |              |     |     |               |     |     |                  |     |     |   |              |     |     |               |     |     |                  |     |     |

- 1 The standard risk measure (SRM) is based on industry guidance to allow members to compare investments that are expected to deliver a similar number of negative annual returns over any 20 year period, as follows.

| RISK BAND | RISK LABEL     | ESTIMATED NUMBER OF NEGATIVE ANNUAL 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 SRM is not a complete assessment of all forms of investment risk, for instance it does not detail what the size of the negative return could be or the potential for a positive return to be less than a member may require to meet their objectives. Further, it does not take into account the impact of administration fees and tax on the likelihood of a negative return.

Since the investment strategies provide ranges for allocations between growth and defensive assets, the trustee has based the SRM for each investment strategy on its highest potential allocation to growth assets. This approach has contributed to an SRM of '5 - Medium to high' for the 'Conservative' investment strategy, with an estimated 3 to less than 4 negative annual returns over any 20-year period, irrespective of its title. The actual risk within each investment strategy may vary depending on your actual allocation between growth and defensive assets and choice of investments for your Fund.

The SRMs for the investment strategies may change over time for various reasons, including as a result of reviews of the underlying capital market assumptions that are used in their calculation and future changes to asset allocations. Any changes to SRMs at any time will be available at our website.

Members should still ensure they are comfortable with the risks and potential losses associated with their chosen investments.

- 2 Your Fund must comply at all times with the relevant weighting to growth assets and defensive assets for its chosen investment strategy. In all instances your Fund must maintain a weighting of at least 2% in cash.

**Growth assets** include Australian shares, international shares, property and certain managed investments and alternative assets. **Defensive assets** include cash, term deposits, other fixed income and certain managed investments and alternative assets. Alternative assets and some managed investments, life policies and other asset types can display characteristics of either growth or defensive assets, depending on their type. We'll classify these assets in accordance with our due diligence process (see page 12 for more details).

The underlying asset portfolio must consist of investment types that satisfy our due diligence, diversification and liquidity guidelines (see 'Investment policy summary' on page 12 for details).

## YOUR FUND'S INVESTMENTS

Once your chosen investment strategy is accepted by the trustee, you can recommend investments for your Fund, either personally or through your adviser. Where a number of members share the same investment strategy such that your portfolio is unsegregated, investment recommendations for that portfolio must be authorised by each of those members.

We'll generally act on your recommendations provided we are satisfied that the proposed investment:

- is permitted by the trust deed
- complies with the law
- can be administered effectively by Perpetual
- is within the asset allocations of your chosen investment strategy which has been accepted by the trustee and
- is consistent with the diversification guidelines and liquidity rules of our investment policy.

We'll send you a copy of our investment policy and administration guidelines when you establish your Fund or on request. These detail our prudential investment requirements and the procedures for making investments.

Except to the extent required by law we are not responsible for investments that you or your authorised adviser recommend that may perform poorly or fail.

We suggest that you meet with your financial adviser at regular intervals to discuss the progress of your Fund and its investments. If you don't have an adviser, you need to review your Fund on a regular basis, obtaining appropriate advice where necessary.

### DISCLOSURE FOR YOUR FUND'S INVESTMENTS

You'll need a copy of the disclosure document for any investment you wish to make for your Fund if one is required to be given to you before you make an initial or additional investment.

Your adviser will provide this when they make investment recommendations to you. Alternatively, you can obtain this from the product issuer. A range of disclosure documents for Perpetual's investment products is available for downloading from our website, or we can provide you with a copy without charge on request.

### INVESTMENT POLICY SUMMARY

The investment policy for our Service describes the types of investments you may include in your Fund, and is divided into three parts:

1. **Due diligence process:** There are some types of investments for which we'll conduct a basic review (or due diligence) before deciding if they are acceptable, and other types of investments for which we'll perform more involved levels of due diligence.

2. **Diversification limits:** Guidelines that describe the combinations of investments, and percentages of certain types of investments that you may include in your Fund's portfolio.
3. **Liquidity rules:** To ensure that sufficient investments may be redeemed with relative ease so that your Fund can meet its liabilities.

### DUE DILIGENCE PROCESS

The due diligence process is designed to ensure that an investment is appropriate for a Fund. Depending on the nature of the investment, we'll require more information for some asset types than others.

### INVESTMENT TYPES FOR WHICH WE CONDUCT A BASIC LEVEL OF DUE DILIGENCE

Generally, we will accept the following types of investments for Funds using the Service, subject to a basic level of due diligence and our ability to administer the assets:

| INVESTMENT TYPE  | TYPICAL ASSET ALLOCATION CLASSIFICATION                                   |
|--|---|
| Australian Securities Exchange ('ASX') listed securities | Growth  |
| Approved international shares                            | Growth  |
| Australian government bonds                              | Defensive   |
| Cash deposits  | Defensive   |
| Bank bills   | Defensive   |
| Registered managed investment schemes                    | Growth or defensive depending on the nature of the scheme                 |
| Term deposits  | Defensive   |
| Life insurance policies                                  | Growth or defensive depending on the nature of the underlying investments |

### INVESTMENT TYPES FOR WHICH WE CONDUCT A MORE ADVANCED LEVEL OF DUE DILIGENCE

We may also accept the following types of investments, subject to undertaking a greater level of due diligence and our ability to administer the assets:

- real estate within Australia (not the family home)
- private, unlisted, or closely held unit trusts
- private or unlisted companies
- private business premises
- fixed income securities (other than Australian government bonds)
- certain listed international securities and derivatives
- derivatives with limited investment risk.



This means that we'll ask you to provide more detailed information on these types of investments. We recommend you contact us well in advance of any proposed settlement date.

Generally, when assessing these types of investment proposals we'll determine:

- the precise nature of the asset
- how we can value and trade in the asset
- whether the investment is:
  - liquid or illiquid
  - a growth asset or defensive asset
  - allowable under the law.

We are not obliged to accept assets that we are not able to adequately administer.

#### **INVESTMENT TYPES WHICH WE WON'T ACCEPT**

Generally, we cannot accept any investments that do not meet the sole purpose test or in-house asset restrictions, as defined under the law.

We won't accept certain types of investments, including the following:

- family home
- any mortgage where the family home is security
- real estate that is not located within Australia
- futures contracts
- derivatives with a charge over assets or that have unlimited investment risk
- direct residential mortgages
- commodities
- investments in a business with which the member is associated
- investments in partnerships
- collectables, including art, jewellery or antiques
- motor vehicles or motor vehicle leases
- livestock
- arrangements that might involve the Fund running a business
- illiquid assets with no mechanism to transfer to another owner.

#### **DIVERSIFICATION LIMITS**

Your portfolio of investments must at all times remain within the relevant asset allocation benchmarks (including the 2% minimum cash requirement) of your Fund's or member account's (as applicable) investment strategy. In addition, our investment policy places limits on the exposure of a portfolio to certain types of assets as shown in the 'Asset diversification limits' table on page 14.

The 'Asset diversification limits' table is not an exhaustive list, but contains the most common types of investments requested for our DIY funds – full details are contained in our investment policy, which is available at our website or you can obtain a copy free of charge on request.

#### **LIQUIDITY RULES**

The law requires trustees to consider the liquidity of superannuation investments. As trustee of your Fund, our minimum liquidity requirements are outlined below.

#### **DEFINITION OF LIQUID**

We consider the following to be liquid:

- **Collective or managed investments**
  - an investment where its constitution provides for the redemption of interests in under 70 days.
- **All other assets**
  - assets where there is either a recognised market for trading of the asset or
  - the manager or scheme promoter will make a market or
  - the manager or scheme promoter will redeem or transfer title of the asset to another owner.

The trustee will accept investments that satisfy this definition of 'liquid', subject to the other due diligence, diversification and investment strategy requirements outlined in this document.

#### **DEFINITION OF ILLIQUID**

We consider the following to be illiquid:

- **Collective or managed investments**
  - an investment where its constitution does not provide for redemption of interests in under 70 days.
- **All other assets**
  - no recognised market for trading of the asset and
  - no means of redemption or trading and
  - no requirement on a manager or scheme promoter to redeem assets.

#### **PERMITTED ILLIQUID INVESTMENTS**

The trustee may accept investments that fall within this definition of 'illiquid', if they:

- satisfy the trustee's other due diligence, diversification and investment strategy requirements and
- make up **no more than 50%** of the portfolio, as a percentage of total investments held in your Fund.

Further detail is outlined in our investment policy.

#### **NON-PERMITTED ILLIQUID INVESTMENTS**

Assets with no facility to transfer to another owner are not permitted.

## ASSET DIVERSIFICATION LIMITS

| ASSET GROUPING   | DESCRIPTION   | EXPOSURE LIMIT <sup>1</sup>   |
|--|---|---|
| <b>Cash and fixed income</b>   | Bank bills and bank accounts<br>Deposits with an Approved Deposit taking Institution  | Maximum 98% of total member account invested in any single investment holding of this type (100% may be held in your Fund's Perpetual Cash Account).    |
|  | Cash management trusts that are registered managed investment schemes   |   |
|  | Australian government and semi-government bonds<br>Bank offered fixed income securities and debentures  |   |
|  | Credit union products   |   |
|  | Other fixed income products not listed above (eg hybrid securities and unsecured notes)   | Maximum 50% of total member account invested in any individual holding.<br>Maximum 20% of total member account invested in all securities of this type. |
| <b>Direct shares and listed property trusts – Australian</b>             | ASX listed securities within the S&P/ASX 100 Index  | Maximum 25% of total member account invested in any single security.  |
|  | ASX listed securities within the S&P/ASX 200 Index (and not within the S&P/ASX 100 Index)   | Maximum 15% of total member account invested in any single security.  |
|  | Australian shares outside the S&P/ASX 200 Index   | Maximum 10% of total member account invested in any single security and maximum 40% of total member account invested in all securities of this type.    |
|  | Any single S&P/ASX Global Industry Classification System (GICS) industry group  | Maximum 50% of total member account invested in any single GICS industry group.   |
| <b>Listed investment companies (LIC) and exchange traded funds (ETF)</b> | A listed managed investment operating as a company, which has shares that can be traded on the stock market                                   | Maximum 30% of total member account invested in any single LIC or ETF.  |
|  | Exchange traded funds on the Australian Securities Exchange   |   |
| <b>Direct shares – international</b>                                     | International shares listed on selected international stock exchanges   | Maximum 20% of total member account invested in all securities of this type and maximum 15% of total member account invested in any single security.    |
| <b>Direct property</b>   | Must satisfy the requirements of SIS and our property policy  | Maximum 50% of total member account invested in direct property – available for Balanced, Growth or High Growth investment strategies only.             |
| <b>Managed investments</b>   | ASIC registered managed investment schemes (including hedge funds, infrastructure funds, private equity funds and solicitors' mortgage funds) | Maximum 98% of total member account invested in an individual managed investment with an acceptable rating by a research provider of our choosing.      |
|  | Investment linked or investment account life insurance policies   | Maximum 50% of total member account invested in any single sector geared managed investment scheme.   |
|  | Trustee company common funds  | Maximum 20% of total member account invested in all managed investments that do not have an acceptable rating by a research provider of our choosing.   |
| <b>Other assets</b>  | Traded life insurance whole of life or endowment policies   | Maximum 50% of total member account invested in other assets and maximum 15% of total member account invested in any single holding of this type.       |
|  | Private or closely held unit trusts   |   |
|  | Shareholdings in private or unlisted domestic companies   |   |
|  | Derivatives without a charge over assets  |   |

<sup>1</sup> Compliance with exposure limits will be regularly monitored by the trustee.

## **MONITORING COMPLIANCE WITH YOUR INVESTMENT STRATEGY, AND THE TRUSTEE'S DIVERSIFICATION AND LIQUIDITY RULES**

As part of our service we regularly monitor the asset allocation and liquidity levels of your investments in your Fund against your investment strategy, and against our investment policy diversification and liquidity rules. Over time, market movements in your Fund's investments, or transactions you make in your Fund, can mean that your Fund's investments move away from the asset allocation required under your nominated investment strategy, and/or our diversification and liquidity rules.

If your Fund's investments move away from the asset allocation required under your nominated investment strategy and/or our diversification or liquidity rules, we are required to request that you change the asset allocation of your Fund to bring it back into line with your chosen investment strategy and/or our diversification or liquidity rules.

Alternatively, if only the investment strategy of your Fund is affected, you may select a new investment strategy with different asset allocations to better suit your needs. If this option is available to you, we'll write to you requesting that you select a more appropriate investment strategy. If we do not receive your response within the time specified in our letter, we'll change the investment strategy on your behalf.

If you request a trade that will cause your Fund's asset allocation to move away from your investment strategy and/or our diversification or liquidity rules, we'll notify you that the trade cannot be processed unless you first select a new investment strategy or make any other appropriate asset allocation changes.

If you instruct us to execute transactions that will take your Fund outside of our investment policy, we may not accept these instructions. Any costs of failed contract note settlements may be debited from your Fund and you indemnify us for any losses as a consequence.

If we cannot contact you or if you do not, within the time specified by us:

- make a contribution into your Fund for investment into an appropriate asset that rectifies the breach
- advise us which assets are to be bought or sold to realign the investments of your member account or
- advise us that you wish to change your investment strategy,

then we may buy or sell assets to ensure that your member account complies with its approved investment strategy, including the applicable diversification and liquidity rules. Any costs incurred in connection with such sale/purchase shall be reimbursed out of your Fund/member account.

Perpetual is committed to working with you to determine the best course of action if your Fund's investment portfolio becomes misaligned with your chosen investment strategy and/or our diversification or liquidity rules. However, should we not be able to continue operating your Fund according to our investment policy and your chosen investment strategy, we'll consider whether we'll continue to act as trustee of your Fund.

# TRANSACTING

## CONTRIBUTIONS

You can make initial and additional contributions to your Fund by transferring money directly to your Fund's Perpetual Cash Account via BPAY® or electronic funds transfer (EFT) or by sending us a cheque payable to 'Perpetual Trustee Company Limited—[Name of Superannuation Fund]'.

® Registered to BPAY Pty Ltd ABN 69 079 137 518.



You must provide us with full details of all contributions made to your Fund so that we can ensure they receive the correct tax treatment. If the contribution relates to more than one member account we'll also need a breakdown of the contribution from you. Contribution detail forms are available on pages 57 and 59.

## YOUR INVESTMENT INSTRUCTIONS

You provide investment instructions (to buy, sell or switch investments) through your adviser. If you cannot contact your adviser, you must give us written and signed instructions, provided that you have received the relevant PDS and other disclosure documents for these investments. These instructions can be faxed, subject to the requirements in the 'Fax and electronic instruction service' section.

Instructions will be acted on and effected as soon as practicable but there is no obligation to do so by any particular time, nor any obligation to enquire whether they are genuine or proper. In certain circumstances your assets can be realised without obtaining your instructions, with the proceeds paid to your Fund's Perpetual Cash Account (eg if your managed investment holding has dropped below the minimum requirement). You are responsible for any associated fees.

We will act on all instructions from your adviser or directly from you except in limited circumstances, including if:

- we suspect that you or your adviser are in breach of the terms of this PDS, including breaching trustee investment diversification limits
- the authenticity of the instruction is in doubt
- the instructions are unclear
- following the instructions is contrary to the law or relevant policy
- you do not have sufficient available cash in your Fund's Perpetual Cash Account to carry out the instructions

- your Fund's Perpetual Cash Account balance would fall below the minimum balance if the instructions were carried out
- you do not have sufficient investment holdings for us to carry out the instruction
- acting on the instructions would be impracticable or would breach relevant market practice or
- there are other reasons beyond our control (eg corporate actions in progress).

We will act as your agent for the receipt of trade confirmations.

## FAX AND ELECTRONIC INSTRUCTION SERVICE

Under the fax and electronic instruction service, we will accept instructions, including withdrawal requests, sent in the form of a fax or email attachment.

By providing instructions by way of electronic instruction or fax, you release us from, and indemnify us against, losses and liabilities arising from any payment or action we (acting reasonably) make based on any instruction (even if not genuine) that we receive by fax or electronically bearing your account number with a signature apparently yours or that of an authorised representative for your Fund.

You also agree that neither you nor anyone claiming through you has any claim against the Perpetual Group or its agents in relation to these payments or actions.

## YOUR FUND'S PERPETUAL CASH ACCOUNT

When you open an account, we'll establish a Perpetual Cash Account for your Fund. Your Fund's Perpetual Cash Account will be used to:

- credit all cash contributions and rollovers to your Fund
- fund the purchase of your Fund's investments
- receive the proceeds from the sale of your Fund's investments
- receive income from your Fund's investments
- receive a benefit from your insurance policy (if applicable)
- hold any surplus cash in relation to your Fund's portfolio
- pay our fees, adviser fees, other costs incurred in the administration of your Fund and any taxes that are due
- make benefit payments (including pension payments) if you satisfy a condition of release.

By applying to use the Service, you irrevocably authorise and direct us to give effect to your Fund's Perpetual Cash Account transactions that result from your Fund's use of the Service and/or your investment instructions. You do not need to give us specific instructions or directions in relation to your Fund's Perpetual Cash Account.

You also authorise and direct us to debit your Fund's Perpetual Cash Account with all fees and taxes relating to your Fund's portfolio and to pay fees and charges to the person or entity entitled to them (including us and our associates). We can suspend services to you if they remain unpaid.

Your Fund's Perpetual Cash Account is held through the custodian with Macquarie Bank Limited ABN 46 008 583 542, AFSL 237502 (MBL). Any term deposits are also held through the custodian with the relevant financial institution. You can contact us to determine whether the Federal Government's Financial Claims Scheme applies to these types of investments. This will depend on certain matters beyond Perpetual's control, such as regulatory determinations by APRA. The nature of the Financial Claims Scheme may also change over time.

### **HOLDING SUFFICIENT CASH**

Subject to a minimum of \$2,500, you must maintain at least 2% of the value of your Fund in your Fund's Perpetual Cash Account (lower amounts may be maintained at the trustee's discretion) to pay for all transactions, fees and taxes that are incurred on your Fund's behalf.

Before transacting on your account, you must have sufficient available cash (above the minimum balance) in your Fund's Perpetual Cash Account. If you sell assets within your Fund's portfolio, the proceeds cannot be used for another transaction or withdrawal until settlement occurs and the proceeds are cleared in your Fund's Perpetual Cash Account. If you transact on your Fund's portfolio with insufficient available cash, the transaction will be rejected. For listed securities, you may be charged a failed trade fee.

If there is insufficient available cash in your Fund's Perpetual Cash Account to meet any fees and/or costs, you authorise and direct us to sell down your Fund's investment holdings to meet the fees and/or costs and replenish your Fund's Perpetual Cash Account to the required minimum balance.

In these circumstances, money will be drawn from the following investments, starting with the highest balance, in the following order:

- daily transacting managed investment(s)
- ASX listed securities
- non-daily transacting managed investment(s)
- international shares
- term deposits
- domestic fixed income securities
- other acceptable investments.

Transaction costs and break costs may also apply to these transactions. These costs will be deducted from the investment or charged to your Fund's Perpetual Cash Account.

### **FURTHER INFORMATION**

Further information about the Perpetual Cash Account, including the current rate of return payable on Perpetual Cash Account balances at any time, will be available on ClientView or from your adviser.

### **TRANSFERRING EXISTING ASSETS**

Where permitted by the law, existing assets may be transferred into your Fund to consolidate your portfolio without needing to sell securities. Assets are transferred into the name of the custodian. This may result in stamp duty being incurred. See 'In specie contributions' on page 19 for more details.

You'll need to complete an Asset Take-Up Form and provide all original paperwork regarding these existing assets, including any tax records. Please also be aware that this transfer process can take time, which may cause delays in implementing investment transactions and confirming the initial value of your Fund.

You may be asked to provide us with a limited power of attorney, to assist with the efficient transfer of assets, reduce the amount of paperwork you need to sign and speed up the process.

The asset information you provide will be used in the ongoing administration of your Fund. To ensure this information is reliable, we must be able to obtain details of the assets, including their cost base, in a form acceptable to us at the time the assets are transferred.

### **REINVESTMENT PROGRAMS**

If you would like to participate in a dividend or income reinvestment plan, you can give us a standing instruction over any or all of your Fund's assets (excluding some international assets). Your adviser can arrange this or any changes to your instructions.

### **INVESTMENT INCOME**

We'll manage the collection of all investment income for your Fund's assets including the collection of dividends, distributions and interest and will credit them to your Fund's Perpetual Cash Account.

# ACCUMULATION ACCOUNTS

## OVERVIEW

Contributions paid by you or on your behalf, together with any rollovers and benefits transferred from a former fund or employer, are credited to an accumulation account maintained in your name and invested according to the selected investment strategy. The accumulation account is also credited with investment earnings including any realised and unrealised change in net market value and the proceeds of any insurance policies. It is debited with administration and other charges including tax on income and contributions.

Your benefits may be paid when you satisfy a condition of release. The 'Benefit payments' table on page 21 provides details of the conditions of release.

Your benefit may be divided if you separate or divorce from your spouse (either by court order after legal proceedings between you and your spouse, or by agreement between you and your spouse) – see 'Superannuation and family law' on page 37 for further information.

Your benefits can be paid to your estate or dependants if you die – see 'Death benefits' on page 36 for further information.

You may roll over your benefit to another superannuation fund which complies with the law.

Please note there are restrictions on the ability for members who are not tax residents of Australia to contribute or roll over other superannuation balances to a SAF. We recommend you consult your financial and/or tax adviser if you are a non-resident and are considering a SAF.

## OPERATING YOUR FUND

### CONTRIBUTIONS

Once established, your Fund is able to accept contributions and rollovers. Contributions may be made via BPAY, EFT, cheque, periodic payment or transfer of assets into the Fund according to the law.

In accordance with the SuperStream reforms, your employer should make contributions electronically via our electronic service provider SUPERCHOICE. Your employer will also need to provide your Fund's ABN and bank account details.

Contributions are required to be allocated and fully vested in the relevant member.

If you wish to establish a pension using superannuation contributions, you will need to complete both the 'Opening balance' and 'Pension account' sections of the 'Application form'.

Provided you are eligible, you can start a new pension immediately using one or more rollovers from an existing superannuation fund. Alternatively you can transfer your existing DIY fund into the Service and start a pension from it.

Superannuation rules are complex, which is why we recommend that you obtain appropriate professional financial and/or tax advice before deciding to make a particular type of contribution.

### ELIGIBILITY TO MAKE CONTRIBUTIONS

Provided that you meet the eligibility conditions outlined in the 'Eligibility for superannuation contributions' table below, we can accept contributions to your Fund.

## ELIGIBILITY FOR SUPERANNUATION CONTRIBUTIONS

| YOUR SITUATION   | CONCESSIONAL CONTRIBUTIONS |       |           |               | NON-CONCESSIONAL CONTRIBUTIONS |                  |
|--|----------------------------|-------|-----------|---------------|--------------------------------|------------------|
|  | FROM YOUR EMPLOYER         |       |           | SELF-EMPLOYED | PERSONAL                       | FROM YOUR SPOUSE |
|  | SG <sup>1</sup>            | AWARD | VOLUNTARY |               |                                |                  |
| You are under age 65.  | •                          | •     | •         | •             | •                              | •                |
| You are aged 65 to 69 (inclusive) and have worked at least 40 hours in a period of no more than 30 consecutive days during the financial year. | •                          | •     | •         | •             | •                              | •                |
| You are aged 70 to 74 (inclusive) and have worked at least 40 hours in a period of no more than 30 consecutive days during the financial year. | •                          | •     | •         | •             | •                              |                  |
| You are aged 75 or over.   | •                          | •     |           |               |                                |                  |

<sup>1</sup> SG (Superannuation Guarantee) – Your employer is generally required to pay contributions on your behalf (currently 9.5% of your salary, increasing gradually to 12%).



## CONTRIBUTION LIMITS

Subject to the eligibility requirements, there are also some restrictions on the amount of contributions that can be made into your Fund before additional taxes are charged, as detailed below.

## CONCESSIONAL CONTRIBUTIONS

Concessional contributions generally include employer contributions (including superannuation guarantee and salary sacrifice) and personal contributions for which you claim a tax deduction.

The general concessional contributions cap is \$30,000<sup>1</sup> for the 2015/2016 and 2016/2017 financial years.

- 1 This amount will be indexed in line with Average Weekly Ordinary Time Earnings (AWOTE) once the increase in the indexed amount is greater than \$5,000. A temporary higher concessional contributions cap of \$35,000 (unindexed) applies for individuals aged 49 years or over on the preceding 30 June. The higher cap will cease once the general concessional cap reaches \$35,000 by way of indexation.

Excess concessional contributions attract additional tax (see page 32 for details) and may also count towards your non-concessional contributions limit (see below).

We will monitor concessional contributions made to your member account in the Fund against the relevant cap.

**However, you are responsible for monitoring your total concessional contributions against the cap.**

## EMPLOYER CONTRIBUTIONS

Many Australians may choose to have their future employer superannuation guarantee contributions paid into a fund of their choice. To see if you are eligible, contact your employer or phone the ATO on 13 28 64.

If you are eligible, simply complete a 'standard choice form' (available from your employer or the ATO) with your Fund and member details and return it to your employer together with the 'Compliance letter' included in this PDS to instruct your employer to make contributions on your behalf into your Fund.

## NON-CONCESSIONAL CONTRIBUTIONS

These contributions are also referred to as 'after-tax contributions'.

The non-concessional contributions cap is six times the general concessional contributions cap noted above (that is, \$180,000 for the 2015/2016 and 2016/2017 financial years). However, if you are under age 65 or turn 65 during the year, you can make non-concessional contributions of up to three times the non-concessional contributions cap over a three-year period under the 'bring forward' option. The bring-forward cap is three times the non-concessional cap of the first year. For example, if you bring forward your non-concessional contributions in 2015/2016 or 2016/2017, the cap would be \$540,000 (that is, three times \$180,000).

Excess non-concessional contributions may attract additional tax (see page 32 for details). We will monitor non-concessional contributions made to your member account in the Fund against the relevant cap. **However, you are responsible for monitoring your total non-concessional contributions against the cap.**

Any spouse contributions are counted towards the receiving spouse's non-concessional contributions limit.

Settlement proceeds received for an injury resulting in permanent disablement that meet the qualifying criteria<sup>2</sup> are also exempt from the non-concessional contributions limit.

- 2 Two qualified medical practitioners must certify that as a result of the injury the individual is unlikely to ever be able to be gainfully employed in a capacity for which they are reasonably qualified because of education, experience or training, the contribution must be made to a superannuation fund within 90 days of the payment being received or the structured settlement coming into effect (whichever is later) and the individual must ensure that the fund is aware that the contribution is being made under this exemption before or when making the contribution.

## GOVERNMENT CO-CONTRIBUTIONS

Your Fund is able to receive any co-contributions paid by the Government on your behalf (see 'Tax' on page 33 for further information).

## LOW INCOME SUPERANNUATION CONTRIBUTIONS

Your Fund is able to receive any low-income superannuation contributions paid by the Government (see 'Tax' on page 33 for further information).

## SMALL BUSINESS CAPITAL GAINS

Small business owners who qualify for the small business CGT concessions may be exempt from the non-concessional contributions limit. The proceeds from the disposal of eligible assets are exempt up to a lifetime limit of \$1.395 million for the 2015/2016 financial year and \$1.415 million for the 2016/2017 financial year (indexed) if certain conditions are met (speak to your adviser).

There are a number of conditions which must be satisfied in order to qualify for this exemption. Accordingly, you should seek professional financial and/or tax advice before making any decisions or taking any action in relation to the application of this exemption to your small business assets.

## IN SPECIE CONTRIBUTIONS

An in specie contribution is one where an asset, rather than cash, is contributed to your Fund. An in specie contribution can be made by you, your employer or your spouse.

It is important to note that superannuation funds are generally prohibited from acquiring assets from members or their related parties. However, there are some exceptions to this rule, including listed securities, widely held unit trust investments and 'business real property' which must be obtained at arm's length and at market value.

If you would like to make an in specie contribution, you should contact us to ensure the contribution is allowed and to obtain further information about the process to be followed. Assets will be valued using applicable prices on the date the transfer is effected, which is the date that all valid signed transfer documentation is received by our administration team.

Contribution limits (see page 19 for details) also apply to in specie contributions and they may have tax consequences. As recommended above, you should obtain appropriate professional financial and/or tax advice before proceeding.

### **SUPER CONTRIBUTIONS SPLITTING**

Members may elect to 'split' their concessional contributions with their spouse.

Super contributions splitting generally operates as follows:

- a member may apply to have a maximum of up to 85% of their concessional contributions made in any financial year transferred to a superannuation account in the name of their spouse
- an application by a member to transfer the contributions for a financial year can only be made after the end of that financial year (or during the financial year where the member's entire benefit is being withdrawn from the fund), and must be made in writing and given to the fund to which the member's contributions were paid
- the member's application must contain a statement by their receiving spouse to the effect that they have either not reached their preservation age, or have not satisfied a relevant condition of release (see 'Benefits and preservation' on this page for details) if they are aged between their preservation age and 65 years
- the fund will then transfer the relevant amount from the member's account to an account for the spouse. This will occur as soon as is practicable and in any case within 90 days of receipt of a valid application.

Rollovers and transfers of overseas superannuation benefits to an Australian fund are not permitted to be split.

Further information on super contributions splitting is available on the ATO's website. We recommend you consult your financial and/or tax adviser if you are considering super contributions splitting.

### **BENEFITS AND PRESERVATION**

We recommend that you discuss your superannuation benefit payments with your financial and/or tax adviser, as there are a number of tax matters that impact on these payments, especially if you are under age 60.

Benefits accrue in your member account within your Fund over time, comprising contributions and rollovers received, together with investment earnings and the proceeds of any insurance policies.

The law prescribes that benefits may only be paid when a 'condition of release' is met. The conditions required for release will depend on the 'preservation status' of your benefit, as shown in the 'Benefit payments' table on page 21.

Certain pre-1 July 1999 contributions may be classified as 'restricted non-preserved benefits'. These benefits can only be paid to you by either meeting one of the conditions of release for preserved benefits or ceasing your employment that gave rise to these benefits.

The taxable portion of any superannuation lump sum or pension benefit is subject to tax depending on your age when it is received (see the 'Tax on lump sum benefit payments' and 'Tax on pension benefit payments' tables on pages 33-34 for respective details).

You can withdraw any 'unrestricted non-preserved' benefits at any time.

### **SUPERANNUATION BENEFIT PAYMENTS**

If you satisfy a condition of release, and wish to have your superannuation benefit paid in the form of a lump sum (where permissible), simply complete a withdrawal form which is available on our website or contact us for a copy. Alternatively you can write to us detailing the condition of release, the amount you would like to be paid and a nominated Australian bank account held in your name.

The benefit will be paid proportionately from the taxable and tax-free components (see the 'Tax on lump sum benefit payments' tables on pages 33-34 for details of tax payable on these components).

You can receive your superannuation benefit payment as cash or in specie (actual assets). If you choose to take your benefit payment as assets, transfer costs such as stamp duties and CGT may be included in the calculation of Fund earnings allocated to your member account in the Fund.

Part of your superannuation benefit may be paid to your spouse or former spouse as a consequence of the superannuation splitting and benefit payment provisions under family law (see 'Superannuation and family law' on page 37 for further information).

### **TRANSFERS AND ROLLOVERS**

Any partial transfer or rollover of benefits to another fund that you may request will also be made proportionately from the taxable and tax-free components of your total benefit.

You should be aware that if your Fund invests in any assets that are deemed to be illiquid, we may not be able to effect a full transfer or rollover of your benefits to another fund within the 30-day rule that generally applies to the portability of superannuation. However, we will do so as soon as possible after receipt of the redemption proceeds.

## BENEFIT PAYMENTS

| EVENT  | PRESERVED BENEFITS | RESTRICTED NON-PRESERVED BENEFITS |
|--|--------------------|-----------------------------------|
| Reaching age 65  | ●                  | ●                                 |
| Retiring <sup>1</sup> having reached your preservation age <sup>2</sup>                                    | ●                  | ●                                 |
| Leaving employment after age 60  | ●                  | ●                                 |
| Ceasing employment without satisfying any of the above conditions <sup>3</sup>                             |                    | ●                                 |
| Starting a 'transition to retirement' pension after reaching your preservation age <sup>2</sup>            | ● <sup>5</sup>     | ● <sup>5</sup>                    |
| Permanent incapacity <sup>3</sup>  | ●                  | ●                                 |
| Temporary incapacity (for release of insurance benefits only) <sup>3,5</sup>                               | ●                  | ●                                 |
| Diagnosed with a terminal medical condition likely to result in your death within 24 months <sup>3,4</sup> | ●                  | ●                                 |
| Severe financial hardship <sup>3</sup>   | ●                  | ●                                 |
| Compassionate grounds <sup>3</sup>   | ●                  | ●                                 |
| Death <sup>6</sup>   | ●                  | ●                                 |
| Departing Australia superannuation payment (DASP) <sup>3,7</sup>   | ●                  | ●                                 |
| Previously classified as a lost member and total benefit in the Fund is less than \$200                    | ●                  | ●                                 |
| Release authority given for payment of excess contributions tax <sup>8</sup>                               | ●                  | ●                                 |

- Under superannuation law, this means an arrangement under which you were gainfully employed has ceased and you don't intend to become gainfully employed for 10 hours or more each week again.
- Preservation age is determined by your date of birth, as shown in the following table.
- There are additional requirements you'll need to satisfy before a payment can be made – contact us for further information.
- Even if you satisfy the 'terminal medical condition' condition of release under superannuation law, you will also need to satisfy any relevant conditions under the insurance policy (eg a shorter life expectancy period) before any insured death benefit, if applicable, is paid.
- Your benefit can only be taken as a pension.
- See 'Death benefits' on page 36 for more information.
- Applies to temporary residents (excluding Australian citizens, New Zealand citizens or permanent residents) who have left Australia and their visa has ceased to be in effect.
- See 'Tax' on page 32 for more information.

## PRESERVATION AGE

| DATE OF BIRTH               | PRESERVATION AGE |
|-----------------------------|------------------|
| Before 1 July 1960          | 55               |
| 1 July 1960 to 30 June 1961 | 56               |
| 1 July 1961 to 30 June 1962 | 57               |
| 1 July 1962 to 30 June 1963 | 58               |
| 1 July 1963 to 30 June 1964 | 59               |
| After 30 June 1964          | 60               |

## PENSION BENEFITS

Rather than having your entire superannuation benefit paid as a lump sum, you may wish to receive all or part of your entitlement as a pension benefit payment. Perpetual will pay your pension by way of a direct credit to a nominated Australian bank account that is held in your name.

Please refer to 'Pension accounts' on page 23 for further information.

## INSURANCE

### LIFE INSURANCE

Your Fund is able to hold life insurance for you. On your death, the net proceeds of any life policies will form part of the assets to be distributed to your beneficiaries.

If a death or terminal illness insurance benefit is paid into your Fund, this amount will be paid into your Fund's Perpetual Cash Account until the relevant member meets a condition of release or we receive other investment instructions from a properly authorised person.

### TOTAL AND PERMANENT DISABLEMENT (TPD) INSURANCE

Your Fund is able to hold TPD insurance for you, however some insurers only offer TPD in conjunction with life insurance. If you become permanently incapacitated, any TPD benefit paid under the terms of such a policy will form part of your assets in the Fund.

If a TPD insurance benefit is paid into your Fund, this amount will be paid into your Fund's Perpetual Cash Account until the relevant member meets a condition of release or we receive other investment instructions from a properly authorised person.

You should note that in order for a TPD benefit to be paid from the Fund, a condition of release must have been met (see the 'Benefit payments' table on this page for details).

A DIY fund is only able to acquire insurance policies where a condition of release is available upon successful claim. These include death, terminal medical condition, permanent incapacity and temporary incapacity cover only. Trauma or TPD 'own occupation' cover cannot be commenced within a DIY fund after 1 July 2014, however any such existing cover can continue after 1 July 2014 provided it remains in the DIY fund.

There may be tax consequences based on the type of cover you hold. We recommend you seek financial and/or tax advice before arranging cover.

## **SALARY CONTINUANCE INSURANCE**

Your Fund is able to hold salary continuance insurance for you. If you can't work due to illness or injury you may be eligible to receive a partial replacement of your income depending on the terms of the insurance policy you take out.

## **ARRANGING INSURANCE POLICIES**

All policies must be held in Perpetual's name as trustee of your Fund. However, you will need to arrange for a suitable policy yourself, which may require insurance underwriting. Your financial adviser will be able to assist you.

As the trustee of all SAFs using the Service, we must prepare an insurance strategy that covers:

- the types of insurance to be acquired and offered
- the levels of insurance cover to be acquired and offered and
- how insurers are to be determined.

We must also:

- consider the cost to beneficiaries of offering and acquiring the insurance and
- only offer and acquire insurance if the cost does not inappropriately erode members' retirement benefits.

Accordingly, we may refuse to acquire and offer (and may also cancel, if appropriate) any insurance policy that does not comply with our insurance strategy or accord with our legal obligations.

Please contact us or your financial adviser prior to completing any insurance applications to ensure the policy can be held by your Fund.

Please also contact your adviser when the policy has been issued to provide them with a copy of the policy schedule and to make premium payment arrangements.

# PENSION ACCOUNTS

## OVERVIEW

Once you have met a condition of release, your accumulated benefits can be used to provide you with regular income in the form of an account based pension (ABP) that is paid by direct credit to a nominated Australian bank account in your name.

## ELIGIBILITY

You are generally eligible to start receiving a pension if you have an 'unrestricted non-preserved' benefit. This will generally be when you have met a 'condition of release', as detailed in the 'Benefit payments' table on page 21.

However, you may have the option to start an ABP prior to ceasing employment through the transition to retirement provisions (see this page for details).

## ACCOUNT BASED PENSIONS

The main characteristics of ABPs are summarised in the following table.

### MAIN CHARACTERISTICS OF ACCOUNT BASED PENSIONS

| FEATURE                        | CHARACTERISTICS   |
|--------------------------------|---|
| Term of the pension            | There is no fixed term – the pension finishes when your account balance is exhausted.   |
| Minimum annual pension payment | Your annual pension amount must be at least the minimum determined by multiplying your account balance by the percentage based on your age (see the 'Minimum annual pension payments' table on this page for details), calculated at commencement and each 1 July.<br>Pension payments are required at least annually, except in the first financial year if your pension commences after 1 June.   |
| Maximum annual pension payment | There is no maximum annual pension amount, except where your ABP has commenced as a 'transition to retirement (TTR) pension' (see this page for details).   |
| Access to benefits             | Unless your ABP has commenced as a TTR pension, you can withdraw as a lump sum at any time: <ul style="list-style-type: none"> <li>part of your remaining benefit, provided you have left at least the balance of the remaining minimum pension amount for that financial year</li> <li>all of your remaining benefit, provided you have received at least the minimum pension payment for the financial year at the time of withdrawal.</li> </ul> |

### MINIMUM ANNUAL PENSION PAYMENTS

| AGE RANGE | PERCENTAGE OF ACCOUNT BALANCE |
|-----------|-------------------------------|
| Under 65  | 4%                            |
| 65-74     | 5%                            |
| 75-79     | 6%                            |
| 80-84     | 7%                            |
| 85-89     | 9%                            |
| 90-94     | 11%                           |
| 95+       | 14%                           |

Your ABP will only continue to be paid until the balance of your account is exhausted. You should be aware that the balance of your account may not be sufficient to provide a pension for the rest of your life.

You can start an ABP from a new Fund, a transferring ABP or allocated pension or all or part of your accumulated benefits by completing the 'Pension account' section of the application form attached to this PDS.

### TRANSITION TO RETIREMENT PENSIONS

If you have reached your preservation age (see the 'Preservation age' table on page 21) but have not ceased employment, you may commence a TTR pension (also known as a pre-retirement pension).

A TTR pension allows you early access to your super money without retiring. A TTR pension provides you with additional income flexibility where, for example, you wish to remain in the workforce but may choose to reduce your hours of work as you approach retirement. It may also provide an opportunity for you to boost your retirement savings by salary sacrificing into superannuation. You should speak to your financial adviser about how a TTR pension can be used to supplement your pre-retirement income and whether it is appropriate for you.

If you commence your pension as a TTR pension:

- you cannot add any future superannuation guarantee or other contributions to your TTR pension account
- you are limited to a maximum pension amount of 10% of your account balance each year (this amount is not pro rata if you commence your TTR pension after 1 July)
- you can stop (or commute) your pension and return your benefit to a superannuation accumulation account (eg if you return to work full time)
- you cannot otherwise access your benefit without satisfying a condition of release under superannuation law (see the 'Benefit payments' table on page 21 for details).



## MINIMUM PENSION AMOUNT IN THE FIRST YEAR

If you commence your ABP on a day after 1 July, your annualised minimum pension payment in the first year will be a pro rata amount based on the number of days in the financial year from the commencement date to the next 30 June. We'll advise you if your chosen pension amount is below this limit.

If you start your pension on or after 1 June in a financial year you are not required to take a pension payment in that financial year.

## ACCESSING YOUR BENEFIT IN AN ACCOUNT BASED PENSION

By investing in an ABP, you generally retain unlimited access<sup>1</sup> to your benefit and may withdraw part or all of your balance as a superannuation benefit payment at any time.

If you withdraw (commute) your entire benefit part way through the financial year, you may be required to take part of your benefit as income, in the form of a pension payment.

<sup>1</sup> Subject to certain restrictions if you have commenced your ABP without retiring after reaching your preservation age (see 'Transition to retirement pensions' on page 23 for details).

## PENSION REFRESH FACILITY

The pension refresh facility provides an easy way for you to consolidate your existing pension account balance with any additional accrued superannuation benefits at any time after you have commenced your pension. This may be particularly useful, for example, if you continue working and receiving superannuation contributions after you have commenced receiving a pension, as it does away with the need for multiple pension accounts if you also want to take those additional superannuation benefits as a pension.

The pension refresh facility works as follows:

- your existing pension account balance is commuted into a new or existing accumulation account and combined with any additional superannuation benefits that you've accrued in or transferred into your accumulation account
- some or all of your then combined accumulation account balance is transferred back into a new pension account to commence a new pension
- when establishing your new pension account, you also provide us with instructions on:
  - the pension amount
  - the pension payment frequency, payment date, annual increase and bank account
  - any beneficiary (including reversionary) nomination.
- if you don't provide instructions on your new pension account, the same details that applied to your previous pension account will apply to your new pension account (unless a new minimum payment amount is required under the law).

Please refer to the form available at our website or by contacting us for more information to take advantage of this feature.

You should seek financial advice before using the pension refresh facility as there are likely to be associated financial, taxation and social security implications from moving your benefits between accumulation and pension arrangements.

## DEATH BENEFITS

Following your death, the balance of your member account in your Fund may be:

- transferred to one of your dependants or
- cashed as a lump sum to your estate.

## REVERSIONARY PENSIONS

You can elect to have your ABP continue to be paid after your death to your spouse or another dependant. This is known as a 'reversionary pension' because it generally reverts to the other person on your death provided they are a 'dependant' for tax purposes (see 'Tax on death benefits' on page 34 for details) at that time. A reversionary pension that is being paid to the reversionary beneficiary is a continuation of the same pension.

The decision to commence the reversionary pension is at the trustee's discretion (subject to the law). If you already have a binding nomination in place, you should ensure that it is consistent with any reversionary pension nomination you have made. Where the two are inconsistent, the binding death benefit nomination will prevail.

## DEATH BENEFIT PENSION

If you don't elect to have a reversionary pension, upon your death your benefit can be paid to your dependants (including dependant children under 25 years of age) in the form of a pension. Your dependants would need to specifically request this type of benefit payment from Perpetual at the time. In these circumstances the payment of a death benefit pension is at the trustee's discretion (subject to the law).

The application form has provision for you to nominate the preferred distribution of your benefit should you die. This nomination can be changed at any time by notifying Perpetual in writing. This form of death benefit nomination is not binding on the trustee. However, any nomination made in these circumstances will be given consideration when Perpetual undertakes the payment of a death benefit.

## DEATH BENEFIT NOMINATIONS

Death benefit nominations are discussed in detail on page 36.



# 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 us or your financial adviser.

## TO FIND OUT MORE

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

## FEES AND OTHER COSTS

This document shows fees and other costs that you may be charged to establish and maintain a SAF in Perpetual Small APRA Fund Service. These fees and other costs may be deducted from your money, from the returns on your Fund's investments or from the assets of your Fund as a whole.

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

Tax information is set out on page 32. Unless otherwise stated, fees and costs disclosed in this section are inclusive of GST. If your Fund is registered for GST purposes it may be entitled to claim a reduced input tax credit in relation to the GST portion of relevant fees, which reduces the net cost of relevant fees to your Fund. For further information, please refer to 'Goods and services tax (GST)' on page 35.

The total fees and charges you pay will include the costs of the Service as well as the cost of the investments you choose for your Fund and fees for any other services you agree with your financial adviser. It is important that you understand the fees of any investments you choose, and that those fees are in addition to the fees charged by us for the Service, together with transaction and portfolio costs incurred on your behalf. The costs of the investments you choose for your Fund will generally be set out in the PDS or other relevant disclosure documents for the investments.

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

## FEES AND OTHER COSTS

| PERPETUAL SMALL APRA FUND SERVICE  |   |  |            |                 |          |                |          |                         |          |  |
|--|---|--|------------|-----------------|----------|----------------|----------|-------------------------|----------|--|
| TYPE OF FEE <sup>1</sup>   | AMOUNT  | HOW AND WHEN PAID  |            |                 |          |                |          |                         |          |  |
| <b>Investment fee<sup>2</sup></b>  | The amount varies between each managed investment.<br>If applicable, refer to the relevant PDS for each managed investment for investment fee amounts.  | In the context of your Fund, you may incur <b>management costs payable to product issuers</b> if your account includes any managed investments.<br>These management costs are calculated and charged by the product issuer and generally reflected in the unit price of each managed investment.<br>If applicable, refer to the relevant PDS for each managed investment for details on how and when management costs are charged.   |            |                 |          |                |          |                         |          |  |
| <b>Administration fees<sup>3</sup></b>   |   |  |            |                 |          |                |          |                         |          |  |
| <b>Trustee and Fund administration fee</b><br>The fee for trusteeship, administration and managing your Fund's compliance                | Fixed amount of \$1,200 pa plus 0.20% pa of the value of the assets in your Fund, subject to a minimum total fee of \$2,000 pa.   | Calculated daily, based on your Fund's value each day if it is a percentage charge, and paid to us monthly (minimum \$166.67 per month) in arrears by deduction from your Fund's Perpetual Cash Account.   |            |                 |          |                |          |                         |          |  |
| <b>Administration fee</b><br>The fee for holding custody of your Fund's assets and providing ongoing investment portfolio administration | <table border="1"> <thead> <tr> <th>Fund value</th> <th>Fee amount</th> </tr> </thead> <tbody> <tr> <td>First \$500,000</td> <td>0.65% pa</td> </tr> <tr> <td>Next \$500,000</td> <td>0.45% pa</td> </tr> <tr> <td>Amount over \$1,000,000</td> <td>0.25% pa</td> </tr> </tbody> </table> Subject to a minimum fee of \$2,600 pa.   | Fund value   | Fee amount | First \$500,000 | 0.65% pa | Next \$500,000 | 0.45% pa | Amount over \$1,000,000 | 0.25% pa | Calculated daily, based on your Fund's value each day if it is a percentage charge, and paid to us monthly (minimum \$216.67 per month) in arrears by deduction from your Fund's Perpetual Cash Account. |
| Fund value   | Fee amount  |  |            |                 |          |                |          |                         |          |  |
| First \$500,000  | 0.65% pa  |  |            |                 |          |                |          |                         |          |  |
| Next \$500,000   | 0.45% pa  |  |            |                 |          |                |          |                         |          |  |
| Amount over \$1,000,000  | 0.25% pa  |  |            |                 |          |                |          |                         |          |  |
| <b>Sub-custody fee for international shares</b><br>The additional fee for holding international shares in your Fund's portfolio          | 0.15% pa of the value of any international shares within your Fund's portfolio.   | If applicable, calculated daily, based on the value of your Fund's portfolio's international shares, and deducted from your Fund's Perpetual Cash Account monthly in arrears.  |            |                 |          |                |          |                         |          |  |
| <b>Buy/sell spread<sup>2</sup></b>   | Refer to the relevant product issuer's PDS for each managed investment for buy/sell spread amounts.   | Buy/sell spreads apply at the time of each transaction in a managed investment and are usually charged by the product issuers by adjusting the application and/or withdrawal price to allow for relevant transaction costs.<br>If applicable, refer to the relevant PDS for each managed investment for further details on how and when buy/sell spreads are charged.  |            |                 |          |                |          |                         |          |  |
| <b>Switching fee</b>   | <b>First 100 transactions (including switches) each year</b> – nil.<br><b>Each transaction (including switches) thereafter each year</b> – transaction fee of \$27.50   | If applicable, any transaction fees payable when you buy or sell investments within your Fund (including switches) are deducted from your Fund's Perpetual Cash Account at the end of the month for each transaction in excess of the 100 free transactions.   |            |                 |          |                |          |                         |          |  |
| <b>Exit fee<sup>4</sup></b>  | <b>Within the first 12 months</b> – the full outstanding administration fees for the remainder of the 12 months based on the highest value of your account up to the date of termination.<br><b>After 12 months</b> – nil.  | Paid by deduction from your Fund's Perpetual Cash Account on termination of your account.<br><br>Not applicable.   |            |                 |          |                |          |                         |          |  |
| <b>Advice fees</b><br>relating to all Fund members using the Service   | Not applicable – we do not charge a standard advice fee (see 'Other fees and costs' below for adviser fees you may agree with your financial adviser).  | Not applicable for the Service.<br>You may agree other service fees with your adviser, which are charged via the Service, but these are not for the Service itself.  |            |                 |          |                |          |                         |          |  |
| <b>Other fees and costs<sup>4,5</sup></b>  | <b>Establishment fee:</b><br><b>New fund</b> – \$500 to set up a new Fund.<br><b>Existing fund</b> – \$1,000 <sup>6</sup> to transfer an existing DIY fund into the Service.<br><br><b>Adviser fees</b><br><b>Contribution fee</b> on each amount contributed to your Fund, where allowed by law – as agreed between you and your financial adviser. <sup>7,8</sup><br><br><b>Financial planning fee and/or strategic advice fee</b> for your Fund's financial plan(s) and/or strategic advice – as agreed between you and your financial adviser. <sup>7</sup> | The establishment fee is payable once only, by deduction from your Fund's Perpetual Cash Account, when you begin using the Service.<br><br>If applicable, a contribution fee is charged when you make an initial investment or additional investments (except Government co-contributions).<br>Any contribution fee agreed between you and your financial adviser will generally be a percentage-based fee that is calculated on the investment amount and deducted from your Fund's Perpetual Cash Account.<br><br>These are dollar based fees payable from your Fund's Perpetual Cash Account at the time agreed between you and your financial adviser. |            |                 |          |                |          |                         |          |  |

## FEES AND OTHER COSTS (CONTINUED)

| TYPE OF FEE <sup>1</sup>   | AMOUNT  | HOW AND WHEN PAID  |
|--|---|--|
| Other fees and costs <sup>4,5</sup><br>(continued)   | <b>Adviser fees</b> (continued)   |  |
|  | <b>Adviser service fee</b> for ongoing service and advice on your Fund's investments or <b>Service fee</b> for ongoing service on your Fund's investments – as agreed between you and your financial adviser. <sup>7</sup>  | <b>Ongoing fee:</b> A percentage or dollar based fee payable monthly from your Fund's Perpetual Cash Account. If percentage based, it will be calculated on the daily closing balance of your entire account, including your Fund's Perpetual Cash Account.<br><br><b>Ad hoc fee:</b> A dollar based fee payable from your Fund's Perpetual Cash Account, as agreed between you and your financial adviser.  |
|  | <b>Activity fees</b>  |  |
|  | <b>Broker fee</b> <sup>9</sup> payable to your broker:<br><b>ASX listed securities</b> – generally 0.33% of the value of the trade.<br><b>International shares</b> – flat fee of \$50 plus brokerage of 0.15% of the value of the trade, together with any out-of-pocket expenses incurred.<br><b>Domestic fixed income securities</b> – as agreed with the approved fixed income broker.   | When buying and selling relevant investments for your Fund's portfolio, brokerage is calculated by your broker and payable at the time of each transaction. Brokerage will be added to the cost or deducted from the proceeds of each transaction.<br><br>Any out-of-pocket expenses incurred in trading international shares, such as local market and government charges, are also deducted from the value or proceeds (as applicable) of the trade. |
|  | <b>Audit fees</b> <sup>10</sup><br><b>Base fee</b> charged by the auditor for conducting the audit of your Fund – approximately \$509.<br><b>Additional audit fee</b> where your Fund has <b>segregated assets</b> – approximately \$202.<br><b>Additional audit fee</b> where your Fund holds <b>non-standard assets</b> such as unregistered unit trusts or shares in an unlisted company – approximately \$218 per type of non-standard asset. | Audit fees are deducted annually from your Fund's Perpetual Cash Account.  |
|  | <b>Insurance premiums</b> will also apply if any members have taken out insurance cover under the Fund.   | Any insurance premiums payable to the insurer will be deducted from your Fund's Perpetual Cash Account monthly or annually in advance in line with the cover anniversary. If the date shown falls on a weekend or public holiday, the premium will be deducted on the next business day following the due date.  |
|  | <b>Government charges</b>   |  |
| <b>Annual APRA levy</b> charged by APRA to meet the cost of the prudential regulation of your Fund – \$590 (for the 2015/2016 financial year)<br><br>The amount and type of levy may be changed by APRA in future years. | The APRA levy is deducted annually from your Fund's Perpetual Cash Account and paid to APRA following lodgement of your Fund's Annual APRA Return.<br><br>Any other government charges or levies (eg financial assistance levy charged by APRA, where required, to cover the costs of providing financial assistance to the superannuation industry) will be applied to your Fund, as appropriate.  |  |
| <b>Indirect cost ratio</b>   | Nil.  | Any reimbursable expenses, as and when applicable, will be deducted from your Fund's Perpetual Cash Account.   |

1 Defined fees for superannuation products, which form part of this PDS, can be found on our website at [www.perpetual.com.au/saf](http://www.perpetual.com.au/saf).

2 Refer 'Fees and costs payable to product issuers for managed investments' on page 28 for further information.

3 The administration fees we charge are the total of all trustee and administration fees charged to your Fund. They cover all ordinary services that we provide to you in running your Fund (refer 'Perpetual Small APRA Fund Service at a glance' on page 3). However, they do not cover all the expenses incurred by your Fund (refer 'Other expenses' on page 29) and any incidental fees (refer 'Incidental fees' on page 28).

4 Refer also 'Other expenses' on page 29 as there may be costs associated with realising investments to pay withdrawals.

5 Refer also 'Other asset fees' and 'Incidental fees' on page 28.

6 The establishment fee for an existing fund includes assessment of the DIY fund, loading of accounting and member information into our system, transfer of custody of assets and preparation of a deed of retirement, appointment and amendment – refer also to 'Establishment fees and existing funds' on page 28 as there may be additional costs relating to the transfer of existing DIY funds.

7 This fee may include an amount payable to an adviser (refer 'Adviser remuneration' on page 29 for further information).

8 A contribution fee may apply to underlying investments which you purchase through the Service.

9 Refer 'Brokerage on listed security transactions' on page 28 for further details.

10 Refer 'Fund audit' on page 28 for further details of fund audit fees.

## ADDITIONAL EXPLANATION OF FEES AND COSTS

### ESTABLISHMENT FEES AND EXISTING FUNDS

Where you transfer an existing DIY fund into the Service our establishment fee does not cover work done to rectify historical problems or complete prior financial year work. The costs of these types of activities will be charged to your Fund at standard professional rates.

We'll provide an estimate of the cost for us to complete this type of work prior to commencing it, and will advise where the actual cost of the work is likely to exceed the estimated amount before proceeding further.

### FEES AND COSTS PAYABLE TO PRODUCT ISSUERS FOR MANAGED INVESTMENTS

Product issuers charge management costs that may include management fees, performance fees and indirect costs. Transaction costs may also apply (eg through their use of buy/sell spreads on unit prices) so that individual investors in managed investments more equitably share the costs associated with buying and selling investments.

You should refer to the current PDS and any updates issued by the product issuer for details of fees and costs applicable to any managed investment products you may hold in your account. By investing in managed investment products through the Fund, you will not receive periodic statements setting out management costs, including indirect costs, attributable to such underlying investments from the product issuer.

### BROKERAGE ON LISTED SECURITY TRANSACTIONS

Your broker will charge brokerage on the purchase and sale of ASX listed securities, international shares and domestic fixed income securities.

Brokerage you are charged will generally be inclusive of any applicable GST.

When you establish your Fund in the Service, a broker from our current approved panel is assigned as the platform broker authorised to purchase and sell ASX listed securities for your Fund. You authorise your adviser to place these trades on your Fund's behalf. Brokerage will apply on all equity transactions placed online through the platform brokers. We may receive up to 40% of the brokerage amount charged for services we perform in relation to these transactions (which is the equivalent of up to \$1.32 for every \$1,000 you trade), but this will be at no additional cost to you.

If you trade listed securities via the Perpetual online share transaction facility, an authorised external broker or approved fixed income broker, you and your adviser may be able to negotiate the brokerage costs directly with that broker. You should contact these brokers for information on the fees and costs applicable for their service.

### FUND AUDIT

Your Fund's financial accounts must be audited each year. Perpetual prepares the financial statements as part of the administration fee and arranges for the audit of these accounts.

Perpetual will engage an accounting firm to provide audit services to your Fund.

Based on past experience, we estimate that the cost of the audit should be approximately \$509 (GST inclusive) which will be paid by your Fund. In some cases where the audit is more complex (eg where the Fund has segregated assets and/or holds an investment in a non-standard asset such as an unlisted or closely held unit trust or in real property), higher audit costs may be incurred.

### OTHER ASSET FEES

If your Fund's investments include any acceptable investments which require additional administration, an additional asset fee may be charged at the time of the initial investment and annually thereafter. The amount varies depending on the type of asset, as shown in the following table.

| OTHER ASSET   | ADDITIONAL ASSET FEE  |
|---|---|
| Managed investments not on the Investment Wrap's menu                 | \$500 per annum per managed investment                          |
| Term deposits not on the Investment Wrap's approved term deposit menu | \$100 per term deposit  |
| Unlisted equities and other acceptable investments                    | \$150 per annum per unlisted equity/other acceptable investment |

### INCIDENTAL FEES

You may incur incidental fees resulting from certain requests or transactions on your Fund, as shown in the following table. These fees are additional to the fees set out in the 'Fees and other costs' table on pages 26-27.

## INCIDENTAL FEES

| INCIDENTAL FEES  | AMOUNT PAYABLE  |
|--|---|
| <b>Foreign exchange</b><br>If your Fund's investments involve any foreign exchange transactions.   | The amount payable to our foreign exchange provider will vary depending on the currency being exchanged.                    |
| <b>Failed trade fee</b><br>If you have insufficient available cash in your Fund's Perpetual Cash Account to pay for a purchase or if you instruct us to sell assets that are not held in your portfolio.   | \$36.00 per day until settlement or cancellation (the ASX may also charge a fee).   |
| <b>Dishonour fee</b><br>If a direct debit from your nominated Australian financial institution is returned unpaid or your cheque is dishonoured.   | Your Fund's Perpetual Cash Account will bear any fees associated with the dishonour, when they are charged to us.           |
| <b>Bank cheque fee</b><br>If you request a withdrawal payment via bank cheque.   | \$10.00 per request.  |
| <b>Telegraphic transfer fee</b><br>If you request a withdrawal payment via telegraphic transfer.   | \$30.00 per request.  |
| <b>Distribution redirection fee</b><br>If you require distributions/dividends to be redirected to you following the closure of your Fund.  | \$50.00 per request.  |
| <b>Fees for the provision of information</b><br>If you elect to receive notices, proxies, proxy soliciting materials, reports or other communications relating to your portfolio or where additional reports are requested more frequently than quarterly. | \$33.00 per communication, plus \$88 per hour (or part thereof) where attending to your request takes more than 15 minutes. |

## TAX

Tax information, including GST, is set out on page 32.

## ADVISER REMUNERATION

All adviser fees (see the 'Fees and other costs' table on pages 26-27) negotiated between you and your financial adviser will be as set out on the application form or subsequent instruction to us. If no amounts are specified, these fees will be nil.

Your adviser will provide you with a financial services guide and, where appropriate, a statement of advice, which will detail their remuneration and other benefits.

## ADVISER SERVICE FEES

There are no maximum adviser service fees, however, we are able to reject the amount of adviser service fees if we believe they are unreasonable.

The ongoing adviser service fee may be structured in one of three ways:

- **tiered structure**, specifying a percentage to apply at different portfolio values
- **flat percentage structure**, specifying a percentage to apply to the total value of your portfolio or
- **flat dollar structure**, specifying a flat (fixed) dollar amount.

## OTHER BENEFITS

As a result of your Fund's investment in the Service, your financial adviser may receive other non-monetary benefits, which are not an additional cost to you.

## PERPETUAL CASH ACCOUNT REMUNERATION

Total Perpetual Cash Account balances are invested via the custodian in bank or other interest bearing deposits with an authorised deposit-taking institution. A member of the Perpetual Group retains any difference between the interest received on those deposits and the rate of return PTCO declares for payment on Perpetual Cash Account balances.

## OTHER EXPENSES

The administration fees charged for the Service do not cover all expenses incurred by your Fund. All fees, charges and expenses paid to service providers (such as auditors, actuaries and sub-custodians of international assets), regulatory levies, bank fees, property valuations, title searches and taxes incurred on behalf of your Fund are paid by Perpetual from your Fund's Perpetual Cash Account. If these expenses are paid directly by Perpetual, we are entitled to be fully reimbursed by your Fund. The selection of service providers is at our discretion.

No maximum or minimum limits apply to the recovery of these properly incurred expenses.

Subject to the provisions of the Trust Deed, time in attendance expenses that we incur in the management of your Fund will be recovered from the Fund at our standard professional rates. For example, these activities may include attending company meetings, court appearances, legal investigations and attendance at body corporate meetings.

Extraordinary administrative tasks that we are required or are requested by you to perform (such as effecting a split of your superannuation interest, or making an in specie benefit payment) may incur additional costs.

The costs of these extraordinary types of activities will be charged to your Fund's Perpetual Cash Account at our standard professional rates. We'll provide an estimate of the cost for us to complete this type of work prior to commencing it and will advise where the actual cost of the work is likely to exceed the estimated amount before proceeding further.

### **ACTUARIAL REVIEW**

Where an actuarial review will be required for your Fund, for example, if it is paying some types of pensions, Perpetual will engage an actuarial firm to provide actuarial services to your Fund.

The additional cost of an actuarial review, where required, will be charged to your Fund's Perpetual Cash Account.

### **FEES SPREAD PROPORTIONATELY**

Generally fees and charges are deducted proportionately from each member account within your Fund. This means that the member with the largest account balance will bear the largest proportion of the fee. In some cases where a fee or expense can be directly attributed to a particular member (eg actuarial costs), that amount will be charged solely to their account.

### **INCREASES OR ALTERATIONS TO THE FEES**

If there is an increase in the rate of GST payable on any of the services provided to your Fund, Perpetual will generally pass this increase on to your Fund and reflect these changes in its charges. Further, over time we may vary our charges. We won't increase our fees or charges or introduce any new fees or charges (other than government fees and charges) without first giving you 30 days' written notice.

Incidental fees, such as fees for bank cheques and telegraphic transfers, can change without notice. Current fee details at any time are available from our website.



## EXAMPLES OF ANNUAL FEES AND COSTS

The following tables give examples of how the fees and costs for the Service can affect your superannuation investment over a 1 year period. As our minimum administration fees are based on a Fund value of at least \$400,000 for the Service, we have provided below fee examples based on \$400,000 and \$1,000,000 Fund value scenarios. You may be able to use these examples to compare the Service with other DIY superannuation services.

As one of the features of a SAF is the unique investment mix (and, hence, cost arrangement) you are able to select, you should compare the costs of a Fund in the Service with a superannuation product only after also taking into account fees and costs for your Fund's expected investments and transactions and any government charges.

### EXAMPLE OF FEES AND COSTS: FUND VALUE OF \$400,000

| EXAMPLE                                       |   | BALANCE OF \$400,000   |
|---|---|--|
| Investment fees                               | Varying – as determined by the product issuer   | For every \$400,000 you have in the Service you will be charged by the product issuer varying investment fees each year depending on the managed investments, if any, in which your Fund invests |
| <b>PLUS</b><br>Administration fees            | \$1,200 + 0.85% (comprising 0.20% trustee and Fund administration fee + 0.65% administration fee) | <b>And</b> , you will be charged the minimum \$4,600 in administration fees  |
| <b>PLUS</b><br>Indirect costs for the Service | Nil   | <b>And</b> , indirect costs of \$0 will be deducted from your investment   |
| <b>EQUALS</b><br>Cost of the Service          |   | If your balance was \$400,000, then for that year you will be charged fees of at least <b>\$4,600*</b> for the Service.  |

### EXAMPLE OF FEES AND COSTS: FUND VALUE OF \$1,000,000

| EXAMPLE                                       |   | BALANCE OF \$1,000,000   |
|---|---|--|
| Investment fees                               | Varying – as determined by the product issuer   | For every \$1,000,000 you have in the Service you will be charged by the product issuer varying investment fees each year depending on the managed investments, if any, in which your Fund invests |
| <b>PLUS</b><br>Administration fees            | \$1,200 + 0.75% (comprising 0.20% trustee and Fund administration fee + 0.55% administration fee) | <b>And</b> , you will be charged \$8,700 in administration fees  |
| <b>PLUS</b><br>Indirect costs for the Service | Nil   | <b>And</b> , indirect costs of \$0 will be deducted from your investment   |
| <b>EQUALS</b><br>Cost of the Service          |   | If your balance was \$1,000,000, then for that year you will be charged fees of at least <b>\$8,700*</b> for the Service.  |

\* The following charges will also apply:

- You will be charged an audit fee each year – see page 27 for details.
- You will be charged an APRA levy each year – see page 27 for details.

Additional fees may apply. **And:**

- These examples don't include any external investment management costs that may be payable depending on the investments you select, such as investment fees and transaction costs charged by managed investments – see page 28 for further information.
- You may be charged an establishment fee to set up a new Fund or transfer an existing DIY fund into the Service – see page 26 for details.
- You will be charged a sub-custody fee if your Fund holds any international shares – see page 26 for further information.
- You will be charged transaction fees if your Fund has more than 100 transactions (including switches) during the year – see page 26 for details.
- You will be charged brokerage on any trade involving ASX listed securities, international shares or domestic fixed income securities – see page 27 for further information.
- You will be charged an exit fee if you close your account within the first 12 months – see page 26 for details.

# TAX

The tax benefits derived from investing in superannuation are particular to your circumstances, so we recommend you see a tax adviser. This information is general only and shouldn't be relied on.

## ACCUMULATION ACCOUNTS

### YOUR FUND

#### CONCESSIONAL CONTRIBUTIONS

Concessional contributions are generally subject to tax at 15% within the Fund.

#### NON-CONCESSIONAL CONTRIBUTIONS

Non-concessional contributions (also known as 'after-tax contributions') are not taxable within the Fund.

#### TAX ON INVESTMENT EARNINGS

Provided your Fund is a complying superannuation fund, the maximum tax rate on its taxable income (including realised net capital gains) is 15%. However the effective rate of income tax is generally less due to the impact of:

- concessional CGT treatment for assets held for more than 12 months
- allowable deductions (see below)
- tax offsets (see below).

#### ALLOWABLE DEDUCTIONS

Certain expenses incurred by your Fund may be claimed as tax deductions, which reduce the amount of tax payable.

The tax deductibility of insurance premiums is limited to the extent that the definition in the policy aligns with the definition of invalidity under superannuation law. This means that where a TPD insurance policy includes 'own occupation', TPD insurance premiums may not be fully deductible to the Fund. You should speak to your financial and/or tax adviser to understand the impact on your Fund.

#### TAX OFFSETS

Your Fund may be able to claim tax offsets, including franking credits and foreign income tax offset, to reduce the amount of tax payable by the Fund. Excess franking credits may be refundable to your Fund by the ATO.

### MEMBERS

#### CONCESSIONAL CONTRIBUTIONS

##### TAX DEDUCTIONS

Employers can claim a full tax deduction for all contributions made on behalf of their employees.

If you are self-employed (that is, if you earn less than 10% of your assessable income plus reportable fringe benefits and reportable employer super contributions for a year from activities where you would be considered an employee), you can claim a full deduction for all personal superannuation contributions until age 75.

#### ADDITIONAL CONTRIBUTIONS TAX

Generally, a flat 15% tax applies to concessional contributions. However, tax of 30% will apply instead to concessional contributions (within the concessional contributions cap) if your income (including concessional contributions) is greater than \$300,000. If your income excluding concessional contributions is less than the \$300,000 threshold, but including the concessional contributions pushes you over the threshold, only that part of the contributions in excess of the threshold will be subject to tax at 30%. The ATO will issue an assessment to the member for the extra tax payable on the contributions, together with a release authority to allow the tax amount to be withdrawn from the fund. The member can either use the release authority or pay the tax from other sources.

Concessional contributions that exceed your concessional contribution cap (see 'Contribution limits' on page 19 for details) will be included in your assessable income and taxed at your marginal tax rate (plus Medicare levy). You will also have to pay an excess concessional contributions charge on the increase in your tax liability. You have the option to withdraw from your member account an amount equal to 85% of the excess concessional contribution. Any excess concessional contributions withdrawn do not count towards your non-concessional contribution cap.

#### NON-CONCESSIONAL CONTRIBUTIONS

Any non-concessional contributions that exceed your non-concessional contribution cap (see 'Contribution limits' on page 19 for details) are taxable at the top marginal tax rate (plus Medicare levy) and you must withdraw from your Fund an amount equal to your liability to pay the excess contributions tax. To limit excessive contributions taxes, an individual non-concessional contribution can only be accepted if it is within the relevant limit. However, you are responsible for monitoring your total non-concessional contributions against the relevant limit.

You have the option of withdrawing superannuation contributions in excess of the non-concessional contributions cap made from 1 July 2013 and any associated earnings. The earnings will be taxed at your marginal tax rate.

## GOVERNMENT CO-CONTRIBUTION

Members with a total income (assessable income plus reportable fringe benefits and reportable employer super contributions less allowable deductions for carrying on a business, where applicable) of less than the higher income threshold (see below) who are less than 71 years of age at the end of the financial year may be eligible for the Government co-contribution on personal non-concessional contributions up to \$1,000 made during that year.

The co-contribution rate is 50%, with a maximum \$500 co-contribution applying for individuals with a total income up to the lower income threshold (see below), which reduces by 3.333 cents for every \$1 of total income up to the higher income threshold where it ceases to apply.

For the 2015/2016 financial year, the lower income threshold is \$35,454 with a higher income threshold of \$50,454. For the 2016/2017 financial year, the lower income threshold is \$36,021 with a higher income threshold of \$51,021. The higher income threshold is set at \$15,000 above the (indexed) lower income threshold.

## LOW-INCOME SUPERANNUATION CONTRIBUTION

A superannuation contribution of up to \$500 annually (not indexed) will be paid by the Government for individuals on adjusted taxable incomes of up to \$37,000. The amount payable into the individual's superannuation account will be calculated by applying a 15% matching rate to the concessional contributions made by or for such eligible individuals.

This effectively means that eligible individuals can have \$3,333 in concessional contributions made to superannuation each year without having their benefits reduced by contributions tax as the \$500 payment will offset the contributions tax payable.

The low-income superannuation contribution will remain in the above form until 30 June 2017.

## SPOUSE CONTRIBUTIONS

A person can claim a tax offset of up to \$540 per annum for superannuation contributions made on behalf of their low income or non-working eligible spouse. The tax offset is calculated as 18% of contributions up to a maximum contribution of \$3,000.

You can obtain further information from [www.ato.gov.au](http://www.ato.gov.au).

## TAX ON SUPERANNUATION BENEFIT PAYMENTS

Tax may be payable when you make a lump sum withdrawal from the Fund. Tax applicable to the components of superannuation benefit payments is shown in the 'Tax on lump sum benefit payments' tables on pages 33-34. Different rates may apply to temporary residents permanently departing Australia (see 'Tax on departing Australia superannuation payments' on page 34 for details) or to residents who have not provided a TFN.

## PENSION ACCOUNTS

### YOUR FUND

#### TAX ON INVESTMENTS

Generally, no tax is applied on superannuation amounts rolled over into your Fund, unless they have come from an untaxed source and contain a taxable component (eg Government superannuation scheme). In this case, we are required to deduct income tax of generally 15% on the taxable component amount.

#### TAX ON INVESTMENT EARNINGS

Investment earnings including realised net capital gains derived within a full pension account of your Fund are not subject to tax.

#### TAX OFFSETS

To the extent that tax offsets have been derived within a pension account of your Fund, but are able to be applied against the income tax payable by the accumulation phase of the Fund, we'll ensure they are utilised in a reasonable and equitable manner.

### MEMBERS

#### TAX ON PENSION BENEFIT PAYMENTS

Tax instalments may be payable in respect of pension payments made to you through the PAYG (Pay-As-You-Go) system.

Tax applicable to the components of pension benefit payments is shown in the following 'Tax on pension benefit payments' table. Different rates may apply to members who have not provided a TFN.

#### TAX ON SUPERANNUATION BENEFIT PAYMENTS

The following 'Tax on lump sum benefit payments' tables provide details of tax payable on superannuation benefit payments, which include pension commutations.

#### TAX ON LUMP SUM BENEFIT PAYMENTS - 2015/2016 FINANCIAL YEAR

| COMPONENT             | TAX TREATMENT     |  |
|-----------------------|-------------------|--|
| Tax-free <sup>1</sup> | Tax-free.         |  |
| Taxable <sup>2</sup>  | Under age 56:     | Taxed at 20% <sup>3</sup>  |
|                       | Aged 56-59:       | First \$195,000 <sup>4</sup> is tax-free and the balance taxed at 15% <sup>3</sup> |
|                       | Aged 60 and over: | Tax-free   |

## TAX ON LUMP SUM BENEFIT PAYMENTS - 2016/2017 FINANCIAL YEAR

| COMPONENT                   | TAX TREATMENT  |
|-----------------------------|--|
| <b>Tax-free<sup>1</sup></b> | Tax-free.  |
| <b>Taxable<sup>2</sup></b>  | Under age 57: Taxed at 20% <sup>3</sup>  |
|                             | Aged 57-59: First \$195,000 <sup>4</sup> is tax-free and the balance taxed at 15% <sup>3</sup> |
|                             | Aged 60 and over: Tax-free   |

## TAX ON PENSION BENEFIT PAYMENTS - 2015/2016 FINANCIAL YEAR

| COMPONENT                   | TAX TREATMENT   |
|-----------------------------|---|
| <b>Tax-free<sup>1</sup></b> | Tax-free.   |
| <b>Taxable<sup>2</sup></b>  | Under age 56: Taxable at marginal tax rate <sup>3</sup>                         |
|                             | Aged 56-59: Taxable at marginal tax rate <sup>3</sup> , less 15% pension offset |
|                             | Aged 60 and over: Tax-free  |

## TAX ON PENSION BENEFIT PAYMENTS - 2016/2017 FINANCIAL YEAR

| COMPONENT                   | TAX TREATMENT   |
|-----------------------------|---|
| <b>Tax-free<sup>1</sup></b> | Tax-free.   |
| <b>Taxable<sup>2</sup></b>  | Under age 57: Taxable at marginal tax rate <sup>3</sup>                         |
|                             | Aged 57-59: Taxable at marginal tax rate <sup>3</sup> , less 15% pension offset |
|                             | Aged 60 and over: Tax-free  |

- Includes non-concessional contributions and Government co-contributions from 1 July 2007 (plus the former undeducted contributions, pre-July 1983 (amount fixed as at 30 June 2007), post-June 1994 invalidity, CGT exempt and concessional components).
- Includes concessional contributions from 1 July 2007 (plus the former post-June 1983 (taxed) and excessive components).
- Plus Medicare levy.
- The low-rate cap is a lifetime limit which was set at \$195,000 for the 2015/2016 and 2016/2017 financial years and will be indexed in line with Average Weekly Ordinary Time Earnings (AWOTE) in multiples of \$5,000.

## GENERAL

### TAX ON DEPARTING AUSTRALIA SUPERANNUATION PAYMENTS

The tax payable on a DASP (see the 'Benefit payments' table on page 21 for further information) is:

- 35% (38% for the period that the Government's 'Temporary Budget Repair Levy' applies) for a taxed element of a taxable component
- 45% (47% for the period that the Government's 'Temporary Budget Repair Levy' applies) for an untaxed element of a taxable component.

### TAX ON DEATH BENEFITS

Payment rules and the tax consequences depend on whether the death benefit is paid to a dependant or non-dependant.

A death benefit dependant for tax purposes is a:

- current or former spouse<sup>1</sup>
- child<sup>1</sup> under age 18
- person who was financially dependent on you at the time of your death or
- person who you have an 'interdependency relationship'<sup>1</sup> with.

1 See 'Dependants' under 'Death benefits' on page 36 for definitions of dependants under superannuation law.

### DEATH BENEFITS PAID TO DEPENDANTS

Lump sum death benefit payments are tax-free if paid to a dependant.

A death benefit paid as a pension will be tax-free if either the primary or reversionary beneficiary is aged 60 or over. If they're both under age 60 at the time of death, the pension (less any tax-free amount) will continue to be taxed at the reversionary beneficiary's marginal tax rate (plus Medicare levy) less 15% pension tax offset until the reversionary beneficiary turns age 60, when it becomes tax-free.

If the death benefit is paid as a pension to a dependant child, the balance must be paid as a (tax-free) lump sum when the child turns 25 (unless permanently disabled).

### DEATH BENEFITS PAID TO NON-DEPENDANTS

Death benefit payments to non-dependants for tax purposes (eg an adult child) have to be paid as a lump sum benefit. The taxable component of a death benefit paid to a non-dependant will normally be taxed at 15% (plus Medicare levy).

### DEATH BENEFITS PAID TO YOUR LEGAL PERSONAL REPRESENTATIVE

If the death benefit is paid to your legal personal representative for distribution through your estate, any tax payable will depend on how the death benefit is ultimately distributed between your dependants and any non-dependants.

## TAX ON DISABILITY SUPER BENEFITS

A tax offset of 15% is generally available on disability super benefits paid as a pension to members under age 60.

## TAX ON TERMINAL ILLNESS BENEFITS

Generally no tax is payable on benefits that are paid to you under the 'terminal medical condition' condition of release (see the 'Benefit payments' table on page 21 for details).

## TAX ON SALARY CONTINUANCE BENEFITS

PAYG tax will be deducted on any salary continuance benefits that are paid to you.

## TAX FILE NUMBER (TFN)

We are authorised by superannuation law to collect TFNs in connection with your superannuation investment.

Providing your TFN isn't compulsory. However:

- we can only accept non-concessional contributions for you if you have quoted your TFN
  - where your TFN hasn't been quoted by the end of a financial year or prior to you leaving the Fund, we may be required to deduct additional tax from concessional contributions received during the year<sup>1</sup>
  - if we don't have your TFN when you apply to withdraw your superannuation, we must deduct income tax at the highest marginal tax rate (plus Medicare levy) from any lump sum benefits paid to you<sup>2</sup>
  - if you don't quote your TFN to all funds, you may find it difficult to locate, amalgamate or access your superannuation benefits in the future.
- 1 A refund of the tax paid may be available within three years of it being deducted if a valid TFN is subsequently provided by you or your employer.
  - 2 If you subsequently provide us with your TFN, we may be able to refund the difference between the tax we deducted and the tax properly applicable to your lump sum benefit. You can claim a credit in your income tax return for the tax withheld. If this isn't appropriate, you can apply to the ATO for a refund.

We'll provide your TFN to the trustee of another superannuation fund or retirement savings account provider receiving your transferred benefits in future, unless you ask us not to in writing.

## TAX ON WINDING UP YOUR FUND

Winding up or terminating your Fund involves disposing of all of the assets, either by sale or in specie transfer, and calculating a final member benefit from your Fund. This is then paid to the member or rolled over to another regulated superannuation fund if the benefit is preserved.

This means that all of the unrealised capital gains and losses in your Fund will be realised and become taxable (together with all other income) in the final tax return of your Fund. However, income and capital gains associated with assets supporting a current pension liability are tax exempt where the pension is still in place at the time of any disposals of assets. Note also that upon termination of your Fund all unused realised capital and/or income losses within the Fund (if any) are lost.

## GOODS AND SERVICES TAX (GST)

The GST disclosures contained in this PDS are of a general nature only.

GST generally applies to the fees, costs and expenses payable by your Fund, including administration fees and other fees payable to us.

Not all superannuation funds are required to be registered for GST and registration will depend on your Fund's investments and the nature of the income received. For example, if your Fund has an investment in commercial property and derives commercial rental income, it is likely a GST registration would be required. Alternatively, if your Fund invests solely in listed shares and derives dividend income instead, no registration for GST is necessary. Where required, Perpetual will register your Fund for GST and calculate and remit any GST payable to the ATO on behalf of the Fund. We'll also include in the Fund's Business Activity Statement the relevant GST details relating to all taxable supplies and creditable acquisitions made by the Fund according to the 'A New Tax System (Goods and Services Tax) Act 1999'.

Superannuation funds that are registered, or required to be registered, for GST generally can't claim a credit for the GST paid, but may be entitled to claim a reduced input tax credit (RITC), which represents a portion of the GST applicable to trustee and Fund administration fees and certain other expenses. Depending on the size of these claims we will assess the most suitable reclaim frequency.

The investment custody administration fees specified in the 'Fees and other costs' table show the approximate net amount payable on the basis that we are entitled to claim a full refund of RITCs for the associated GST amount. As the investment custody administration fees charged to your Fund have already been reduced by the RITC refund amount, this means that Funds using the Service are not entitled to claim RITCs for any GST associated with these costs.



# ESTATE PLANNING

On your death, your superannuation benefits in your Fund may be treated differently to other assets you own. The trustee is generally required to pay your benefits as soon as practicable after your death either directly to one or more of your dependants or to your estate.

In the event of your death:

- we will continue to deduct applicable administration and adviser fees until the payment of your superannuation benefit is authorised by the trustee and your account is closed and
- your investments will continue to be invested in accordance with the most recently selected investment strategy until we receive other instructions from a properly authorised person.

Death benefits can be paid as a lump sum, pension or combination. However, only certain beneficiaries who have been nominated by you are eligible to receive your death benefits as a pension.

## DEATH BENEFITS

The rules attached to Perpetual's standard Small APRA Fund trust deed provide for the payment of a lump sum or pension benefit (see below for conditions that apply) in the event of your death and allow you to either:

1. give a direction (binding nomination) to the trustee regarding the distribution of your death benefit or
2. nominate your preferred beneficiaries (non-binding nomination) but ultimately leave it to the discretion of the trustee to decide how your death benefit is to be distributed amongst your beneficiaries and/or legal personal representatives.

There are different tax consequences depending upon the type of nomination you make and the beneficiaries. We recommend that you consult your financial and/or tax adviser before making any nomination.

If you don't make any nomination, the trustee will use its discretion for the payment of your death benefit.

## BINDING NOMINATIONS

A binding nomination is one where the trustee is bound to make payment of your death benefit according to your instructions, provided your nomination is valid under the law and the rules in the trust deed.

A binding death benefit nomination:

- must be confirmed every three years to remain effective
- ceases to have effect on the occurrence of certain events.

You should make yourself familiar with the binding death benefit nomination rules contained in the trust deed. It is recommended that you obtain professional financial and/or tax advice when determining your estate planning structure.

To make a binding nomination, you should indicate this in your application form. You must also complete the 'Binding death benefit dependant nomination' form on page 51 and attach it to your application form.

## NON-BINDING NOMINATIONS

To make a non-binding nomination, you should nominate your preferred beneficiaries in your application form.

This information provides the trustee with an indication of your wishes and will assist us in exercising our discretion. However, it does not necessarily mean that the benefit will be distributed in this manner.

## DEPENDANTS

For the purpose of paying a death benefit, a member's dependant is a:

- spouse
- child
- person who was financially dependent on you at the time of your death
- person who you have an 'interdependency relationship' with.

A member's 'spouse' includes:

- another person (whether of the same sex or a different sex) with whom a member is in a relationship that is registered under relevant law and
- another person who, although not legally married to the member, lives with the member on a genuine domestic basis in a relationship as a couple.

A member's 'child' includes:

- an adopted child, stepchild or ex-nuptial child
- a child of the member's spouse
- someone who is a child of the member under family law.

Two people have an 'interdependency relationship' if:

1. they have a close personal relationship and
2. they live together and
3. one or each of them provides the other with financial support and
4. one or each of them provides the other with domestic support and personal care.

If a close personal relationship exists but the other requirements for interdependency aren't satisfied because of a physical, intellectual or psychiatric disability, then there is also an interdependency relationship.



## **PAYMENT OF DEATH BENEFITS AS A PENSION**

Death benefits can be paid as a pension to:

- a dependant if the member dies before commencing a pension, to be taxed in the same manner as a reversionary pension (see the 'Tax on pension benefit payments' tables on page 34 for details of tax payable on pension benefits) or
- a dependant child (defined as being less than age 18, between ages 18 to 25 and financially dependent on you, or permanently disabled), although the balance must be paid as a (tax-free) lump sum when the child turns 25 (unless permanently disabled).

Non-dependants are not entitled to receive a death benefit as a pension.

Further information relating to payment of death benefits as a pension can be found within 'Death benefits' on page 24.

## **SUPERANNUATION AND FAMILY LAW**

The law allows for superannuation benefits to be split between you and your spouse (including a de facto spouse of the same or different sex) in the case of legal separation or divorce. Under the law, Perpetual may be required to:

- provide certain information about your superannuation interest to eligible persons upon request without notifying you of the request and/or
- 'flag' (accumulation accounts only) and/or split your superannuation interest according to a superannuation agreement or Family Court order.

The legislative requirements for splitting your superannuation are complex and effecting a split of your superannuation interest may have significant financial and tax consequences for you. We therefore recommend that you seek professional legal, tax and financial advice on how these provisions may affect you.

# FURTHER INFORMATION

## COOLING-OFF PERIOD

A cooling-off period applies when Perpetual sets up a new Fund for you, or you are a new member joining an existing Fund. You have up to 21 days from the day on which an interest is first recorded in your member account during which you can have your investment repaid ('cooling-off period').

The amount that is repaid will be adjusted to take into account any transaction costs and any increase or decrease in the value of the investments in your Fund. Any contribution fees or taxes deducted from your investment will be refunded.

Your right to be repaid during the cooling-off period does not apply if you exercise any of your rights as a member of the Fund, or if you transfer an existing DIY fund to Perpetual.

Amounts that are 'preserved' or 'restricted non-preserved' cannot be refunded to you if you exercise your cooling-off rights (all contributions are preserved upon being made to the Fund, only rollovers of unrestricted non-preserved amounts are refundable) unless you satisfy a condition of release. You will need to nominate another superannuation fund, retirement savings account (RSA) or approved deposit fund (ADF) to which you wish the funds to be transferred. If you do not nominate an alternative superannuation fund, RSA or ADF to receive the investments in your Fund, we'll transfer the amount to the trustee's nominated eligible rollover fund (see 'Eligible rollover fund' on page 42 for details).

To have any 'unrestricted non-preserved' amount repaid, please write to us setting out your account details and stating that you wish to be repaid during the cooling-off period.

When we receive your request, we'll send you full details about your repayment.

## APPOINTMENT OF PERPETUAL

You appoint companies in the Perpetual Group to perform trustee, administration and custodial services for your Fund as set out in this PDS, on and from the date of your application. This appointment remains valid until terminated.

Perpetual Private Investment Wrap (Investment Wrap) is used to hold and administer your Fund's investments. PTCO has appointed Macquarie Investment Management Limited ABN 66 002 867 003, AFSL 237492 to provide administration services for the Investment Wrap.

## DIFFERENCES BETWEEN INVESTING THROUGH THE SERVICE AND INVESTING DIRECTLY

The Service uses Perpetual Private Investment Wrap, an investor directed portfolio service (IDPS), in providing custody and investment administration services to your Fund.

Acquiring interests in underlying investments through the Service using an IDPS is not identical to holding these investments in your Fund's own right. For example, the following differences apply:

- the IDPS custodian will be the legal owner of the assets rather than the trustee of your Fund
- your Fund does not become the direct unit holder in the managed investments you have selected for your Fund. The registered unit holder will be the IDPS custodian as our agent for your Fund. As such, the custodian may exercise the rights of a unit holder or decline to exercise them in accordance with the arrangements specified in this Guide
- cooling-off rights allowing a refund of an investment within 21 days from the investment date, which are usually available to direct retail investors, will not apply to investments made via the IDPS. This means that any requests for a refund otherwise available to direct retail investors within the product issuer's cooling-off period will instead be treated as a normal withdrawal request, which may incur product issuer fees
- for term deposits, your Fund's investment generally will be pooled with other investors that wish to invest for the same term as your Fund. As a result, some of the features and functions that may be described in the term deposit offer documents may not be available to your Fund
- for ASX listed securities in your Fund, the IDPS custodian will:
  - instruct CHES<sup>1</sup> to settle your transactions in line with market practice
  - control your Fund's holdings on CHES<sup>1</sup> in line with the ASX business rules
- international shares in your Fund will be held in custody for your Fund by the IDPS custodian or its delegate(s), who will settle your Fund's transactions in line with market practice
- domestic fixed income securities in your Fund will be held in custody for your Fund by the IDPS custodian or its delegate(s), who will settle your Fund's transactions in line with market practice. Your Fund will be required to meet the minimum parcel and trading requirements of the issuer or approved fixed income broker

- certain rights and obligations available to, or owing by, the legal owner of an asset are exercisable by the IDPS operator, rather than by your Fund. For example, there may be differences in relation to:
  - your Fund’s withdrawal rights (refer ‘Your Fund’s withdrawal rights’ below for further information)
  - transaction processing and unit pricing may differ
- when your Fund makes an initial or additional investment in an underlying investment, there is a risk that you have not considered the most recent product disclosure statement and other disclosure documents for the underlying investment, or that you have not been made aware of recent material changes or significant events affecting that investment
- your Fund can access managed investments with wholesale fees, where available, which can be significantly cheaper than the retail fees your Fund may pay if it invested in each managed investment directly
- interest earned on any pooled operating accounts used by the IDPS operator or custodian will (if permitted by law) be retained by the IDPS operator or custodian and will not be payable to you
- as the IDPS custodian is the registered owner of your assets held in custody, you are unable to participate in regular or ad hoc meetings (such as annual general meetings for listed companies) nor do you have any voting rights (refer ‘Voting policy’ below for further information).

In performing investment services, from time to time, interest bearing pooled operating accounts will be used by the IDPS operator, however no interest is payable to your Fund in respect of those accounts.

- 1 CHESSE is a system that records the ownership of shares and other listed securities in electronic form (rather than on paper). The custodian holds these securities in custody, in an individual investor account, on your Fund’s behalf. As your Fund is not the registered holder, you do not have voting rights, nor is a proxy voting service provided. We generally do not vote or seek your instructions in relation to voting. However, at our discretion, we will vote as per your instructions if received.

## **YOUR FUND’S WITHDRAWAL RIGHTS**

The IDPS custodian is the direct investor for your Fund’s investments and holds all relevant withdrawal rights, which may differ depending on whether the investment is made by the IDPS custodian as a wholesale investor (usually the case) or retail investor. Withdrawal rights for an investment may not be available to the IDPS custodian if the product issuer’s relevant PDS or disclosure document becomes defective before the issue of the investment.

As your Fund is an indirect investor, the product issuer is not required to return the investment to your Fund or provide your Fund with other options such as notifications of an option to withdraw if the investment is or becomes ‘illiquid’. Withdrawal rights may also be affected where redemptions are offered on a scaled-back basis. As your Fund’s investments may be pooled with other indirect investors investing via the IDPS, the amount your Fund could be entitled to also may be distributed pro rata with those other investors, resulting in an amount less than would be the case if the investment was held individually.

## **VOTING POLICY**

As the direct investor, the IDPS custodian receives notices of meetings or resolutions that relate to your Fund’s investments. The IDPS custodian does not proactively make this information available to you or your adviser.

The IDPS custodian maintains a voting policy under which they do not offer you voting rights (aside from voting under any corporate actions relating to securities in which your Fund has invested – see ‘Corporate actions’ on page 40 for further information) except under the following limited circumstances where they may:

- allow client instructions to be made via proxy in writing, and/or
- actively solicit client voting instructions.

These circumstances include:

- fulfilling their obligations under applicable law
- where the investors are ‘key management personnel’ as defined by the Corporations Act
- investors who hold a material interest in the investment that could reasonably be expected to impact the outcome of a resolution.

Where such matters are brought to our attention:

- we will endeavour to provide you, via your adviser, with the material that would have been sent to you if your Fund was a direct investor
- we will not permit you to act as a corporate representative on behalf of the IDPS custodian – instead we will accept your written voting instructions so that we can endeavour to lodge these via proxy
- we may require confirmation in writing from the relevant company secretary or other representative to confirm your eligibility to participate in some or all of the resolutions. Where this confirmation is sought, we will not pass on your instructions until this has been provided
- neither we nor the IDPS operator accept any liability for acting on your instructions (including where such an instruction may contravene the law or any regulation)
- any instruction to vote must be received at least three business days prior to the registry cut-off time

- a standing instruction for future resolutions cannot be provided – we must receive direction for each voting opportunity as it arises
- the IDPS custodian generally does not vote on company or scheme resolutions and other corporate actions.

A copy of the voting policy for the IDPS is available free of charge on request.

## COMMUNICATIONS

### REPORTS AND STATEMENTS

We will prepare a detailed statement on the value of your Fund, and any transactions that have taken place, as follows:

- as at 30 June (your Fund's annual statement), sent to you and available online
- as at 31 March, 30 September and 31 December (your Fund's quarterly statements), available for you to view online (copy by mail available on request).

Statements will be available shortly after the end of the reporting period.

During the course of a year we'll also provide you with a copy of your Fund's annual financial statements, which can also be provided to your financial adviser.

Depending on the circumstances of your Fund, we also send you various types of communications during the year such as an annual pension details notice or a request for information as to whether you are claiming a tax deduction for your personal contributions to your Fund.

### ONLINE ACCOUNT ACCESS

You can keep up-to-date by checking your Fund details online.

The information available online includes:

- transactions conducted since opening your Fund and member account
- your Fund balance and the latest available market value of your Fund's investments
- details of income received
- details of the fees and costs incurred
- your realised and unrealised gains and losses
- copies of your Fund's annual and quarterly statements
- additional information about managed investments
- ASX market information.

Online reports are generally updated daily with data as at the close of the previous business day.

You can also make elections on corporate actions and update your personal details online.

Unless you advise otherwise, we will automatically issue you with online access at the time you establish your Fund.

### ONLINE ACCOUNT ACCESS CONDITIONS

To be able to use Online Account Access, you must accept the conditions of use (which are publicly available at our website or can be obtained free of charge by contacting us) and change the temporary password we've provided to a password of your choice when you first log in to Online Account Access.

### CORPORATE ACTIONS

We refer to corporate actions as actions taken by, in respect of or against a security in which you have invested. These may affect the capital structure of the security, or the number or type of securities held on your behalf. These types of actions can be mandatory, such as share reconstructions, or voluntary, such as entitlement offers and share purchase plans.

We process corporate actions in relation to investments held in your Fund according to your instructions (where applicable), including:

- initial public offerings (floats)
- takeovers
- buy-backs
- share purchase plans
- rights (renounceable and non-renounceable)
- call payments
- compulsory acquisitions
- share splits.

In some circumstances we will ask you to make a decision regarding your preferred course of action for a corporate action, but in others we, as trustee seeking to act in your best interests and in accordance with our other duties, may make a decision in relation to the corporate action.

If you have online access and you have provided an email address, you can receive notifications of corporate actions by email. You can then make your election online.

If you do not wish to participate in online corporate actions, your adviser will provide separate notification. You will need to provide an 'Authority to proceed' to enable your adviser to implement your instruction.

We may refuse to act on your instructions if to do so would result in your Fund acquiring an unacceptable investment (see 'Investment types which we won't accept' on page 13 for further information), is inconsistent with our other trustee duties (for example, if your Fund is not permitted to hold such an asset), or if superannuation law forbids it.

Where it is available, we will endeavour to provide relevant information to your adviser about corporate actions impacting your Fund either directly or (at our discretion) through the corporate actions calendar, viewable by your adviser on our website. Your adviser must use the corporate actions calendar to check for any corporate action information that may be relevant to your Fund or require your action.

When a corporate action occurs and we ask you for instructions, we must be given those instructions at least three business days prior to the published closed date of the action (the cut-off date), unless we specify otherwise. If you are required to make an additional payment to participate in a corporate action, there must be sufficient available cash in your Fund's Perpetual Cash Account as at 9.00am Sydney time on the nominated cut-off date for your instruction to be accepted as authorised. Where notice is received after the applicable cut-off date, or you have insufficient funds available, you may not be able to participate in the corporate action, and we are not liable to you for any potential loss of opportunity arising in those circumstances.

Generally you will not be able to vote at shareholder meetings or participate in bonus share plans (offered on some securities, enabling security holders to elect to receive fully paid bonus shares instead of cash dividends) on investments held in your Fund.

The trustee may exercise voting rights in accordance with its voting policies, and will do so if required by law.

### **CLASS ACTIONS**

Unless we agree otherwise, your Fund will not be able to participate in class actions. Where your Fund's holding is compulsorily joined to a class action, you authorise us to opt-out of those proceedings on your behalf at our discretion. We are not liable for any loss, including loss of opportunity, arising out of these circumstances.

### **OTHER INFORMATION AVAILABLE ON REQUEST**

We have a range of other important information concerning the Service that is available including:

- sample trust deed and rules
- administration policies and procedures guide
- investment policy
- property policy.

You can contact us to request this information, or obtain it via your adviser.

## **WINDING UP YOUR FUND**

Your Fund will wind up (terminate) in a number of circumstances as governed by the trust deed. Generally however a Fund will terminate if:

- all members request us in writing to wind up the Fund or
- the trustee transfers all Fund members' benefits to the AERF or any other complying superannuation fund or
- we are removed or we retire as trustee, and you have not appointed a replacement trustee after 30 days.

Upon receipt of a request to wind up your Fund we'll require notice of how the members' balances are to be treated (that is, rolled over or paid to the member). If a condition of release has not been met, the member's balance must be rolled over to another complying superannuation fund (see page 20 for further information on conditions of release). In some circumstances we may seek confirmation as to the receiving fund's complying status. In addition, as your Fund is required to lodge all regulatory returns for the year in which it is wound up, money will be withheld to meet any expenses or taxes that we anticipate will be incurred.

Where your Fund is paying a term allocated pension the law does not generally allow the pension to be commuted and a lump sum paid to the member. In these circumstances we can only roll over the commuted pension to another complying fund (of your choice), in order to commence a new complying pension or complying annuity (of your choice).

Where the benefits have been paid out or rolled over from the Fund, we may require the members to indemnify us for any further expenses in relation to the wind up of the Fund.

The wind up process generally takes a minimum of six to eight weeks or longer, depending on how quickly the assets of the Fund can be realised. During this time we'll continue to charge our fees.

## **RETIREMENT, REMOVAL AND REPLACEMENT OF THE TRUSTEE**

We must retire as trustee of your Fund if:

- a written notice from all Fund members is received requesting that we retire or
- the law requires us to do so.

We also reserve the right to retire as trustee of your Fund at any time. Should this situation arise, we will assist in the retirement and replacement appointment process to ensure, as far as possible, a smooth transition.

Where we retire as trustee of your Fund, we usually draft the deed to effect our retirement and the appointment of the new trustee. When compliance and administration matters have been finalised, assets and cash will then be transferred to the new trustee.



A full record of all transactions for the current year will be provided, as will all relevant statutory documents. This process generally takes a minimum of six to eight weeks, during which time we'll continue to charge our fees.

## INTEREST EARNED ON BANK ACCOUNTS

Contributions and proceeds of withdrawal requests (including pension payments) may be held in trust accounts prior to being processed. Expenses and taxes withheld during the winding up of a Fund are also held in an operations account. A member of the Perpetual Group retains any interest earned on these accounts.

## ELIGIBLE ROLLOVER FUND

The trustee reserves the right to transfer member accounts in Funds with balances of less than \$100,000 to an eligible rollover fund (ERF). Members who are classed as 'lost' (that is, when at least two written communications sent to a member's last known address have been returned unclaimed and all reasonable efforts have been made to contact the member) may also have their investment transferred to an ERF.

The trustee will pay any money it chooses to pay to an ERF into the Australian Eligible Rollover Fund (AERF). The trustee of the AERF is Perpetual Superannuation Limited. If the benefits of all Fund members are to be transferred to the AERF, the Fund will be wound up (see 'Winding up your Fund' on page 41 for further information).

Being transferred to the AERF may affect your benefits because:

- you will cease to be a member of your Fund and will no longer have any insurance benefits
- you will become a member of the AERF and be subject to its governing rules
- the AERF will invest your benefit according to its investment strategy.

Contact details for the AERF are:

Australian Eligible Rollover Fund  
Locked Bag 5429  
Parramatta NSW 2124  
Telephone: 1800 677 424

If a member is aged over 65, and two written communications sent to their last known address have been returned unclaimed, and all reasonable efforts have been made to contact them, the member's benefit will be transferred to the ATO. This is a requirement under unclaimed monies legislation.

## TRUSTEE INDEMNITY

The trustee (including its directors and employees) is entitled to be indemnified from the assets of your Fund for any loss or expenditure incurred in relation to your Fund, unless the law otherwise specifies including if the liability results from the trustee's dishonesty or its intentional or reckless failure to exercise the degree of care and diligence required of it.

## RELATIONSHIP BETWEEN THE TRUSTEE AND SOME SERVICE PROVIDERS TO YOUR FUND

The trustee is a wholly owned subsidiary of Perpetual Limited. We have entered into agreements with a number of Perpetual Group companies who will perform custodial services for your Fund. The fee for these services (excluding additional sub-custody costs for international shares) is paid out of the fees disclosed in the 'Fees and other costs' section on page 25.

It is also possible that you may recommend an investment for which we or another Perpetual Group company provides a service and a fee may be charged by them to that particular investment.

We undertake that we will not deal with service providers to your Fund who are associates of ours more favourably than it would deal with other independent service providers. We advise you that under the law, where we invest money of the Fund, we must deal with the other party to the investment transaction at arm's length or on arm's length terms.

## COMPLAINTS RESOLUTION

We have established procedures for dealing with member complaints. If you have a complaint you can either call us during business hours on 1800 645 227 or write to us at:

Complaints Officer  
Perpetual Small APRA Fund Service  
GPO Box 5106  
Sydney NSW 2001

If you are dissatisfied with a decision of the trustee which affects you, and your complaint has not been resolved to your satisfaction, you may have a right to lodge a complaint about the decision with the Superannuation Complaints Tribunal (SCT). The SCT is an independent body established by the Government to review certain types of trustee decisions. You can phone the SCT from anywhere in Australia on 1300 884 114 or go to [www.sct.gov.au](http://www.sct.gov.au) for more information.



## YOUR PRIVACY

We collect personal information from you in the application and any other relevant forms to be able to establish and support the ongoing administration of your Fund, advise you of new developments relevant to your Fund and comply with relevant laws. If you do not provide us with your personal information, we won't be able to provide the Service to you.

Privacy laws apply to our handling of personal information and we will collect, use and disclose your personal information in accordance with our privacy policy, which includes details about the following matters:

- the kinds of personal information we collect and hold
- how we collect and hold personal information
- the purposes for which we collect, hold, use and disclose personal information
- how you may access personal information that we hold about you and seek correction of such information (note that exceptions apply in some circumstances)
- how you may complain about a breach of the Australian Privacy Principles (APP), or a registered APP code (if any) that binds us, and how we will deal with such a complaint
- whether we are likely to disclose personal information to overseas recipients and, if so, the countries in which such recipients are likely to be located if it is practicable for us to specify those countries.

We may disclose your personal information to external parties that provide services to us in relation to your Fund (for example, external administrators, stockbrokers, investment managers, auditors and tax agents, banks and deposit taking institutions, life insurance companies, friendly societies, regulatory authorities, real estate agents, medical practitioners and providers of printing or postal services). We also disclose information about your investments to your authorised adviser. Otherwise we won't disclose your personal information to any other external parties unless requested by you or required by law.

Our privacy policy is publicly available at our website or you can obtain a copy free of charge by contacting us.

## BANKRUPTCY

If you are declared bankrupt, we may be required to pay contributions to an administrator in bankruptcy under the direction of a court.

## INVESTMENTS AND SOCIAL SECURITY

Your investment in the Fund may affect your social security or pension entitlements. The calculations are complex so we recommend that you seek advice from your financial or tax adviser, or use the financial information service of either the Department of Human Services or Veterans' Affairs.

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# Perpetual Small APRA Fund Service

Product Disclosure Statement

Issue number 10 dated 4 April 2016

Perpetual Superannuation Limited ABN 84 008 416 831 AFSL 225246 RSE L0003315

## APPLICATION FORM

Before you sign this application form, Perpetual or your financial adviser must give you a Product Disclosure Statement, which is a summary of important information relating to the service. The Product Disclosure Statement will help you to understand the service and decide if it is appropriate to your needs.

Before you complete this form:

- Use black ink and print in CAPITAL LETTERS.
- Mark boxes with an (X) where applicable.
- If there is not enough room on the application form, please complete the relevant pages from a second application form (including the signature pages) and attach to the back of this application form.

### 1. FUND DETAILS

Proposed fund name

Is this an existing fund?

No

Yes

Fund establishment date

/

/

Y Y Y Y

### 2. MEMBER DETAILS

Title

Mr

Mrs

Miss

Ms

Other

Given name(s)

Surname

Date of birth

/

/

Y Y Y Y

Gender

Male

Female

#### RESIDENTIAL ADDRESS

Street number and name

Suburb

State

Postcode

Country

#### MAILING ADDRESS

Street number and name or PO Box

Suburb

State

Postcode

Country

Your residential address cannot be a PO Box or c/o another party.

An email address is required for Corporate Action election notifications (see below)

We will provide you with online access through Client View. If you do not check a box, a new online access code will be provided to you.

If no box is checked, statements will be online where member has ClientView access.

**CONTACT DETAILS**

Work phone number

Home phone number

Fax number

Mobile phone number

Email address

**Are you an Australian resident for tax purposes?**

 Yes No Please specify your country 

Tax File Number OR exemption details (if applicable)

**ONLINE ACCESS**

Do you have existing secure online access (ClientView) for a Perpetual Private Wrap Account?

 No  Yes

Please specify your Access Code

**Statement delivery method**

 Online only (note: annual statement will always be provided in hard copy) – **ClientView access is required** Printed and online

**CORPORATE ACTIONS**

Is this member the primary contact for the purposes of Corporate Actions notifications?

 Yes  No

Would you like to receive email notifications of forthcoming Corporate Actions?

myClient ID

**PROOF OF IDENTITY**

 I have attached a completed 'Customer identification form – Individuals and sole traders' which is included with the PDS and available from [www.perpetual.com.au](http://www.perpetual.com.au).

**3. OPENING BALANCE**

Initial contributions by member/employer

 \$

Provide full details of your contributions using the forms on pages 57 and 59 of the PDS.

**Transfer from other superannuation funds/rollover funds** (see page 55 of the PDS for our compliance letter).

Fund name

Amount

 \$

Fund name

Amount

 \$

Fund name

Amount

 \$

Fund name

Amount

 \$

Please indicate how the opening balance will be provided:

 Cheque (attached to this application form)  In-specie transfer of assets Funds transfer by internet/phone (eg BPAY®)

Please ensure cheques are made payable to: Perpetual Trustee Company Limited

#### 4. PENSION ACCOUNT

I am an existing DIY Super client  Yes  No

Account number

Fund name

Is this a transfer of an existing fund?  Yes  No

I hereby elect to receive a pension, subject to the conditions imposed by the Australian Prudential Regulation Authority and the Australian Taxation Office.

Purchase price \$  or entire balance

Commencement date  /  /

Preferred first payment date  /  /

(must be at least one week after commencement date)

Amount of pension required to the end of June

Minimum or amount  \$  (subject to minimum amount required)

Maximum (transition to retirement pensions only)

Tick this box if you want your accumulation account to remain open

Frequency

Weekly Day of week

Fortnightly Day of week

Monthly Start date

Quarterly Start date  /  /

Half yearly Start date  /  /

Yearly Start date  /  /

I have attached a completed 'Tax file number declaration' form if I am less than 60 years of age

The bank account nominated for receipt of pension payments must be in the name of the pension member.

#### NOMINATED BANK ACCOUNT DETAILS

Name of financial institution

Branch

BSB

Account/Membership number

Account name

**REVERSIONARY PENSION DETAILS**

Non-reversionary

Reversionary – I wish my accumulated balance at my death to be used to continue a pension to my surviving spouse or dependant. **(Note: binding death benefit nominations are not available if you select this option).**

Reversionary beneficiary's full name

Date of birth

 /  / 

Tax File Number (TFN)

Signature of reversionary beneficiary

Date  /  /

**5. INVESTMENT STRATEGY**

High Growth  Growth  Balanced  Conservative  Cautious

**6. NON-BINDING DEATH BENEFIT NOMINATION**

I understand that this nomination is not binding upon Perpetual and that if I die without having a binding death benefit nomination in place, Perpetual has absolute discretion in determining to which of my dependant/s and/or legal personal representative(s) any of my benefits are paid.

I wish Perpetual to know that I would prefer my benefits be distributed to the following person(s) in the proportion(s) indicated below.

Name

Relationship to me  allocation (%)

Date of birth  /  /

Name

Relationship to me  allocation (%)

Date of birth  /  /

Name

Relationship to me  allocation (%)

Date of birth  /  /

Name

Relationship to me  allocation (%)

Date of birth  /  /

**7. BINDING DEATH BENEFIT NOMINATION**

I wish to make a binding death benefit nomination. I acknowledge the fact that in the event of my death Perpetual will distribute the balance of my member account within the Fund amongst my dependents in accordance with a valid binding death benefit nomination.

Yes

No

Please complete the 'Binding death benefit dependant nomination' form on page 51 of the PDS and attach it to this application form. If you have selected a reversionary pension in section 4 of this form, binding death nominations are not available to you.



## 8. BROKER DETAILS

Our preferred brokers will be automatically set on the account. However, if you wish to nominate another authorised broking institution to trade on your portfolio, in addition to our preferred online brokers, please nominate your authorised broking institution(s) here.

| Broker name          | Broker code          |
|----------------------|----------------------|
| <input type="text"/> | <input type="text"/> |
| <input type="text"/> | <input type="text"/> |
| <input type="text"/> | <input type="text"/> |

## 9. ADVISER DETAILS

Dealer name

Adviser name (adviser who is linked to the account)

Dealer code  Adviser code

For more information regarding this application form please contact my assistant/support staff:

## 10. FEE DETAILS

Perpetual will add GST to the base fee set by the adviser.

Any amendments to this section must be signed in full by the applicant(s).

Fees can be charged on cash where the AFSL holder has previously agreed with Perpetual to have this option available.

The adviser fee is an annual fee, calculated daily on the portfolio valuation and deducted monthly.

**Please note: Perpetual will add the applicable GST to the base fee rate set by your adviser.**

### ESTABLISHMENT FEE (GST INCLUSIVE)

One-off flat dollar fee  New fund – \$500  
 Existing fund – \$1,000

### CONTRIBUTION FEE (if blank no fee will be charged)

Amount to be charged on each contribution and/or rollover to the account (**ex-GST**)

% per contribution/rollover

### ADVISER FEE

Perpetual advisers only, complete **section A**. All other advisers, complete **section B**.

#### A) Perpetual Adviser Fee

- Advisory fee  
 Custody fee  
 Discretionary fee

The standard fee and minimums will apply unless you complete **section B**.

#### OR

#### B) Please specify the tiers and rates to be applied (must be **exclusive** of GST)

##### (i) Tiered fees

|                         | From                    | To                      | Rate % pa (ex-GST)   |
|-------------------------|-------------------------|-------------------------|----------------------|
|                         | \$0.00                  | \$ <input type="text"/> | <input type="text"/> |
| \$ <input type="text"/> | \$ <input type="text"/> | \$ <input type="text"/> | <input type="text"/> |
| \$ <input type="text"/> | \$ <input type="text"/> | \$ <input type="text"/> | <input type="text"/> |
| \$ <input type="text"/> | \$ <input type="text"/> | \$ <input type="text"/> | <input type="text"/> |
| \$ <input type="text"/> | \$ <input type="text"/> | \$ <input type="text"/> | <input type="text"/> |

(ii) Flat fee (Percentage)

(iii) Flat fee (specific dollar amount) \$  pa ex-GST

Specify if a minimum monthly fee is to be applied (must be **exclusive** of GST) \$  per month

### FINANCIAL PLANNING FEE (EX-GST)

As agreed between the client and their adviser

\$  (specific dollar amount only)

## 11. CONFIRMATIONS AND UNDERTAKINGS

By signing this application form, I confirm that:

- I wish to become a member of the Fund and agree to be bound by the terms of the trust deed as amended from time to time and all relevant laws governing the Fund; or
- I am an existing member of the Fund and agree to be bound by the terms of the trust deed as amended from time to time and all relevant laws governing the Fund.
- Perpetual may implement my investment recommendations upon receipt of my instructions, as soon as is practicable to do so.
- I agree to provide Perpetual with any information requested in relation to the Fund and will promptly notify Perpetual in writing of any change to the information in this application form.
- I acknowledge that Perpetual will hold personal information about me and will disclose this information to my adviser in relation to the investment described in this form. I acknowledge that Perpetual will cease to disclose this personal information if I notify Perpetual that the adviser no longer acts on my behalf.
- I have considered/will be considering my insurance requirements with my financial advisor and, where appropriate, will approach the trustee to arrange suitable insurance cover through the Fund.
- Perpetual is authorised and directed to deduct all fees and charges on account of my membership in the Fund.
- Perpetual may rely on any information my adviser provides and is not responsible for any errors or omissions made by that adviser.
- I have read and understand Perpetual Small APRA Fund Service Product Disclosure Statement issue number 10 dated 4 April 2016.
- I authorise and direct Perpetual to pay the amounts shown in section 10 to the adviser whose details appear in section 9 from my Perpetual Cash Account.
- I understand that any pension I have selected will only continue to be paid while the available assets in my account supporting the pension remain adequate and that Perpetual has no liability, personal or otherwise, beyond these available assets.
- I consent and understand that a period longer than 30 days may be required to effect a full transfer or rollover to another fund if any of the assets held within my Fund are illiquid investments that take longer than 30 days to redeem.
- I authorise Perpetual to quote my TFN or exemption to the Australian Taxation Office (ATO).
- I authorise a representative of Perpetual to obtain information from the ATO regarding my superannuation and/or pension account(s) in relation to my TFN, PAYG or other superannuation tax-related matters.
- if I am commencing an accumulation account, I am eligible to make contributions as follows: (Please tick the appropriate box/es – refer to page 18 of the PDS for details)
  - I am an Australian tax resident or I understand the restrictions for non residents of Australia making contributions or rolling over other superannuation balances into a Small APRA Fund
  - I declare that I am eligible to make personal contributions and acknowledge that I am aged less than 65; or that I am aged 65 years or over but under age 75 and in the current financial year have worked in paid employment for a least 40 hours in a period of not more than 30 consecutive days.
  - I am aged between 65 and 74 and if my employer is making voluntary contributions (including salary sacrifice) on my behalf, then I declare that in the current financial year I have worked in paid employment for at least 40 hours in a period of not more than 30 consecutive days.
  - I am eligible to receive spouse contributions and acknowledge that I understand and satisfy legislative requirements for such contributions.

And/or

- If I am commencing a pension account, I have satisfied the following condition of release. (Please tick one – refer to page 20 of the PDS for details).
  - I have reached the age of 65.
  - I have ceased employment between the ages of 60 and 65.
  - I have ceased employment having reached my preservation age, and it is not my intention to work again.
  - I am permanently incapacitated, and have met the additional requirements needed.
  - I have been diagnosed with a terminal medical condition likely to result in my death within 24 months and have met the additional requirements needed.
  - I have reached my preservation age but I am still working ('Transition to retirement' provisions will apply to your account based pension – please see page 23 of the PDS for details).

## 12. MEMBER'S SIGNATURE

Please note that a nominated reversionary pension must provide a specimen signature in section 4 of this form.

Date

 /  / 

Please make cheques payable to Perpetual Trustee Company Limited and send it together with your completed application form to: Perpetual Small APRA Fund Service, GPO Box 5106, Sydney NSW 2001.

**Members' interests in their Fund are subject to investment risk. These risks may include the loss of income and principal invested and possible delays in repayment. Neither Perpetual, nor any other member of the Perpetual Group, guarantees the performance of the Fund or the return of any investment.**

# BINDING DEATH BENEFIT DEPENDANT NOMINATION

## 1. FUND AND MEMBER DETAILS

Fund name

Account number (if known)

Member name

### IMPORTANT NOTICE FOR BINDING NOMINATIONS

In order to be effective, a binding nomination must be signed by two (2) witnesses who are at least 18 years old and who are not named in this nomination form. Also, in order to have effect this form must be received by the trustee.

You may only nominate dependents or legal personal representatives.

A binding nomination is effective for three (3) years after the day it was first signed, or last confirmed or amended by the member. If you wish to confirm your nomination (to avoid it ceasing to have effect after three (3) years) you may do so by providing a new binding death benefit dependant nomination form to that effect to the trustee.

Your binding nomination will also cease to have effect if you subsequently marry, remarry or divorce.

If you wish to amend or revoke your binding nomination you may do so by providing a notice to that effect to the trustee witnessed in the same manner as your original nomination (by two (2) persons over the age of 18 years who are not named in the nomination form). We will provide a form for this purpose upon request.

If a beneficiary nominated to receive a benefit predeceases the member or if a person nominated below is not a dependant or legal personal representative at the time of death, that person's benefit will be distributed equally amongst the surviving nominated dependents or nominated legal personal representative. If there are no surviving nominated dependents or nominated legal personal representative it will be paid in accordance with the trustee's discretion.

You must provide all details requested in this form. If you do not, the trustee may need to contact you to obtain further information. In the absence of certain information, the rules governing binding nominations adopted by the trustee provide for the following:

- If you fail to specify an allocation, the benefit will be distributed equally amongst those persons nominated who are eligible to receive a benefit. If you do nominate allocations in respect of all nominated persons but the sum of the allocations is other than 100%, the allocations will be adjusted proportionately.
- If you specify an allocation in respect of some but not all of the nominated persons the residual amount will be distributed equally amongst those nominated persons in respect of whom no allocation is specified. In the event there is no residual amount, no benefit will be paid to those persons in respect of whom no allocation is specified.

## 2. BINDING NOMINATION

(Only complete this form if you wish to make a binding death benefit nomination)

I wish to make a binding nomination so that the benefit payable in the event of my death will be distributed in accordance with this form.

Name

Relationship to me  Allocation (%)

Date of birth  /  /

Name

Relationship to me  Allocation (%)

Date of birth  /  /

Name

Relationship to me  Allocation (%)

Date of birth  /  /

Name

Relationship to me  Allocation (%)

Date of birth  /  /

If you want all or part of the benefit to be paid to your estate (and distributed in accordance with your Will), you should write 'Legal Personal Representative' in the space headed 'name' and insert the relevant percentage in 'allocation (%)'.

I direct the Trustee to distribute the benefit payable in respect of me in the event of my death in accordance with this form.

Name

Signature of member

Date  /  /

### DECLARATION BY WITNESSES TO THE BINDING NOMINATION

We, the undersigned, declare that we are at least 18 years of age and that this notice was signed by the member in our presence. (Please ensure that the date each of the witnesses signs this form is the same date as the member signs, otherwise this nomination will not be valid).

#### Witness 1

Name

Address

State  Postcode  Country

Signature of witness 1

Date  /  /

#### Witness 2

Name

Address

State  Postcode  Country

Signature of witness 2

Date  /  /

# BENEFIT TRANSFER REQUEST

Please complete this form in black ink using BLOCK letters.

## 1. MEMBER DETAILS

Under the Superannuation Industry (Supervision) Act 1993, you are not obliged to disclose your TFN, but there may be tax consequences (see page 35 for details).

Title  Mr  Mrs  Miss  Ms Other

Given name(s)

Surname

Date of birth  /  /  Tax File Number (TFN)

Are you an Australian resident for tax purposes?  Yes  No

### CONTACT DETAILS

Daytime phone number   Mobile phone number

Email address

### RESIDENTIAL ADDRESS

Street number and name

Suburb

State  Postcode  Country

If you know that the address held by your 'FROM' fund is different to your current residential address, please give details here.

### PREVIOUS ADDRESS

Suburb

State  Postcode  Country

## 2. FUND DETAILS

### FROM other provider

Fund name

Fund postal address

Find phone number

Membership or account number

Australian business number (ABN)

Unique Superannuation Identifier (USI) (if known)

### TO Perpetual

Fund name

Membership or account number (if known)

Australian business number (ABN) (if known)

Transfer amount  Full  Partial Nominated amount \$

Special instructions

### 3. PROOF OF IDENTITY

I have attached a **certified** copy of my driver's licence or passport

**OR**

I have attached **certified** copies of both:

Birth/Citizenship Certificate or Centrelink Pension Card

**AND**

one of the following:

- Centrelink payment letter (less than 12 months old) or
- Government notice (less than 12 months old) or
- Local council notice (less than 3 months old)

#### **CERTIFICATION OF PERSONAL DOCUMENTS**

All copied pages of ORIGINAL proof of identification documents (including any linking documents) need to be certified as true copies by an individual approved to do so (see below).

The person who is authorised to certify documents must sight the original and the copy and make sure both documents are identical, then make sure all pages have been certified as true copies by writing or stamping 'certified true copy' followed by their signature, printed name, qualification (eg Justice of the Peace, Australia Post employee, etc) and date.

The following can certify copies of the originals as **true and correct** copies:

- a permanent employee of Australia Post with five or more years of continuous service
- a finance company officer with five or more years of continuous service (with one or more finance companies)
- an officer with, or authorised representative of, a holder of an Australian Financial Services Licence (AFSL), having five or more years continuous service with one or more licensees
- a notary public officer
- a police officer
- a registrar or deputy registrar of a court
- a Justice of the Peace
- a person enrolled on the roll of a State or Territory Supreme Court or the High Court of Australia, as a legal practitioner
- an Australian consular officer or an Australian diplomatic officer
- a judge of a court
- a magistrate, or
- a Chief Executive Officer of a Commonwealth court.

### 4. AUTHORISATION

By signing this request form I am making the following statements:

- I declare I have fully read this form and the information completed is true and correct.
- I am aware I may ask my superannuation provider for information about any fees or charges that may apply, or any other information about the effect this transfer may have on my benefits, and do not require any further information.
- I discharge the superannuation provider of my 'FROM' fund of all further liability in respect of the benefits paid and transferred to my 'Perpetual' fund.

I request and consent to the transfer of superannuation as described above and authorise the superannuation provider of each fund to give effect to this transfer.

Given name(s)

Surname

Signature

Date  DD /  MM /  YYYY



## COMPLIANCE LETTER

To the Trustee

### **PERPETUAL SMALL APRA FUND SERVICE**

Perpetual Superannuation Limited wishes to confirm that the trust deed to be used for the Small APRA Funds utilising this Service:

- Complies with the Superannuation Industry (Supervision) Act 1993 and Regulations ('SIS').
- Provides for benefits to be transferred into the Fund.
- Complies with the preservation requirements set out in SIS.

The Fund accepts all contribution types, including superannuation guarantee contributions from any employer on behalf of a member.

As required the Fund will apply to the Australian Taxation Office for an Australian Business Number and/or to the Australian Prudential Regulation Authority for a Registrable Superannuation Entity number. Copies of the relevant application forms will be provided by us upon request.

Perpetual Superannuation Limited acts as trustee of the Fund.

Yours faithfully

**Directors**  
**Perpetual Superannuation Limited**

Note: The above wording has been approved by the Australian Taxation Office as an acceptable notification that a fund is a complying fund.

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## CONTRIBUTION DETAILS – EMPLOYERS

**Important note:**

**Contribution Limit Reminder** An annual limit of \$30,000 (indexed) applies to concessional contributions and generally \$180,000 for non-concessional contributions. For people aged 49 or over higher concessional contribution limits may apply. Please refer to the PDS for further information. Members under age 65 can make non-concessional contributions of up to three times the non-concessional contributions cap over a three-year period under the ‘bring forward’ option. You should speak to your financial adviser about these limits when considering your situation. Contributions made in excess of the above limits will attract additional tax.

### CONTRIBUTION DETAILS

Superannuation fund name

Account number

Member name

Employer name

Total contribution amount \$

Contribution frequency  One-off  Monthly  quarterly  annually

Employer superannuation guarantee (SG) contribution \$

Employer salary sacrifice contribution \$

Personal after-tax contribution \$

Employer other contribution \$

Member name

Employer SG contribution \$

Employer salary sacrifice contribution \$

Personal after-tax contribution \$

Employer other contribution \$

Member name

Employer SG contribution \$

Employer salary sacrifice contribution \$

Personal after-tax contribution \$

Employer other contribution \$

Member name

Employer SG contribution \$

Employer salary sacrifice contribution \$

Personal after-tax contribution \$

Employer other contribution \$

**Employer SG contribution** – These are employer contributions which are compulsory under superannuation legislation.

**Employer salary sacrifice contribution** – These are amounts paid by the employer as salary sacrifice contributions and are in addition to SG contributions.

**Employer other contributions** – These are amounts paid by the employer and are not SG or salary sacrifice contributions.

**Personal after-tax contribution** – Contribution made by the member for which a tax deduction is not claimed (also known as a non-concessional contribution).

Are you an Australian resident for tax purposes?  Yes  No

Signature of member

Date  /  /

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# CONTRIBUTION DETAILS – INDIVIDUALS

(To be completed by the person for whom the contribution is being made)

**Important note:**

**Contribution Limit Reminder** An annual limit of \$30,000 (indexed) applies to concessional contributions and generally \$180,000 for non-concessional contributions. For people aged 49 or over higher concessional contribution limits may apply. Please refer to the PDS for further information. Members under age 65 can make non-concessional contributions of up to three times the non-concessional contributions cap over a three-year period under the ‘bring forward’ option. You should speak to your financial adviser about these limits when considering your situation. Contributions made in excess of the above limits will attract additional tax.

## CONTRIBUTION DETAILS

Superannuation fund name

Account number

Member name

Cash contribution amount \$

In specie contribution amount \$

**CONTRIBUTION BREAK-UP**

Total contribution \$

Spouse contribution \$

Personal after-tax contribution \$

Personal concessional contribution \$

**Personal concessional contribution** – contributions made by the member for which they intend to claim a tax deduction.

**Personal after-tax contribution** – contributions made by the member for which a tax deduction is not claimed (also known as non-concessional contribution).

**Spouse contribution** – contributions made by a member’s spouse. The contribution counts as a non-concessional contribution for the receiving spouse.

**Note:** We will contact you each year to confirm if you intend to claim a tax deduction for any personal contributions. You cannot claim a tax deduction or request to alter a previous tax deduction notification if you have commenced a pension using all or part of the contribution you wish to claim or alter.

**ELIGIBILITY TO CONTRIBUTE**

- If applicable, I declare that I am eligible to make a personal contribution and acknowledge that I am aged less than 65; or that I am aged 65 years or over but under age 75 and in the current financial year have worked in paid employment for at least 40 hours in a period of not more than 30 consecutive days.
- If I am aged between 65 and 74 and my employer is making voluntary contributions (including salary sacrifice) on my behalf, then I declare that in the current financial year I have worked in paid employment for at least 40 hours in a period of not more than 30 consecutive days.
- If applicable, I am eligible to receive spouse contributions and acknowledge that I understand and satisfy the legislative requirements for such contributions.

Are you an Australian resident for tax purposes?  Yes  No

Signature of member

Date  /  /

This page left blank intentionally.



# Tax file number declaration

Information you provide in this declaration will allow your payer to work out how much tax to withhold from payments made to you.

- ⊖ This is not a TFN application form.  
To apply for a TFN, go to [ato.gov.au/tfn](http://ato.gov.au/tfn)

## ! Terms we use

When we say:

- **payer**, we mean the business or individual making payments under the pay as you go (PAYG) withholding system.
- **payee**, we mean the individual being paid.

## Who should complete this form?

You should complete this form before you start to receive payments from a new payer – for example, when you receive:

- payments for work and services as an employee, company director or office holder
- payments under return-to-work schemes, labour hire arrangements or other specified payments
- benefit and compensation payments
- superannuation benefits.

- ! You need to provide all information requested on this form. Providing the wrong information may lead to incorrect amounts of tax being withheld from payments made to you.

- ! You do not need to complete this form if you:
  - are a beneficiary wanting to provide your tax file number (TFN) to the trustee of a closely held trust. For more information, visit [ato.gov.au/trustsandtfnwithholding](http://ato.gov.au/trustsandtfnwithholding)
  - have reached 60 years of age and started a super benefit that does not include an untaxed element for that benefit.
  - are receiving superannuation benefits from a super fund and have been taken to have quoted your TFN to the trustee of the super fund.



## Section A: To be completed by the payee

### Question 1

What is your tax file number (TFN)?

- We and your payer are authorised by the *Taxation Administration Act 1953* to request your TFN. It's not an offence not to quote your TFN. However, quoting your TFN reduces the risk of administrative errors and having extra tax withheld. Your payer is required to withhold the top rate of tax from all payments made to you if you do not provide your TFN or claim an exemption from quoting your TFN.

#### How do you find your TFN?

You can find your TFN on any of the following:

- your income tax notice of assessment
- correspondence we send you
- a payment summary your payer issues to you.

If you have a tax agent, they may also be able to tell you your TFN.

If you still can't find your TFN, you can:

- phone us on **13 28 61** between 8.00am and 6.00pm, Monday to Friday
- visit your nearest shopfront (phone us on **13 28 61** to make an appointment).

If you phone or visit us we need to know we are talking to the correct person before discussing your tax affairs. We will ask you for details only you, or your authorised representative would know.

#### Do you need to apply for a TFN?

If you don't have a TFN and want to provide a TFN to your payer, you will need to apply for one.

For more information about applying for a TFN, visit [ato.gov.au/tfn](http://ato.gov.au/tfn)

#### You may claim an exemption from quoting your TFN.

Print X in the appropriate box if you:

- have lodged a TFN application form or made an enquiry to obtain your TFN. You now have 28 days to provide your TFN to your payer, who must withhold at the standard rate during this time. After 28 days, if you have not given your TFN to your payer, they will withhold the top rate of tax from future payments
- are claiming an exemption from quoting a TFN because you are under 18 years of age and do not earn enough to pay tax, or you are an applicant or recipient of certain pensions, benefits or allowances from the
  - Department of Human Services – however, you will need to quote your TFN if you receive a Newstart, Youth or sickness allowance, or an Austudy or parenting payment
  - Department of Veterans' Affairs – a service pension under the *Veterans' Entitlement Act 1986*
  - Military Rehabilitation and Compensation Commission.

#### Providing your TFN to your super fund

Your payer must quote your TFN to the super fund they pay your contributions to on your behalf. If your super fund does not have your TFN, you can provide it to them. This ensures:

- your super fund can accept all types of contributions to your accounts
- additional tax will not be imposed on contributions as a result of failing to provide your TFN
- you can trace different super accounts in your name.

Under the *Superannuation Industry (Supervision) Act 1993*, your super fund is authorised to collect your TFN, which will only be used for superannuation purposes. The trustee of your super fund may provide your TFN to another super provider if your benefits are being transferred. You may write to the trustee of your super fund and ask them not to provide your TFN to any other trustee.

- For more information about providing your TFN, visit [ato.gov.au/superelegibility](http://ato.gov.au/superelegibility)

### Question 6

On what basis are you paid?

Check with your payer if you are not sure.

### Question 7

Are you an Australian resident for tax purposes?

Generally, we consider you to be an Australian resident for tax purposes if you:

- have always lived in Australia or you have come to Australia and now live here permanently
- are an overseas student doing a course that takes more than six months to complete
- have been in Australia continuously for six months or more and for most of that time you worked in the one job and lived in the same place
- will be or have been in Australia for more than half of the financial year (unless your usual home is overseas and you do not intend to live in Australia).

If you go overseas temporarily and do not set up a permanent home in another country, you may continue to be treated as an Australian resident for tax purposes.

- ! The criteria we use to determine residency is not the same as that used by the Department of Immigration and Border Protection, or the Department of Human Services.

#### — Foreign resident tax rates are different

A higher rate of tax applies to foreign residents' taxable income, and foreign residents are not entitled to a tax-free threshold.

You are not entitled to claim the tax-free threshold and tax offsets if you are not an Australian resident for tax purposes. However, there is an exception with seniors and pensioners, zone or overseas forces tax offsets.

- To check your Australian residency status for tax purposes or for more information, visit [ato.gov.au/residency](http://ato.gov.au/residency)

Answer **no** to this question if you are not an Australian resident for tax purposes. You must also answer no at questions 8, 9 and 10 (unless you are a foreign resident claiming a seniors and pensioners, zone or overseas forces tax offset).

## Question 8

Do you want to claim the tax-free threshold from this payer?

The tax-free threshold is the amount of income you can earn each financial year that is not taxed. By claiming the threshold, you reduce the amount of tax that is withheld from your pay during the year. It is available only to people who are Australian residents for tax purposes – that is, people who answered yes at question 7.

Answer **yes** if you want to claim the tax-free threshold, you are an Australian resident for tax purposes, and one of the following applies:

- you are not currently claiming the tax-free threshold from another payer
- you are currently claiming the tax-free threshold from another payer and your total income from all sources will be less than the tax-free threshold.

Answer **no** if one of the following applies:

- you answered no at question 7
- you are currently claiming the tax-free threshold from another payer and your total income from all sources will be more than the tax-free threshold
- you do not want to claim the tax-free threshold.

- ❗ If you receive any taxable government payments or allowances, such as Newstart, Youth Allowance or Austudy payment, you are likely to be already claiming the tax-free threshold from that payment.
- For more information about the current tax-free threshold, which payer you should claim it from, or how to vary your withholding rate, visit [ato.gov.au/taxfreethreshold](http://ato.gov.au/taxfreethreshold)

## Question 9

Do you want to claim the seniors and pensioners tax offset by reducing the amount withheld from payments made to you?

### ➔ Claim benefits and tax offsets with only one payer

You are not entitled to reduce your withholding amounts, or claim the seniors and pensioners tax offset (SAPTO), with more than one payer at the same time.

If you receive income from more than one source and need help with this question, phone **1300 360 221** between 8.00am and 6.00pm, Monday to Friday.

### How your income affects the amount of your tax offset

You must meet the eligibility conditions to receive SAPTO. Your rebate income, not your taxable income, determines the amount of SAPTO, if any, you will receive.

Answer **yes** if you are eligible and choose to claim SAPTO with this payer. To reduce the amount withheld from payments you receive during the year from this payer, you will also need to complete a *Withholding declaration* (NAT 3093).

Answer **no** if one of the following applies:

- you are not eligible for SAPTO
- you are already claiming SAPTO with another payer
- you are eligible but want to claim your entitlement to the tax offset as a lump sum in your end-of-year income tax assessment.

- For more information about your eligibility to claim the tax offset or rebate income, visit [ato.gov.au/taxoffsets](http://ato.gov.au/taxoffsets)

## Question 10

Do you want to claim a zone, overseas forces or invalid and invalid carer tax offset by reducing the amount withheld from payments made to you?

### ➔ Claim tax offsets with only one payer

You are not entitled to claim tax offsets with more than one payer at the same time.

You may be eligible for one or more of the following:

- a zone tax offset if you live or work in certain remote or isolated areas of Australia
- an overseas forces tax offset if you serve overseas as a member of Australia's Defence Force or a United Nations armed force
- an invalid and invalid carer tax offset.

Answer **yes** to this question if you are eligible and choose to receive tax offsets by reducing the amount withheld from payments made to you from this payer. You also need to complete a *Withholding declaration* (NAT 3093).

Answer **no** to this question if you are not eligible for the tax offsets, choose to receive any of these tax offsets as an end-of-year lump sum through the tax system, or are already claiming the offset from another payer.

### ❗ Foreign resident

If you are not an Australian resident for tax purposes, you are not entitled to claim an invalid and invalid carer tax offset. You may be entitled to claim the zone or overseas forces tax offset.

- For more information about your entitlement, visit [ato.gov.au/taxoffsets](http://ato.gov.au/taxoffsets)

## Question 11

(a) Do you have a Higher Education Loan Program (HELP) or Trade Support Loan (TSL) debt?

Answer **yes** if you have a HELP or TSL debt.

Answer **no** if you do not have a HELP or TSL debt, or you have repaid your HELP or TSL debt in full.

- ❗ You have a HELP or TSL debt if:
  - the Australian Government lends you money under HECS-HELP, FEE-HELP, OS-HELP, VET FEE-HELP, SA-HELP or TSL.
  - you have a debt from the previous Higher Education Contribution Scheme (HECS).

(b) Do you have a Financial Supplement debt?

Answer **yes** if you have a Financial Supplement debt.

Answer **no** if you do not have a Financial Supplement debt, or you have repaid your Financial Supplement debt in full.

- For information about repaying your HELP, TSL or Financial Supplement debt, visit [ato.gov.au/higheredloans](http://ato.gov.au/higheredloans)

### Have you repaid your HELP, TSL or Financial Supplement debt?

When you have repaid your HELP, TSL or Financial Supplement debt, you need to complete a *Withholding declaration* (NAT 3093) notifying your payer of the change in your circumstances.

### ❗ Sign and date the declaration

Make sure you have answered all the questions in section A, then sign and date the declaration. Give your completed declaration to your payer to complete section B.

## Section B: To be completed by the payer

### ➤ Lodge online

You can lodge your TFN declaration reports using software that complies with our specifications.

For more information about lodging your TFN declaration report online, visit [ato.gov.au/lodgetfndeclaration](http://ato.gov.au/lodgetfndeclaration)

- ❗ Important information for payers - see the reverse side of the Payer's copy of the form.

## More information

### Internet

- For general information about TFNs, tax and super in Australia, including how to deal with us online, visit our website at [ato.gov.au](http://ato.gov.au)
- For information about applying for a TFN on the web, visit our website at [ato.gov.au/tfn](http://ato.gov.au/tfn)
- For information about your super, visit our website at [ato.gov.au/superseeker](http://ato.gov.au/superseeker)

### Useful products

In addition to this TFN declaration, you may also need to complete and give your payer the following forms which you can download from our website at [ato.gov.au](http://ato.gov.au):

- *Withholding declaration* (NAT 3093) if you want to
  - claim entitlement to the seniors and pensioners tax offset (question 9) or other tax offsets (question 10)
  - change information you previously provided in a TFN declaration.
- *Medicare levy variation declaration* (NAT 0929) if you qualify for a reduced rate of Medicare levy or are liable for the Medicare levy surcharge. You can vary the amount your payer withholds from your payments.
- *Standard choice form* (NAT 13080) to choose a super fund for your employer to pay super contributions to. You can find information about your current super accounts and transfer any unnecessary super accounts through myGov after you have linked to the ATO. Temporary residents should visit [ato.gov.au/departaustralia](http://ato.gov.au/departaustralia) for more information about super.

Other forms and publications are also available from our website at [ato.gov.au/onlineordering](http://ato.gov.au/onlineordering) or by phoning **1300 720 092**.

### Phone

- Payee – for more information, phone **13 28 61** between 8.00am and 6.00pm, Monday to Friday. If you want to vary your rate of withholding, phone **1300 360 221** between 8.00am and 6.00pm, Monday to Friday.
- Payer – for more information, phone **13 28 66** between 8.00am and 6.00pm, Monday to Friday.

If you phone, we need to know we're talking to the right person before we can discuss your tax affairs. We'll ask for details only you, or someone you've authorised, would know. An authorised contact is someone you've previously told us can act on your behalf.

If you do not speak English well and need help from the ATO, phone the Translating and Interpreting Service on **13 14 50**.

If you are deaf, or have a hearing or speech impairment, phone the ATO through the National Relay Service (NRS) on the numbers listed below:

- TTY users - phone **13 36 77** and ask for the ATO number you need (if you are calling from overseas, phone **+61 7 3815 7799**)
- Speak and Listen (speech-to-speech relay) users – phone **1300 555 727** and ask for the ATO number you need (if you are calling from overseas, phone **+61 7 3815 8000**)
- Internet relay users - connect to the NRS on [relayservice.gov.au](http://relayservice.gov.au) and ask for the ATO number you need.

If you would like further information about the National Relay Service, phone **1800 555 660** or email [helpdesk@relayservice.com.au](mailto:helpdesk@relayservice.com.au)

## Privacy of information

Taxation law authorises the ATO to collect information and to disclose it to other government agencies. For information about your privacy, go to [ato.gov.au/privacy](http://ato.gov.au/privacy)

### Our commitment to you

We are committed to providing you with accurate, consistent and clear information to help you understand your rights and entitlements and meet your obligations.

If you follow our information in this publication and it turns out to be incorrect, or it is misleading and you make a mistake as a result, we must still apply the law correctly. If that means you owe us money, we must ask you to pay it but we will not charge you a penalty. Also, if you acted reasonably and in good faith we will not charge you interest.

If you make an honest mistake in trying to follow our information in this publication and you owe us money as a result, we will not charge you a penalty. However, we will ask you to pay the money, and we may also charge you interest. If correcting the mistake means we owe you money, we will pay it to you. We will also pay you any interest you are entitled to.

If you feel that this publication does not fully cover your circumstances, or you are unsure how it applies to you, you can seek further assistance from us.

We regularly revise our publications to take account of any changes to the law, so make sure that you have the latest information. If you are unsure, you can check for more recent information on our website at [ato.gov.au](http://ato.gov.au) or contact us.

This publication was current at **July 2015**.

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### Published by

Australian Taxation Office  
Canberra  
July 2015

JS 34322



### Tax file number declaration

This declaration is NOT an application for a tax file number.

- Use a black or blue pen and print clearly in BLOCK LETTERS.
- Print X in the appropriate boxes.
- Read all the instructions including the privacy statement before you complete this declaration.

ato.gov.au

#### Section A: To be completed by the PAYEE

1 What is your tax file number (TFN)?

For more information, see question 1 on page 2 of the instructions.

OR I have made a separate application/enquiry to the ATO for a new or existing TFN.

OR I am claiming an exemption because I am under 18 years of age and do not earn enough to pay tax.

OR I am claiming an exemption because I am in receipt of a pension, benefit or allowance.

2 What is your name? Title: Mr Mrs Miss Ms

Surname or family name

First given name

Other given names

3 If you have changed your name since you last dealt with the ATO, provide your previous family name.

4 What is your date of birth? Day Month Year

5 What is your home address in Australia?

Suburb/town/locality

State/territory

Postcode

6 On what basis are you paid? (Select only one.)

Full-time employment Part-time employment Labour hire Superannuation or annuity income stream Casual employment

7 Are you an Australian resident for tax purposes? Yes No

(Visit ato.gov.au/residency to check)

8 Do you want to claim the tax-free threshold from this payer?

Only claim the tax-free threshold from one payer at a time, unless your total income from all sources for the financial year will be less than the tax-free threshold.

Answer no at questions 9 and 10 unless you are a foreign resident claiming a seniors and pensioners, zone or overseas forces tax offset.

9 Do you want to claim the seniors and pensioners tax offset by reducing the amount withheld from payments made to you?

Complete a Withholding declaration (NAT 3093), but only if you are claiming the tax-free threshold from this payer. If you have more than one payer, see page 3 of the instructions.

10 Do you want to claim a zone, overseas forces or invalid and invalid carer tax offset by reducing the amount withheld from payments made to you?

Complete a Withholding declaration (NAT 3093).

11 (a) Do you have a Higher Education Loan Program (HELP) or Trade Support Loan (TSL) debt?

Your payer will withhold additional amounts to cover any compulsory repayment that may be raised on your notice of assessment.

(b) Do you have a Financial Supplement debt?

Your payer will withhold additional amounts to cover any compulsory repayment that may be raised on your notice of assessment.

DECLARATION by payee: I declare that the information I have given is true and correct.

Signature

You MUST SIGN here

Date

Day

Month

Year

There are penalties for deliberately making a false or misleading statement.

Once section A is completed and signed, give it to your payer to complete section B.

#### Section B: To be completed by the PAYER (if you are not lodging online)

1 What is your Australian business number (ABN) or your withholding payer number? Branch number (if applicable)

2 If you don't have an ABN or withholding payer number, have you applied for one? Yes No

3 What is your legal name or registered business name (or your individual name if not in business)?

4 What is your business address?

Suburb/town/locality

State/territory

Postcode

5 Who is your contact person?

Business phone number

6 If you no longer make payments to this payee, print X in this box.

Return the completed original ATO copy to: For WA, SA, NT, VIC or TAS Australian Taxation Office PO Box 795 ALBURY NSW 2640 For NSW, QLD or ACT Australian Taxation Office PO Box 9004 PENRITH NSW 2740

IMPORTANT See reverse side of Payer's copy for: payer obligations lodging online.

DECLARATION by payer: I declare that the information I have given is true and correct.

Signature of payer

Date

Day

Month

Year

There are penalties for deliberately making a false or misleading statement.

Sensitive (when completed)



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## **CONTACT DETAILS**

For further information, or a copy of any of our product disclosure statements, please contact Perpetual.

### **WEBSITE**

[www.perpetual.com.au](http://www.perpetual.com.au)

### **EMAIL**

[diysuper@perpetual.com.au](mailto:diysuper@perpetual.com.au)

### **PHONE**

During business hours (Sydney time)  
1800 645 227

### **POSTAL ADDRESS**

Perpetual Small APRA Fund Service  
GPO Box 5106  
Sydney NSW 2001

**New South Wales**

Angel Place  
Level 12  
123 Pitt Street  
Sydney NSW 2000

**Queensland**

Central Plaza 1  
Level 15  
345 Queen Street  
Brisbane QLD 4000

**South Australia**

Level 11  
101 Grenfell Street  
Adelaide SA 5000

**Victoria**

Rialto South Tower  
Level 35  
525 Collins Street  
Melbourne VIC 3000

**Western Australia**

Exchange Plaza  
Level 29  
2 The Esplanade  
Perth WA 6000

[www.perpetual.com.au](http://www.perpetual.com.au)

Perpetual 