



# Shadforth Portfolio Service – Pension

## Product Disclosure Statement

Dated: 1 April 2019

**1800 931 792**  
[portfolio.sfg.com.au](http://portfolio.sfg.com.au)



This Product Disclosure Statement (PDS) has been prepared and issued by IOOF Investment Management Limited (IIML) ABN 53 006 695 021, AFS Licence No. 230524. IIML is the Trustee of the IOOF Portfolio Service Superannuation Fund (Fund), ABN 70 815 369 818. The Shadforth Portfolio Service (the Service) consists of the Shadforth Portfolio Service – Super (Super Service) and Shadforth Portfolio Service – Pension (Pension Service). The Super Service and Pension Service are superannuation and pension products forming part of the Fund. The terms ‘our’, ‘we’, ‘us’ and ‘Trustee’ in this PDS refer to IIML.

## About the Trustee

IIML is a part of the IOOF group comprising IOOF Holdings Limited ABN 49 100 103 722 and its related bodies corporate (the Group).

As Trustee, IIML is responsible for operating the Fund honestly and in the best interests of members.

IIML is also responsible for holding the assets of the Fund on behalf of members and undertakes all of the administrative tasks through IOOF Service Co Pty Ltd ABN 99 074 572 919. IIML has investment and service contracts with related parties within the Group, including IOOF Service Co Pty Ltd.

IIML is solely responsible for the content of this PDS. This PDS was prepared by IIML based on its interpretation of the relevant legislation as at the date of issue.

This product is only available to persons receiving this PDS (electronically or otherwise) within Australia. We may refuse an application to join the Fund without providing reasons for the refusal. You become a member of the Fund when we accept your completed application and record you as a member.

IIML may from time to time hold some of the Fund’s investments in custody.

## Investment options offered

IIML makes no recommendation regarding the investment options set out in the **Investment Guide**.

As Trustee, IIML regularly monitors the investment options available to members and provides no assurance that any investment option currently available will continue to be available in the future. We have the right to suspend or cease investments in a specific investment option and if necessary, can redeem and transfer your investments to a similar investment option or your Cash Account in circumstances where the investment option is no longer available and no alternative instructions are provided. We will notify you of any such change where possible before the change occurs.

The fund managers have not authorised or caused the issue of this PDS but have consented to the inclusion of statements which relate to their particular self-selected managed fund.

In order to choose an investment option for your investment strategy, you should review the information in the **Investment Guide**. Before selecting an investment option, your financial adviser should provide you with the PDS for the relevant managed investment or the product guide for the term deposit. These documents provide you with important information to consider and evaluate prior to investing. PDSs and product guides are also available on our website ([portfolio.sfg.com.au](http://portfolio.sfg.com.au)). Please note, PDSs and product guides are not available for listed investment options.

## General advice warning

The information contained in this PDS is of a general nature only and does not take into account your individual objectives, financial situation or needs. You should consider the appropriateness of this information having regard to your objectives, financial situation and needs and you may want to seek advice from a financial adviser before making a decision about the Pension Service.

## Updated information

The information referred to in this PDS may change from time to time. We will inform you of any significant changes that could affect you, or other significant events which may affect the information in this PDS. Any updated information that is not materially adverse may be obtained by:

- checking our website [portfolio.sfg.com.au](http://portfolio.sfg.com.au)
- emailing us at [portfolioservice@sfg.com.au](mailto:portfolioservice@sfg.com.au)
- calling us on 1800 931 792.

A paper copy of the updated information will be provided free of charge on request.

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## How to find your way around this PDS

This PDS is a summary of significant information you need to help you decide whether the Pension Service will meet your needs. It includes references to additional important information contained in the **Shadforth Portfolio Service general reference guide (General Reference Guide)** and the **Investment Guide**, each of which forms part of the PDS.

The information contained in this PDS is of a general nature only and does not take into account your individual objectives, financial situation or needs. You should consider seeking advice from a financial adviser before making a decision about the Pension Service.

This PDS and the guides can be downloaded from our website ([portfolio.sfg.com.au](http://portfolio.sfg.com.au)) or you can contact us and we will send you a paper copy at no charge.

### Key words

There may be words in this PDS and the guides you may not be familiar with. To help you understand these terms, we have defined them in the 'Key words explained' section of **General Reference Guide**.

# Introducing the Pension Service

## Why invest in the Pension Service?

The Pension Service provides you with a tax effective pension in retirement and makes it very easy for you to manage your retirement goals. You can convert your accumulated super from the Super Service into an income stream in the Pension Service once you reach your preservation age or meet another condition of release.

In this introduction, you will find important information about the Pension Service, including a snapshot of the key features and benefits available to help you meet your retirement goals.

The Pension Service is an account-based pension that has a pension option to suit your needs no matter what your retirement plans. You can choose either a Retirement phase pension or a Transition to retirement (TTR) pension. An account-based pension, otherwise known as an allocated pension, is required to make a minimum payment at least annually (maximum payments only apply to TTR pensions).

With a Pension Service account, you can select an investment strategy using one convenient administration facility. This includes having access to:

- **Investment choice** – One impressive feature of the Pension Service is the comprehensive range of investment options. Providing access to approximately 180 managed investments (including the Mosaic branded Strategic Funds and Specialist Funds), the majority of listed investments in the S&P/ASX 300 Index and even a selection of term deposits. For further details

about the investment options available please refer to the **Investment Guide**.

- **Competitive fees** – Our fee structure is transparent, all clearly visible and there's no bundling. All fees are paid from your Cash Account, so it's easy for you to see exactly what is being charged at any time.
- **Full-featured online portal** – Securely manage and view your account anytime. Shadforth Portfolio Online gives you access to a range of information including your portfolio summary, record of transactions, account information, statements and reports. You can access multiple accounts using a single sign-on and the same email address. You can even use it to update your beneficiary nomination or contact details.

## Who is the IOOF group?

The IOOF group is one of the largest financial services groups in Australia, with over 170 years' experience in helping Australians secure their financial independence. Listed in the top 100 on the Australian Securities Exchange (ASX: IFL), we provide services to more than 500,000 clients and have more than \$161.7 billion in funds under management, advice and supervision (as at 30 June 2018). Our demonstrated expertise in the administration and management of investments, superannuation savings and retirement solutions means your retirement income is being managed by a leading and trusted Australian company. You can find more information about IOOF director details, executive remuneration and other documents by visiting our website ([www.ioof.com.au](http://www.ioof.com.au)).

## Snapshot of the Pension Service

The following table provides a snapshot of the key features and benefits.

Investing		Page
Investment options <sup>1</sup>	<ul style="list-style-type: none"> <li>• A range of Mosaic branded Strategic Funds and Specialist Funds managed by our experienced Investments team</li> <li>• Approximately 180 externally managed investments from both large and boutique fund managers</li> <li>• The majority of listed investments in the S&amp;P/ASX 300 Index plus other listed investments approved by the Trustee from time to time</li> <li>• Term deposits from ANZ, NAB and Adelaide Bank.</li> </ul>	6
Investment strategy	When you apply for membership in the Pension Service you are required to make an investment choice as part of your application. If you have not made a decision about your future investment strategy, you can choose to invest in the Cash Account until you make another investment choice.	6
Cash Account	The Cash Account records all transactions related to your pension account.	9
Investment income	Investment income received from your investment options is automatically credited to your Cash Account. The following options are available to manage investment income: <ul style="list-style-type: none"> <li>• reinvest the income back into the same managed investment</li> <li>• retain the income in your Cash Account.</li> </ul>	9

Investing		Page
<b>Options</b>		
Retirement phase pension	If you have met a condition of release (such as retirement after reaching your preservation age or turning age 65) you can commence a Retirement phase pension.	5
Transition to retirement pension option	You can use the TTR pension option to commence a pension once you have reached your preservation age, regardless of your employment status.	5
Death benefit pension	You can commence a pension with the rollover of a death benefit either from another super fund or from another account within the fund.	5
Estate planning options	<p>Choose from the following estate planning options:</p> <ul style="list-style-type: none"> <li>• Reversionary Pensioner</li> <li>• Binding Death Benefit Nomination</li> <li>• Non-Binding Death Benefit Nomination.</li> </ul> <p>Under the Reversionary Pensioner option, we are bound to pay your remaining account balance as a continuing pension to your nominated Death Benefits Dependant after your death. However, the Reversionary Pensioner may choose to make a lump sum withdrawal rather than continue to receive pension payments.</p> <p>Under the Binding Death Benefit Nomination and Non-Binding Death Benefit Nomination options, we retain the flexibility to pay your benefit as a lump sum or pension.</p>	6
<b>Managing your pension</b>		
Pension payment options	<p>You can choose to receive your pension payments:</p> <ul style="list-style-type: none"> <li>• monthly</li> <li>• quarterly</li> <li>• half-yearly</li> <li>• annually.</li> </ul> <p>All pensions are reviewed annually on 1 July.</p>	11
Shadforth Portfolio Online	View your account 24 hours a day, seven days a week with secure access to your account.	8
Movement between the Super Service and the Pension Service <sup>2</sup>	If you are transferring your super benefit from an existing the Super Service account, the value of your account will not be reduced by the impact of buy-sell spreads if you maintain your investment options when transferring between the three divisions. Capital gains tax will not arise if you transfer any investments between these products.	25
Family Fee Aggregation	You can link Super Service and Pension Service accounts, including your own, those of immediate family members and in-laws of the immediate family. This may reduce the Administration Fee payable (conditions apply).	16
<b>Minimum amounts</b>		
Initial contribution	Minimum of \$30,000 per pension account.	5
Investment options limits <sup>3</sup>	<ul style="list-style-type: none"> <li>• Managed investments – no minimum applies.</li> <li>• Listed investments – a minimum parcel of \$2,000 is required per listed investment trade.</li> <li>• Term deposits – \$20,000 per term deposit.</li> </ul>	6
Cash Account	You are required to maintain a minimum allocation to the Cash Account of 1%.	9
Pension income	Your annual pension payments are subject to a minimum level set by the Commonwealth Government. Annual pension payments made under a TTR option <sup>3</sup> are also subject to a maximum level set by the Commonwealth Government.	11
Lump sum withdrawals <sup>4</sup>	No minimum applies.	12

<sup>2</sup> When you move money in or out of a Pension Service managed investment (including when you make a switch), you may incur a 'buy-sell spread' which is included in the unit price of the investment option you choose (see 'Transaction costs' on page 17 for details).

<sup>3</sup> Investment limits apply to the proportion of your portfolio which can be held in restricted investments, annuity funds, term deposits and listed investments. For further information regarding these limits, see the 'Investment limits' section in the **Investment Guide**.

<sup>4</sup> Commonwealth Government regulations impose restrictions on when you can make lump sum (cash) withdrawals where you have selected the TTR pension option.

# How does your Pension Service work?

Commencing a Pension Service is easy. As long as you have met a condition of release such as retiring after reaching your preservation age or turning age 65, you can make an initial contribution to your new Retirement phase pension and start receiving your pension straight away. Your initial contribution can include the transfer of benefits from the Super Service to the Pension Service.

Alternatively, if you have reached your preservation age but you have not retired, you can commence the Pension Service using the TTR option but the amount of cash you can withdraw will be limited until you retire or reach age 65. The access rules are set out on page 12.

Finally, you can transfer a death benefit from another superannuation fund or another super account within the fund and commence a new Death benefit pension. The eligibility rules for starting a new Death benefit pension are set out on page 5.

## Starting your pension account

Joining is simple. Your financial adviser may be able to complete an online application form on your behalf. Alternatively, you can complete an application form and any other relevant forms in the Pension Service Forms Booklet. You can obtain a copy of this booklet:

- from your financial adviser
- by downloading one from our website
- by calling Shadforth ClientFirst on 1800 931 792.

If you are transferring your super benefits from another super fund, please complete the 'Request to Transfer' form in the Forms booklet.

If you are transferring your benefit from another account within the Fund, please indicate the rollover amount on the Application form.

## What can the initial contribution to a Pension Service be made up of?

We can accept a wide range of contributions to commence your pension. These are:

- Personal contributions you make yourself which are not tax deductible.
- Spouse contributions made by your spouse (legal or de facto) for your benefit.
- Downsizer contributions from the proceeds of selling your family home after age 65<sup>5</sup>.
- Transfer of super or pension benefits from other super funds, ADF's or superannuation annuities.
- Transfers from other super or pension accounts within the Fund.
- Death benefit pensions can commence with the transfer of a death benefit from another super fund or super/pension account within the Fund.

If you commence a pension with other types of contributions (for example, you want to make tax deductible personal contribution), you will need to make this contribution to an accumulation superannuation account (such as the Super Service), accompanied by the Australian Taxation Office approved Notice of intent to claim or

vary a deduction for personal super contributions form. Once this has been processed, you can then transfer your benefits to start a pension.

Please note, no additional contributions or transfers can be made to an existing pension account once your pension has commenced. If additional amounts are received after pension commencement, your existing pension will be closed, monies combined with your additional amounts and a new pension account created. Please note a minimum additional amount of \$10,000 applies.

A new pension account and application are required if you are:

- combining pension accounts
- changing your nominated Reversionary Pensioner
- adding further contributions or transfers (including to a TTR pension).

## Are there restrictions on contributions used to commence your pension?

You can commence your pension with transfers of benefits from other super funds or other super or pension accounts within the fund at any age. If you are making downsizer contributions, you must be at least age 65 and the maximum amount you can contribute is \$300,000.

However, to make personal or spouse contributions, you will need to be eligible to contribute to superannuation. To be eligible to contribute to superannuation you must be either under age 65 when you make the contribution or if you have turned age 65 or more, you are making downsizer contributions or you have met a work test. Before the contribution is made, you must have worked at least 40 hours in 30 consecutive days in the financial year in which the contribution is made. As long as you meet this work test during that particular financial year, personal and spouse contributions can be received into your pension account up to age 75 for personal contributions or age 70 for spouse contributions. You can also make a personal contribution after turning age 65, even though you do not meet the work test in the current financial year, if you met the work test in the previous year. A personal contribution must be received within 28 days after the end of the month in which you turn age 75. More information on making contributions to superannuation is available from the **General Reference Guide**.

Personal and spouse contributions are non-concessional contributions and the Commonwealth Government sets an annual cap on the amount of non-concessional contributions that can be made to your super each year. For the 2017/2018 year a maximum of \$300,000 applies to the personal and spouse contributions you can make to commence your pension. If you are aged 65 or more, the maximum is \$100,000. Additionally non-concessional contributions cannot be made if your current super and pension benefits (total super balance) is already \$1.6 million or more. If your 'total super balance' is \$1.6 million or more any new non-concessional contributions must be refunded. For details about contribution caps and how to calculate your total super balance please refer to the **General Reference Guide**.

Finally, a Death benefit pension can only commence with the rollover or transfer of a death benefit. No other types of contributions can be added to commence the Death benefit pension, including transfers from your own super.

## Investing your initial contribution into your pension account

For new members, your initial contribution is credited first to your Cash Account. This contribution (less any nominated Member Advice Fee – Upfront<sup>6</sup> and applicable taxes) will be invested in accordance with your Deposit Instruction on your Application form.

Information on how your Cash Account balance is invested is contained on page 9.

For existing members, transferring from the Super Service to the Pension Service is simple. You can transfer your current investment options directly into your new pension account if those investment options are available in the Pension Service. The value of your account will not be reduced by the impact of buy-sell spreads if you maintain your investment options, nor will it create a capital gains tax event. Please note you are required to provide a Deposit Instruction as part of your application. If you have not made a decision about your future investment strategy, you can choose to invest in the Cash Account until you make another investment choice.

You may also request your existing investment options be aligned (or re-weighted) to your new investment strategy.

## What types of account-based pension options are there?

### 1. Retirement phase pension

This is an account-based pension that is payable when you have met a condition of release and your super benefits are unrestricted non-preserved. Earnings on investments for Retirement phase pensions are tax-free. The Government sets a limit on the amount of benefits that can be transferred into Retirement phase pensions. This limit is called the transfer balance cap and is currently \$1.6 million. Retirement phase pensions are subject to a minimum annual pension payment and you can take cash lump sum withdrawals at any time.

### 2. Transition to retirement (TTR) pension

This is an account-based pension that is payable if you have reached your preservation age but you haven't met a condition of release. Earnings on investments for TTR pensions are taxable at 15 per cent. TTR pensions are subject to minimum and maximum annual pension payments and cash lump sum withdrawals are severely restricted. When you meet a condition of release (such as turning age 65), your TTR pension will become a Retirement phase pension and will then be assessed under the transfer balance cap.

### 3. Death benefit pension or Reversionary pension

A reversionary pension is the transfer of an existing pension to a nominated reversionary beneficiary on death of the primary pensioner. A Death benefit pension is a new pension that commences with the transfer of death benefits from another super fund or from another account within the fund (including the commutation of a Reversionary pension or a Death benefit pension). As earnings on investments are tax-free, Death benefit pensions and Reversionary pensions are treated as Retirement phase pensions and assessed under the recipient's transfer balance cap.

For details about how the transfer balance cap applies to Retirement phase pensions and income streams payable on death please refer to the **General Reference Guide**.

<sup>6</sup> For more information regarding the member advice fees available, refer to pages 17 and 18 of this PDS.

## What are conditions of release and how do they affect the commencement of your pension?

Super funds can only release benefits, such as commencing a Pension Service or paying a cash lump sum, in certain circumstances. Benefits in super are 'preserved'<sup>7</sup> until you meet a condition of release. Once you have met a condition of release, your super benefits become unrestricted non-preserved and you can commence a Retirement phase pension.

The main conditions of release are:

- permanently retiring after reaching your preservation age
- leaving employment after reaching age 60
- reaching age 65
- permanent incapacity.

Once you have reached your preservation age but have not retired, you can access your preserved benefits by commencing a Pension Service using the TTR pension option.

See the 'Accessing your super' section of the **General Reference Guide** for further information about conditions of release and preservation age

## Dependants – paying benefits if you die

If you die while you are a member, super law requires we pay your Death Benefit (the remaining balance of your pension account) to one or more of your dependants and/or your estate.

To provide greater certainty as to who will receive your benefit in the event of your death there are three estate planning options (only one option can be selected):

- Reversionary Pensioner option.
- Binding Death Benefit Nomination (Binding Nomination).
- Non-Binding Death Benefit Nomination (Non-Binding Nomination).

The most appropriate nomination will depend on your personal circumstances. Any person you nominate must be a dependant as defined by super law or your Legal Personal Representative. Dependants include your spouse, de facto spouse, same-sex partner and children.

If you choose to make a Binding Nomination or Non-Binding Nomination, you can nominate one or more people and allocate a percentage of your benefit between them in any proportion.

See the 'Death Benefit Nominations' section of **General Reference Guide** for further information about dependant nominations, how each nomination works and the available payment options.

## Making investment choices

### Your investment strategy

The Pension Service provides access to a range of managed investments, listed investments and term deposits. With so many investment options, you can construct a portfolio to help achieve your retirement goals.

Your investment strategy should be a reflection of your attitude to investing, the level of risk you are comfortable accepting and your investment timeframe.

### What investment options can you choose?

You may choose from the following investment options:

- A range of Mosaic branded Strategic Funds and Specialist Funds managed by our experienced Investments team.
- Approximately 180 externally managed investments from both large and boutique fund managers.
- The majority of listed investments in the S&P/ASX 300 Index plus other listed investments approved by the Trustee from time to time.
- Term deposits from ANZ, NAB and Adelaide Bank.

<sup>7</sup> Benefits that are preserved can also include restricted non-preserved benefits. Restricted non-preserved benefits have an additional condition of release which may apply, which is termination of employment with an employer who has contributed to the super fund.

## Managed investments

The managed investment options available vary in risk, investment objectives (goals), strategies (ways of achieving those goals) and the types of assets in which investments are made. This allows you to invest in a range of managed investments, which may be diversified across different asset classes, fund managers and investment styles.

You can normally switch between different managed investments at any time.

We carefully research leading Australian and international fund managers before developing ready-made portfolios or choosing self-selected managed funds to be part of the investment menu. We also monitor and review the fund managers and managed investments on an ongoing basis and may add or remove managed investments from time to time.

The list of managed investment options is set out in the **Investment Guide**. The list may change from time to time. You can obtain a list of investment options from our website ([portfolio.sfg.com.au](http://portfolio.sfg.com.au)) or request a copy free of charge by calling Shadforth ClientFirst on 1800 931 792.

**Important note:** A buy-sell spread may be incurred when switching between managed investments. See 'Transaction costs' on page 17.

## Listed investments

You have the option to invest in various listed investments through your Pension Service account. The Pension Service provides you with access to the majority of the S&P/ASX 300 Index plus other listed securities approved by the Trustee from time to time. You can view the current list on our website. This list may change from time to time.

Information on how you can invest in listed investments is set out in **Investment Guide**.

**Important note:** Brokerage applies to any listed investment trades (buy or sell). See 'Transaction costs' on page 17 for more information. See the 'Investing in listed investments' section in **Investment Guide** for more information.

## Term deposits

Terms and conditions relating to an investment in a term deposit are contained in the relevant term deposit PDS or product guide and the 'Investing in a term deposit' section in **Investment Guide**.

**Important note:** More information about each investment option available is detailed in **Investment Guide** the PDS issued by the fund manager for the particular managed investment and the PDS or product guide for the particular term deposit. The information relating to investments in **Investment Guide** may change between the time you read the PDS and the day the Application form is signed. The most recent updates appear on our website.

PDSs include information about performance, asset allocation, costs and the risks associated with investing in a particular managed investment and must be read and considered before selecting a managed investment.

Before investing, you should consider the PDS for the managed investment(s) and the PDS or product guide for any term deposit(s) you have selected. You can obtain a copy free of charge by requesting it from our Shadforth ClientFirst by calling 1800 931 792 or directly from our website.

It is recommended you consider consulting a financial adviser prior to selecting the investment options that you would like to invest in.

Please note, listed investments do not have PDSs.

Investment limits apply to the proportion of your portfolio which can be held in restricted investments, annuity funds, term deposits and listed investments. For further information regarding these limits, see the 'Investment limits' section in **Investment Guide**.

# Managing your pension account

**This section provides you with instructions about how to select and maintain your Standing Instructions and manage the operation of your Cash Account.**

## Using Shadforth Portfolio Online

Managing your pension online is a convenient, easy way to keep on top of things. Whether you want to view your balance or investment earnings or update your personal details, you can do so 24 hours a day using a single sign-on to access multiple accounts.

### Functions available online

By using Shadforth Portfolio Online, you can view your:

- account balance
- transaction history
- investments held
- Standing Instructions
- Death Benefit Nominations
- portfolio reporting, including account return information across any period and detailed transaction listing; and
- Family Fee Aggregation details.

Using Shadforth Portfolio Online you can also:

- update personal details
- make, amend or renew a death benefit nomination
- view the Trustee's communications you receive electronically.

Also, your financial adviser has the following online transaction options:

- buy and sell managed investments
- buy and sell listed investments
- adjust your Standing Instructions
- reweight your portfolio; and
- fee aggregate accounts.

If you do not have a financial adviser, you will have the ability to access and also transact on your account as mentioned above with the exception of linking accounts for family fee aggregation.

### How to register for online access

You can register for online access once you have received your member number by visiting [portfolio.sfg.com.au](http://portfolio.sfg.com.au).

## Standing Instructions

Your Standing Instructions outline how you would like us to:

- invest your initial contribution (less any Member Advice Fee – Upfront)
- invest your income distributions paid from your investment options
- top up your Cash Account to meet the minimum requirement
- process a withdrawal request (which investment options we should redeem from).

You can provide your Standing Instructions on the Application form contained in the Forms booklet.

You are able to supply three types of Standing Instructions.

## Types of Standing Instructions

### 1. Deposit Instruction

Your Deposit Instruction tells us how you would like your initial contribution (less any Member Advice Fee – Upfront) to be invested and will include:

- the managed investment(s) you wish to invest in;
- the percentage that you want to invest in each managed investment; and
- the percentage you would like allocated to your Cash Account (which must be at least one per cent, and can be increased to suit your needs).

You are required to provide a Deposit Instruction as part of your application. If you have not made a decision about your future investment strategy, you can choose to invest in the Cash Account until you make another investment choice.

Where we have suspended or stopped investments in a managed investment, the percentage of the initial contribution that you allocated to invest in that managed investment will be retained in the Cash Account.

Please note that the total percentage allocated to each investment option and your allocation to the Cash Account (of at least one percent), must add up to 100 per cent. Term deposits and listed investments cannot form part of your Deposit Instruction. To invest in these options you need to make an investment switch.

## 2. Income preferences

Income distributions that you receive from your investment options are automatically credited to your Cash Account. Income from your managed investments can then be re-invested using one of the following two methods (only one can be selected):

### Re-invest (default option)

This method allows you to automatically re-invest 100 per cent of the income distribution back into the same managed investment that made the income distribution. The re-investment will normally be completed within five business days following receipt of your income distribution in your Cash Account.

Where we have suspended or stopped investments in a managed investment or where a managed investment is redeemed in full (except where a managed investment is no longer held due to the requirement to top up your Cash Account or continues to form part of your Deposit Instruction) income distributions received from that managed investment will be retained in the Cash Account.

Re-investment of income distributions will involve the purchase of new units in one or more managed investments. Please note that you may not have the most recent PDS for the managed investment at the time these re-investments are made.

### Retain in your Cash Account

This method allows you to accumulate all income distributions in your Cash Account. Income will remain in your Cash Account until we receive a Switching Instruction from you.

## 3. Cash Account preferences

Your Cash Account is used to process all cash transactions that occur within your pension account. For example, all money paid into your account and any earnings from your investment options go through your Cash Account and all fees, taxes, pension payments and withdrawals (where applicable) are paid out of this account.

Your Cash Account holding is pooled with that of other members' and may be invested in a range of interest bearing assets, including (but not limited to) deposits with Australian banks, cash management schemes and other deposit taking institutions that we may select from time to time. Cash Account underlying assets are subject to change from time to time, and may include direct or indirect exposure to other the Group managed investment schemes. The interest rate credited to the Cash Account is calculated by us and is based on daily interest generated by underlying investments less associated fees and charges and the indirect costs for administering the Cash Account assets. Net interest is credited to your Cash Account monthly.

If your Cash Account goes into a negative balance, a fee will be charged for the period that your account has a negative balance. The fee equates to interest charged at the daily rate applicable for the Cash Account for the period that your Cash Account has a negative balance. Transactions including switches, partial withdrawals and other payments (including fees) may result in a negative balance.

## Allocation to your Cash Account

You are required to maintain one per cent of your account balance in the Cash Account. This amount is used for funding fees, expenses, taxes and pension payments. You can change this to be the same percentage allocated to the Cash Account in your Deposit Instruction.

In addition, you may nominate a dollar based cap on the amount held in your Cash Account, subject to a \$5,000 minimum.

### Top up

We will review the balance of your Cash Account in the following scenarios:

- At the end of each month (following the deduction of any applicable fees).
- After tax has been deducted.
- After pension payments have been deducted.
- If the balance of your Cash Account is zero or below, we will top it up to the lower of:
  - the percentage allocated to the Cash Account (one per cent or the percentage nominated in your Deposit Instruction); or
  - your nominated cap amount.

If we are required to top up your Cash Account, the amount required to top it up will be funded from your managed investments using one of the following two methods (only one method can be selected).

### 1. Pro-rata (default option)

Sells funds across all managed investments according to the proportion of the portfolio that they represent.

### 2. Redemption Instruction – Percentage

Sells funds from specified managed investments according to the percentage allocation nominated by you.

Where we have suspended or stopped redemptions in a managed investment or where a managed investment is redeemed in full, the remaining investment options in your Redemption Instruction – Percentage will be used to fund the top up. Where all managed investment(s) in your Redemption Instruction – Percentage have been redeemed in full, your top up method will revert to the default option of Pro-rata as detailed above.

The top up options give you the control and flexibility to determine the most appropriate way for you to manage your Cash Account. Annuity funds, term deposits, listed investments and restricted investments are excluded from the top up process.

Where there are insufficient managed investments to enable top up of your Cash Account, we will redeem some of your other investments in order to fund fees, expenses, taxes, and pension payments and to provide the minimum cash requirement.

We will redeem investments in the following order:

- listed investments with the highest balance;
- annuity funds with the highest balance; and then
- term deposits with the lowest balance (redeemed in full).

The normal fees, charges, penalties and listed investment minimums will apply to these transactions. There may also be capital gains tax implications.

## Withdrawals

If you make a lump sum withdrawal, you can indicate the investment options to be redeemed on the payment form.

If you do not provide specific instructions, we will draw from the investments according to your top up method.

## Changing your Standing Instructions

You can update your Standing Instructions by completing a 'Switching Instruction' form available from our website or your adviser can do so via our adviser online portal.

Whenever you request a change to your Standing Instructions we will confirm once the change has taken place.

## Switching

The Pension Service gives you the ability to change your selected investment options.

This usually involves redeeming units from one or more of your existing investment options and purchasing units in one or more investment options selected by you. This process is often referred to as a switching instruction.

Your adviser can switch your managed investments using our adviser online portal or you can complete a 'Switching Instruction' form available from our website or call Shadforth ClientFirst on 1800 931 792.

The PDS for managed investments may be updated or replaced by the fund manager from time to time. Similarly, we may update the **Shadforth Portfolio Service Investment Guide** from time to time. This means you may not always have the most recent information regarding an investment option before making your switch request. We provide electronic versions of these disclosure documents on our website.

You can also obtain a copy free of charge by contacting your financial adviser or by calling our Shadforth ClientFirst on 1800 931 792.

# Pension options explained

**The Pension Service is a very flexible retirement product. It provides an account-based pension with a TTR pension option, increasing your financial planning alternatives as you near retirement.**

## How is the minimum annual pension calculated?

The Commonwealth Government has set a minimum annual payment that you must withdraw from your pension account each financial year based on your age. The minimum is a percentage of your account balance and is measured at commencement and on 1 July each year.

You are able to select any amount of pension payment above this minimum (unless you have a TTR pension).

If you select 'Minimum' in the 'Pension amount' section of the Application form, the minimum level of payment as per the following table will apply to your pension for the remainder of the financial year unless you notify us otherwise when submitting your application.

Age	Minimum annual payment
Under age 65*	4%
65 – 74	5%
75 – 79	6%
80 – 84	7%
85 – 89	9%
90 – 94	11%
95+	14%

\* This minimum also applies to payments made under the TTR pension option.

For Reversionary Pensioners, the minimum applying to the original pension applies for the remainder of the financial year. On 1 July of the year following the death of the original pensioner, the minimum pension will be calculated using the Reversionary Pensioner's age.

The percentage factor is determined by the age of the account holder on 1 July of a financial year or the date of commencement of the pension in that year as shown in the table directly above.

## Selecting your annual pension payments

You can nominate your annual pension payment to be:

- your age-based minimum annual payment in the table, rounded to the nearest \$10; or
- a fixed dollar amount.

Where you nominate a fixed dollar amount, which does not meet your age-based minimum annual payment, your pension will be adjusted upwards to meet the minimum.

If you have nominated a fixed dollar amount, you can also elect to automatically index your pension by the consumer price index (CPI) or a fixed percentage each year, provided the pension meets the Commonwealth Government's regulated pension payment limits.

If your needs change, you can increase or decrease your selected pension payments at any time provided they meet the minimum annual pension payment. You can request a change to your selected pension payments at any time in writing. However, any lump sum withdrawal requests will not be treated as a change to your pension payments unless you specify otherwise.

For Reversionary Pensioners, the current pension payments will continue in your name. However, you can choose to change the current pension selection (subject to meeting the Government minimum).

Depending on your selection, your annual pension payment will change over time<sup>8</sup>. Please consult a financial adviser about how to select your required annual pension payment.

**Important note:** Your first year's pension payment amount will be reduced in proportion to the number of days between the date your pension account was established and the following 1 July, unless you request otherwise.

## Frequency of pension payments

You may elect to receive your annual pension payment as one annual payment or in instalments based on one of the following frequencies:

- monthly
- quarterly
- half-yearly
- annually.

Irrespective of the frequency you select, where necessary, we will withhold any PAYG tax liability on the gross pension payment for that frequency as required by law. For more information, see 'What taxes apply and how do they work?' on page 21 of this PDS.

We will deduct the required pension payments from your Cash Account and credit them electronically to your nominated account with a financial institution. Payments are made by the 7th day of the month where a pension payment is due.

<sup>8</sup> Depending on your investment selection, nominated level of pension payments and the amount of any lump sum withdrawals, your pension account balance may rise or fall.

## What is the Transition to retirement (TTR) pension option?

### Special rules for TTR Pensions

When you reach your preservation age you can acquire an income stream under the TTR pension option without having to permanently retire, change employment or reach age 65.

A TTR pension has the following restrictions:

- A maximum of 10 per cent of the account balance may be paid to you in pension payments each financial year. This means your nominated pension payments need to be within the minimum 4 per cent and maximum 10 per cent limits.
- Cash lump sum withdrawals can only be made in very limited circumstances (see the 'Can a lump sum withdrawal be made?' section of this PDS).
- Investment earnings are taxable at 15 per cent, on the same basis as other accumulation superannuation investments.

Once you meet a condition of release, such as retirement or turning age 65, these additional restrictions will no longer apply. In this situation, if you have been receiving the maximum pension payment, we will convert your current annual pension payment to a fixed dollar amount and continue to pay the amount of pension until you advise us otherwise. Also your pension account will transfer to a tax-free investment environment and will therefore be assessed against the transfer balance cap.

### How the preservation components of your TTR pension option are treated?

Your TTR pension can commence with preserved benefits, restricted non-preserved benefits and unrestricted non-preserved benefits. These components will retain their existing status on transfer into your pension. However, investment earnings will be allocated to the preserved component. Your pension payments and lump sum withdrawals will reduce each component in a prescribed order. Payments will be made first from your unrestricted non-preserved benefits, then from your restricted non-preserved benefits; and lastly, from your preserved benefits.

### Can I commence a TTR pension and also contribute to super?

An advantage of using the Pension Service for TTR purposes is that the investment option(s) you choose in your Super Service account can normally be transferred directly into your Pension Service account without being redeemed and without having to incur any capital gains tax liability. On transfer, you can either retain your existing investment option(s) or provide us with new instructions to change your investment strategy.

If you choose to transfer only part of your benefit from your Super Service to your Pension Service, a minimum balance of at least \$10,000 must remain in your the Super Service account to allow for further contributions to be made and to meet the cost of fees and any insurance premiums. The minimum balance may be higher

where greater fees and insurance premiums are required to be paid in respect of your personal super.

### Can a lump sum withdrawal be made?

Generally, you can make a full or partial cash lump sum withdrawal from your pension account at any time, except where you have selected the TTR pension option.

Under the TTR pension option, the following restrictions apply to cash withdrawals. No lump sum cash withdrawals are permitted except:

- to give effect to a Release Authority under the *Income Tax Assessment Act 1997*
- to cash unrestricted non-preserved benefits
- to give effect to a payment split under the *Family Law Act 1975*.

Once you meet a condition of release, such as permanently retiring from the workforce or reaching age 65, the withdrawal restrictions cease and you can make cash withdrawals at any time.

You can transfer your benefit at any time:

- to a personal super or pension product in the Fund
- to a personal super or pension product in other super funds
- to purchase an annuity<sup>9</sup>
- to purchase a new Death benefit pension on the commutation of an existing Death benefit pension or Reversionary pension.

If you make a withdrawal, part of the withdrawal may be paid to you as a pension payment. This will apply if you have not already received the minimum pension payments specified by the Commonwealth Government for the current year and the amount remaining in your pension account after the withdrawal would be insufficient to allow the minimum level of annual payments to be made.

### Transfer balance cap for Retirement phase and Death benefit / Reversionary pensions

The Government sets a cap (the transfer balance cap) on the total amount of pension benefits that can transfer to a tax-free investment environment. This cap is currently at \$1.6 million. Retirement phase and Death benefit pension accounts are assessed against the transfer balance cap on pension commencement. Reversionary pensions are assessed 12 months from the date of death on the account balance as at the date of death. Death benefit or Reversionary pensions paid to minor children have an adjusted transfer balance cap based on the deceased parent's cap and the child's share of the death benefit.

Any excess amounts over the cap for a Death benefit or Reversionary pension must be withdrawn in cash. Any excess amounts from a Retirement phase pension can be withdrawn in cash or transferred back into personal superannuation. If we receive a compulsory commutation authority from ATO in relation to an excess amount for a Retirement phase pension, the Trustee will transfer the excess back to personal superannuation where possible.

# Fees and other costs

## Consumer advisory warning

### 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 per cent of your account balance rather than 1 per cent could reduce your final return by up to 20 per cent 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 administration fees. Ask the fund or your financial adviser.

### TO FIND OUT MORE

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

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

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

The fees quoted in this section may be different from the amounts deducted from your account. Please refer to the 'Your fees may be different' section in the **General Reference Guide**.

Taxes are set out in another part of this document. You should read all of the information about fees and other costs because it is important to understand their impact on your investment. You can also use this information to compare the fees and costs with other pension products.

The fees and other costs for each underlying investment option offered by the entity appear on our website in the relevant PDS for each managed investment.

In certain circumstances, where it is reasonable for us to do so, we may alter the fees and costs applied to your pension account (subject to law) without your consent. However, before doing so, we will provide you with 30 days' notice of any change. We also have the right to introduce new fees. The fees quoted in this section are inclusive of GST and any applicable reduced input tax credits.

## Fee table

### Pension Service

Type of fee or cost	Amount	How and when paid										
Investment Fee	Nil.	Not applicable.										
Administration Fee <sup>10</sup>	<table border="1"> <thead> <tr> <th>Account balance</th> <th>Administration Fee (pa)</th> </tr> </thead> <tbody> <tr> <td>First \$250,000</td> <td>0.45% (or \$4.50 per \$1,000 invested)</td> </tr> <tr> <td>Next \$250,000</td> <td>0.12% (or \$1.20 per \$1,000 invested)</td> </tr> <tr> <td>Next \$500,000</td> <td>0.10% (or \$1.00 per \$1,000 invested)</td> </tr> <tr> <td>Amounts above \$1,000,000</td> <td>Nil</td> </tr> </tbody> </table> <p>Maximum Administration Fee of \$1,925 pa.  <b>Account Keeping Fee:</b> \$180 pa</p>	Account balance	Administration Fee (pa)	First \$250,000	0.45% (or \$4.50 per \$1,000 invested)	Next \$250,000	0.12% (or \$1.20 per \$1,000 invested)	Next \$500,000	0.10% (or \$1.00 per \$1,000 invested)	Amounts above \$1,000,000	Nil	<p>The Administration Fee is a percentage-based fee calculated daily on your account balance<sup>11</sup>. It is charged monthly in arrears and is deducted from your Cash Account<sup>12</sup> at the end of each month.</p> <p>The Account Keeping Fee is the dollar-based fee charged monthly in arrears and is deducted from your Cash Account at the end of the month. Where you are only a member for a portion of the month, the Account Keeping Fee will be charged on a pro-rata basis.</p>
Account balance	Administration Fee (pa)											
First \$250,000	0.45% (or \$4.50 per \$1,000 invested)											
Next \$250,000	0.12% (or \$1.20 per \$1,000 invested)											
Next \$500,000	0.10% (or \$1.00 per \$1,000 invested)											
Amounts above \$1,000,000	Nil											
Buy-sell spread	Varies across the managed investments available up to a maximum buy spread of 0.50% and a maximum sell spread of 0.50%.	<p>A buy-sell spread is added to, or deducted from (as applicable), the unit price of the relevant managed investment. The buy-sell spread that applies to each managed investment can change from time to time.</p> <p>Please refer to the <b>Investment Guide</b> or the relevant investment options' PDS for specific details.</p>										
Switching Fee	Nil.	Not applicable.										
Exit Fee	Nil.	Not applicable.										
Advice Fees	Nil.	No advice fees will be charged unless you request us to do so. A range of advice fees are available (please refer to the 'Additional explanation of fees and costs' section of this PDS You should refer to your financial adviser's statement of advice for details on any agreed advice fees).										
Other Fees and costs	Refer to the 'Additional explanation of fees and costs' section in the <b>General Reference Guide</b> .											
Indirect cost ratio <sup>10</sup>	<p>The indirect cost ratio varies across the underlying managed investments available and currently range from 0.00% to 3.32% pa<sup>13</sup> \$0 to \$33.20 pa per \$1,000 invested excluding net transaction costs<sup>14</sup>.</p> <p>Performance related fees<sup>15</sup> may also apply to some managed investments when the investment return generated by the fund exceeds a specific criteria or benchmark.</p> <p>No indirect cost ratio applies to listed investments and term deposits.</p> <p><b>Cash Account:</b> 0.80%<sup>12</sup> pa.</p>	<p>Generally calculated daily as a percentage of the amount you have invested in each managed investment. <b>It is not deducted directly from your account but is generally incorporated into the unit price of the managed investment</b> and generally charged monthly or quarterly in arrears. The indirect cost ratio and net transaction cost applied by each fund manager for a particular managed investment can be obtained from the <b>Investment Guide</b> and the relevant PDS for each managed investment.</p>										

<sup>10</sup> If your account balance for a product offering by the superannuation entity is less than \$6,000 at the end of the entity's income year, the total combined amount of administration fees, investment fees and indirect costs charged to you is capped at 3% of the account balance. Any amount charged in excess of that cap must be refunded (Applicable from 1 July 2019).

<sup>11</sup> Your account balance comprises your Cash Account together with the value of your investment options. You are required to maintain a minimum of one per cent of your pension account balance in your Cash Account. If your Cash Account goes into a negative balance, a fee will be charged for the period that your account has a negative balance. The fee equates to interest charged at the daily rate applicable for the Cash Account for the period that your Cash Account has a negative balance. Transactions including switches, partial withdrawals and other payments (including fees) may result in a negative balance. Refer to the 'Cash Account preferences' section on page 9 for further information.

<sup>12</sup> You are charged an indirect cost on your Cash Account holding. This indirect cost is not deducted from your Cash Account directly, but through the interest generated from its underlying investments prior to crediting the 'net' interest to your Cash Account. The indirect cost is subject to change. The estimated indirect cost ratio is 0.80 per cent per annum. We may also change the underlying investments of the Cash Account at any time.

<sup>13</sup> Indirect cost ratios applied by each fund manager are estimates only and based on the information provided by each fund manager as at the date of this PDS (for further information refer to the **Investment Guide**. Investment options and indirect cost ratios may change from time to time.)

<sup>14</sup> Please refer to the 'Transaction Costs' section on page 17 for further information on net transaction costs.

<sup>15</sup> Please refer to the 'Performance fees section on page 16 for further information on performance related fees.

## Example of annual platform fees and costs

This table gives you an example of how the fees and costs for accessing an investment option through this pension product can affect your investment over a one year period. You should use this table to compare the fees with other platform pension products.

Example		Balance of \$50,000
Investment Fee	Nil.	For every \$50,000 you have in the pension product, you will be charged \$0 each year.
<b>PLUS</b> Administration fees	<b>Administration Fee:</b> 0.45% <b>Account Keeping Fee:</b> \$180	<b>AND</b> , you will be charged \$405 in administration fees.
<b>PLUS</b> Indirect costs for the product (assuming the product minimum of 1% is held in the Cash Account)	Cash Account: 0.80% x \$500	<b>AND</b> , indirect costs of \$4 each year will be deducted from your investment.
<b>EQUALS</b> Cost of product	If your balance was \$50,000, and \$500 of that was held in your Cash Account then for that year you will be charged fees of <b>\$409*</b> for the product.	

\* **Note:** This example only shows the fees and costs that relate to access to the investments through this pension product and not the fees and costs of the underlying investments. Additional costs may be charged by the issuers of the products that you decide to invest in. **Please refer to the example below that illustrates the combined effect of the fees and costs.**

## Example of total annual costs for a balanced investment option

This table illustrates the combined effect of fees and costs of the pension product and the fees and costs for the IOOF MultiSeries 70 through this pension product.

Example – IOOF MultiSeries 70 investment option		Balance of \$50,000
Cost of product	From example above: \$409	If your balance was \$50,000, then for that year you will be charged fees of \$409 for the superannuation product.
<b>PLUS</b> Indirect costs for the IOOF MultiSeries 70 investment option	<b>Indirect cost ratio:</b> 0.50% <b>Net transaction cost:</b> 0.15%	<b>AND</b> , indirect costs of \$321.75 each year will be deducted from the underlying investment.
<b>EQUALS</b> total cost of investing in the IOOF MultiSeries 70 investment option through the pension product	If your balance was \$50,000, and \$500 of that was held in your Cash Account and you were invested in the IOOF MultiSeries 70 investment option, then for that year you will be charged total fees and costs of <b>\$730.75</b> for the product.	

\* **Note:** Additional fees may apply. And, if you leave the super entity, you may be charged a buy-sell spread which also applies whenever you make an investment purchase or redemption. The current buy-sell spread for the IOOF MultiSeries 70 for exiting is 0.10 per cent (based on this example this will equal \$49.50 for every \$50,000 you withdraw).

This is an example only and the fees and costs may vary for your actual investment. For more information, please refer to the product disclosure statement of the managed investments selected by you.

## Additional explanation of fees and costs

This section explains the fees and costs set out in the Fee Table and also provides a brief explanation about any additional transactional fees and charges that may apply to your pension account. The fees and other costs for each underlying investment option offered by the entity, appear on our website in the relevant PDS for each managed investment.

### Administration Fee

This fee is the percentage-based component and it includes all administration and other expenses we incur, excluding any member advice fees (outlined in the following pages) and the fees and costs charged by the underlying fund managers for each managed investment (the Indirect Cost Ratio, any buy-sell spread and any performance related fee).

## Family Fee Aggregation

Family Fee Aggregation allows you to link the Service accounts for the purpose of calculating the Administration Fee payable. This can mean a reduction in the Administration Fee payable by all 'linked' members. This is another way that we can help you lower the cost of managing your investments.

Family Fee Aggregation allows you to link:

- Your Super Service and Pension Service.
- Your account(s) with those of your immediate family members (as defined below in the terms and conditions) who also have accounts in the above Shadforth Portfolio Service products.

Terms and conditions:

- Each person applying to link for the purpose of Family Fee Aggregation must be a member of the same immediate family (spouse, son, daughter, partner, father, mother, brother, sister, grandparents or in-laws) and the spouses of immediate family members.
- A Family Fee Aggregation request can be rejected and linking can be cancelled at any time by us.
- Any new Family Fee Aggregation will either need to be signed by all linked members or requested by your financial adviser (refer to the Appointment of Representative (financial adviser authority)).
- Any new Family Fee Aggregation nomination will override any previous nomination.
- A maximum of six accounts are allowed to be linked together for Family Fee Aggregation purposes.
- Members nominated for Family Fee Aggregation within the same group must be associated with the same financial adviser. Where you change or remove your financial adviser, linking of your account for the purpose of calculating the Administration Fee will be cancelled.
- Each member will be able to view information about the other members in the Family Fee Aggregation group, including names and account numbers.

## Account Keeping Fee

This dollar-based component is the fee for the general administration of your account. This includes annual reporting and any changes to your pension account details.

## Indirect Cost Ratio

This represents the fees and costs charged by the underlying fund managers including any applicable performance related fees and is generally calculated daily as a percentage of the amount you have invested in each managed investment option.

It is not deducted directly from your account but is generally incorporated into the unit price of the investment option.

The most recent indirect cost ratios applied by the underlying fund managers for the available managed investment options are set out in the **Investment Guide** and the relevant PDS for each managed investment.

## Performance fees

As Trustee of the Fund, we do not charge any performance fees. However, a fund manager may charge a performance fee for a particular managed investment when the investment return generated by the managed investment exceeds a specific criteria or benchmark, referred to in the Fee table as 'performance related fee'.

The performance related fee (if applicable) is generally calculated daily as a percentage of the amount you have invested in the managed investment. The fee is generally deducted on a monthly, quarterly or annual basis. Please refer to the product disclosure statement for the relevant managed investment for further information.

A fund manager would normally incorporate the cost into the unit price of the managed investment.

The underlying fund managers that can charge a performance related fee are outlined in the **Investment Guide**. Any applicable performance related fee is included in the indirect cost ratio stated in the 'Investment Option Menu' section of **Investment Guide** and is as at the date of the guide. For further information please refer to the relevant PDS for each managed investment.

## Transaction costs

### Managed investments

Some managed investments have a difference between their entry (purchase) and exit (sale) unit prices and this is referred to as the buy-sell spread. This difference is an allowance for the transaction costs (such as brokerage, clearing and settlement costs and stamp duty, if applicable) of buying and selling the underlying securities/assets incurred by the fund manager of the particular managed investment.

The buy-sell spread (if applicable) is incurred when you purchase or redeem units in a managed investment (at the time of a switch or when you move money in or out of your account) and is in addition to indirect cost ratios and performance fees. However, the buy-sell spreads are not charged separately to your account they are generally included in the unit prices of each managed investment. The buy-sell spread that applies to each managed investment can change from time to time. Details of the buy-sell spread (or how to obtain the current buy-sell spread) applicable to each managed investment are outlined in the **Investment Guide** and PDS issued by the fund manager for the particular managed investment which are available on our website ([portfolio.sfg.com.au](http://portfolio.sfg.com.au)).

Other transaction costs may also be incurred in managing the underlying funds of the managed investments selected by you. These transaction costs may include brokerage, settlement costs, clearing costs, stamp duty, custody transaction costs and government charges incurred by the underlying funds. The costs of trading in over the counter (OTC) derivatives may also give rise to transaction costs.

These transaction costs are in addition to the indirect costs but are not charged separately to your account – they are generally included in the unit prices of each managed investment. The transaction costs that applies to each managed investment can change from time to time. Details of the net transaction cost applicable to each investment option are outlined in the 'Investment options menu' section in the **Investment Guide** and the product disclosure statement issued by the fund manager for the particular managed investment which are available on our website.

### Listed investments

Brokerage of 0.205 per cent of the gross value of each trade (or \$2.05 per \$1,000 trade – minimum \$38.44) applies to each order to buy or sell a listed investment. Brokerage is deducted from your Cash Account at the time of the transaction.

## Member Advice fees

You can request that we acquire and pay for the services of a financial adviser selected by you to provide financial advice in relation to your pension. We do not supervise the provision of services by your selected financial adviser.

The following optional fees are available for you to select the most appropriate remuneration with your financial adviser:

- Member Advice Fee – Upfront
- Member Advice Fee – Ongoing
- Member Advice Fee – One-Off

You may agree to one or more of these options. For each option, we set a maximum amount that we will pay to the financial adviser. You and the financial adviser must agree on the amount of each member advice fee within these relevant limits.

The amount of any member advice fee(s) that we pay to the financial adviser, as authorised by you, will be an additional cost to you and charged against your pension account. We shall not charge a member advice fee unless you tell us to do so.

Any agreed member advice fee(s) will be charged by us to your account and paid in full to the financial adviser, until you instruct us to cease payment when you change your nominated financial adviser or we are notified of your death.

The member advice fees quoted in this section are inclusive of GST. However, the actual amount deducted from your account may be different due to the effects of any applicable reduced input tax credits.

### Member Advice Fee – Upfront

This fee is charged by us and we deduct the net cost from your account. We then pay the full amount to the financial adviser for financial advice and services provided to you in relation to the establishment of your account.

You can agree with the financial adviser on the amount of this fee up to a maximum of 5.5 per cent (inclusive of GST) of your initial contribution. For example, on an initial contribution of \$50,000, we would pay the financial adviser up to a maximum of \$2,750.

You can agree to a different amount for the initial contribution and transfers/rollovers made to your account.

The amount of this fee is deducted from your Cash Account at the time of each contribution.

This fee is not applied to:

- transfers from existing accounts in the Service
- any income distributions credited to your Cash Account
- switches between investment options.

## Member Advice Fee – Ongoing

You can agree to have any advice fee that is to be deducted based on the value of your account, on an ongoing basis. This amount is charged by us and we deduct the net cost from your account. We then pay the full amount to the financial adviser for ongoing financial advice and services provided to you in relation to your account. You can agree with the financial adviser on the amount of this fee which can be:

- up to a maximum of 2.2 per cent per annum (inclusive of GST) of your account balance (calculated daily); or
- tiered percentage fee of up to a maximum of 2.2 per cent per annum (inclusive of GST) to apply at different account balance (calculated daily), subject to a maximum of 7 tiers; and/or
- up to a maximum of \$18,000 per annum (inclusive of GST).

The amount of this fee is calculated daily and is deducted from your Cash Account on the last day of each calendar month. For example, on an average monthly account balance (over 12 months) of \$50,000, we would pay the financial adviser up to a maximum of \$1,100 per annum (based on a Member Advice Fee – Ongoing of 2.2 per cent per annum) (inclusive of GST).

## Member Advice Fee – One-Off

You can agree to a one-off advice fee. This amount is charged by us and we deduct the net cost from your account. We then pay the full amount to the financial adviser for one-off financial advice and services provided in relation to your pension account.

The amount of this fee can be:

- up to a maximum of \$11,000 or
- up to a maximum of 10 per cent of the portfolio balance (as long as it doesn't exceed \$11,000) or
- up to a maximum of \$3,300 where the dollar amount set is greater than 10 per cent of the portfolio balance.

All amounts are inclusive of GST. A new request must be supplied each time you wish this fee to be applied.

## Additional financial adviser benefits

In certain circumstances we may also pay distribution costs to a financial adviser (or their dealer group). Any such amounts are paid from our resources and are not separate or additional charges to you.

The financial adviser should provide you with the details of any such benefit that they may receive. This information will be included in the adviser's Financial Services Guide and/or a Statement/Record of Advice, detailing any recommendations with respect to the Pension Service.

## Other fees and costs

### Expense Recovery Fee

The Trustee is entitled to recoup out-of-pocket expenses from the assets of the Fund, where such expenses are properly incurred (such as certain regulatory levies or government imposts, professional fees and other expenses). The amount charged is the actual amount of the expense incurred.

Such expenses will be recovered from the Fund, where practicable, and may flow through as a deduction from your account at the time the expense is applied.

### Family Law Fee

Legislation allows the Trustee to impose reasonable fees and pass on any expenses incurred, where your retirement savings are affected by superannuation requirements under the Family Law Act or related legislation.

The Trustee will charge \$125 per hour for processing family law-related requests, subject to the following minimum charges:

- Payment flagging – minimum \$100. When charged, this amount will be debited directly from your pension account.
- Payment splitting – minimum \$100. When charged, \$50 will be debited directly from each pension account at the time of the payment split.

### Dishonour fees

If any direct debit or Bpay® transaction from your nominated account with a financial institution is returned unpaid or your cheque is dishonoured, we are entitled to pass on to you any fees associated with the dishonour. This fee will be deducted from your Cash Account at the time of the dishonour.

### Operational Risk Financial Reserve

The Government requires super funds to keep a financial reserve to cover any losses that members incur due to operational risk events. A Reserve has been established and is currently maintained within the fund by the Trustee. We may require members to contribute to the Reserve in the future. If we do, we will notify you in advance of any deductions.

## Low account balances

If there are insufficient funds in your pension account to pay the fees (including the Administration Fee and any member advice fees) due in any month, the fees will be waived. Where a member advice fee is waived no further member advice fee will be paid to the financial adviser until there are sufficient funds to meet the fees. Any member advice fee waived, will not be recovered.

## GST and taxes

The fees quoted in this section are inclusive of GST, less any applicable RITCs, unless otherwise stated. The benefits of any available input tax credits are passed on to you in the form of reduced fees or costs. See the 'What taxes apply and how do they work?' section for more information on tax.

## Netting

We often buy and sell units in a managed investment on the same day. We intend to deal as a 'net buyer' or 'net seller' of units on any given day. As a result, no transactions may need to be made at all to give effect to your investment instructions. However, you will still receive the prevailing sell or buy price applied to your particular investment transaction. We are entitled to retain any benefit that may arise from the netting of transactions.

## Fund manager payments

We may receive a fee from the fund managers of certain investment options for administration and investment related services. The fee for arrangements entered prior to 1 July 2013 are generally based on the level of funds invested in the investment option. Any arrangements that have been entered into on or after 1 July 2013 are in line with government reforms and will be charged on a flat dollar basis. Fund manager payments may vary. They are an administrative related fee retained by us and are **not** an additional cost to you.

## Alteration to fees

In certain circumstances, where it is reasonable for us to do so, we may alter the fees and costs applied to your pension account (subject to law). However, before doing so, we will provide you with 30 days' notice of any change. We also have the right to introduce new fees.

External cost pressures such as increased regulatory complexity and the introduction of new or improved member services are but two of the circumstances that may give rise to an increase in fees and other costs. The Trust Deed does not impose maximum limits in relation to fees and costs for the Pension Service.

The Trustee or fund managers may impose redemption fees with the intention of safeguarding members' investments. You will be given 30 days' written notice of any proposed alterations.

## What are the risks?

All investments carry some risk. As with the purchase of any financial product, you should consider the risks that may impact your investment in the Pension Service.

If you leave the product shortly after joining, or switch out of an investment option shortly after selecting it, you could get back less than the amount put in because of the level of investment returns and the effect of fees, costs and taxes.

Other key risks that may adversely affect your investment in the Pension Service include the possibility of negative investment returns, insufficient diversification of investments and changes to super and taxation law.

There are also investment risks that may affect the investment options, like market risk or credit risk and general risks associated with changing economic conditions. In the case of an investment in an illiquid investment, your ability to make a lump sum withdrawal from that illiquid investment may be delayed, reduced or unavailable; and depending upon the amount of pension required pension payments may be delayed, reduced or unavailable until sufficient assets from that illiquid investment can be redeemed.

For further information on these risks and others, see the 'More about risks' section of **General Reference Guide**.

## How can investment risk be reduced?

An important way to help reduce your investment risk is to spread your investment over a number of assets, asset classes and even different fund managers. This process is called diversification. It is designed to help you achieve more consistent investment returns over time.

The Pension Service offers you a choice of investment options across all the major asset classes. When determining your investment strategy, this choice allows you to create a level of diversification in your investment portfolio.

A financial adviser can help you understand the various types of investment risk and assess which investment options are appropriate for your specific requirements considering your risk tolerance and risk/return investment objectives.

## What taxes apply and how do they work?

This PDS provides you with some general information about the tax implications of investing in the Pension Service, including:

- how pension payments will be taxed
- how super benefits will be taxed if a cash withdrawal is made
- how earnings will be taxed in the Pension Service.

The laws relating to super, including tax laws, are complex and subject to change from time to time. We recommend you obtain professional advice on the consequences before investing.

This section sets out a summary of the key taxes that affect super and pensions. If you would like more information on specific super taxation rules, please see the 'How super is taxed' section of the **General Reference Guide**.

### Tax on contributions made to commence your pension

Non-tax deductible personal contributions, spouse contributions and downsizer contributions used to directly purchase a pension are non-concessional contributions and are not taxed when credited to your pension account. Also most rollovers and transfers into your account are not taxable, however 15 per cent tax may apply if you are transferring an untaxed element from an unfunded public sector scheme into your pension account.

If you commence your pension with the transfer of investment options from another Shadforth Portfolio Service super or pension product, your investment assets are not realised on transfer and therefore no capital gains tax applies.

### Tax on investment earnings in your pension account

The great advantage of super is that you can grow your investments in a low tax environment and take your retirement benefits tax-free once you turn age 60.

Through your pension, you can access investment options across all asset classes and receive investment earnings into your pension account all in a low tax environment.

The tax treatment of investment earnings will depend on whether your pension is a Retirement phase pension or a TTR pension.

### Retirement phase pensions

If you have commenced a Retirement phase pension (including a Death benefit or a Reversionary pension), your investments will be held in a tax-exempt environment. No tax is payable on your investment earnings (interest, income distributions or realised capital gains). Plus, as your pension investments are held within a tax exempt environment, no CGT applies if you choose to switch your investments or redeem any investments to provide for pension payments or cash lump sums.

The Government limits the total amount that a person can transfer to the tax-exempt investment environment. This limit is called the transfer balance cap and is currently \$1.6 million.<sup>15</sup> For each new pension or Reversionary pension, the account balance is assessed against the recipient's remaining transfer balance cap on commencement (or date of death for a Reversionary pension). If the account balance exceeds the cap, the ATO will direct that the excess be commuted and either taken in cash or rolled back into personal super, with an allowance for tax on earnings. Excess amounts from Death benefit or Reversionary pensions can only be paid in cash.

If you choose to make a lump sum withdrawal from your pension account (either in cash or rollover to another super product), this amount will be debited against amounts already assessed against the transfer balance cap. Additionally any amounts that relate to compensation payments or structured settlements are excluded from assessment under the cap.

### Transition to retirement pensions

Investment earnings in your TTR pension account are taxed in a low tax environment and you can still take your retirement benefits tax-free once you turn age 60. The maximum rate of tax applied to investment earnings, which is the interest and investment income from your investment options, is 15 per cent. Capital gains are effectively taxed at the concessional rate of 10 per cent if the asset has been held for longer than 12 months.

When you meet a condition of release (such as turning age 65) your pension becomes a Retirement phase pension and the investment earnings will then become tax exempt. At this point the ATO will assess your pension against the transfer balance cap.

<sup>15</sup> The transfer balance cap is indexed to CPI in \$100,000 increments. If a member has already had pension benefits assessed against the cap, indexation will only apply to that proportion of the cap that is yet to be used.

## Tax on pension payments and lump sum withdrawals

### When you are aged 60 and over

Pension payments and lump sum withdrawals are tax-free.

### If you are under age 60

We are required to deduct tax, depending on your age and the tax components of your benefit. The tax components are calculated on a proportional basis<sup>16</sup> as follows.

Component	Pension payment	Lump sum withdrawal
Tax-free	Tax-free and not included in assessable income.	
Taxable	Included in assessable income. 15% tax offset applies if received after reaching preservation age (currently age 57) or if totally and permanently disabled.	Under preservation age (currently age 57): 20% (+ Medicare Levy) Preservation age to age 59: Up to \$205,000 <sup>17</sup> threshold: 0% Excess over threshold: 15% (+ Medicare Levy) <sup>17</sup>

## Tax on benefits paid as a result of death

The tax payable depends on whether the benefit is paid as a pension or a lump sum.

### Death benefit pensions

These are either Reversionary pensions or new Death benefit pensions paid to a nominated beneficiary or on the rollover of a death benefit from another super fund. A Death benefit pension is tax-free if either the deceased person or the beneficiary is aged 60 or over. Death benefit pensions, where both the deceased person and the beneficiary are under age 60, are taxed on the same basis as pensions paid to members under age 60. However, the 15 per cent offset applies even if the beneficiary is under preservation age. When the beneficiary turns age 60 the pension becomes tax-free.

Death benefit pensions can be commuted to a tax-free cash lump sum or rolled over to commence a new Death benefit pension at any time. However Death benefit pensions paid to dependent children must be fully commuted to a tax-free cash lump sum benefit once the child turns age 25 (unless the child is disabled).

### Lump sum Death benefits

If the payment is made directly to your Death benefits dependants it will be tax-free.

If the lump sum benefit is to be paid direct to a beneficiary who is not a Death benefits dependant, the benefit is taxed on a similar basis to lump sum benefits paid to those under age 60. However, the entire taxable component is taxed at 15 per cent (plus Medicare).

For more information regarding the tax on lump sum Death benefits see the 'How super is taxed' section of the **General Reference Guide**.

## Tax file numbers

Please provide your tax file number (TFN) when acquiring this product. Under the *Superannuation Industry (Supervision) Act 1993*, the Trustee is authorised to collect your TFN, which will only be used for lawful purposes and in accordance with the *Privacy Act 1988*. It is not an offence if you choose not to provide your TFN, but providing it has advantages, including:

- we will be able to accept all permitted contributions
- other than the tax that may ordinarily apply, you will not pay more tax than you need to, and
- it will be easier to find different super accounts in your name.

The Trustee requires your TFN in order to process your Pension Service application.

### If you are aged 60 or over

You can notify us of your TFN on the Application form. If we already hold your TFN (for example, you are transferring from another super account within the Fund) you do not have to submit it again.

### If you are under age 60

You will need to complete a TFN declaration. You can obtain a copy of the TFN declaration form by calling Shadforth ClientFirst on 1800 931 792 or by email ([portfolioservice@sfg.com.au](mailto:portfolioservice@sfg.com.au)).

Please complete this form even if we already have your TFN, as the form includes additional tax information for us to appropriately deduct tax from your pension.

## Centrelink/Department of Veterans' Affairs information

The Commonwealth Government determines whether you are eligible for a Centrelink or Department of Veterans' Affairs (DVA) pension or allowance payment.

For more information see the 'How is super treated for Centrelink/ Department of Veterans' Affairs purposes' section of the **General Reference Guide**.

Centrelink or DVA may require the Trustee to provide information directly to Centrelink/DVA about your pension on an ongoing basis.

<sup>16</sup> The proportion of tax-free component and taxable component of the pension is determined at commencement and applies to all payments from the member account. For super, the tax-free and taxable proportions are calculated at the time of the withdrawal and again with each subsequent withdrawal.

<sup>17</sup> Threshold increases annually with movements in Average Weekly Ordinary Time Earnings rounded down to the nearest \$5,000\*rates apply to 2018/19 financial year, please refer to the ATO website for current rates.

## General information

### Cooling-off period

To ensure you are happy with your Pension Service, you have a 14 day cooling-off period to ensure it meets your needs. The 14 day period starts from the earlier of the date you receive your welcome letter, or five business days after your pension account has been established.

If you want to close your pension account during the 14 day cooling-off period, you must provide written notice by mail to the postal address on the back cover of this PDS.

The amount returned (if applicable) will be adjusted for any market movements in your chosen investment option(s) (up or down) up to the date we receive your notification. We will not refund taxes and reasonable transaction or administration costs incurred by us in issuing your investment (excluding the payment of any member advice fee or similar fee). As a result, the amount received may be more or less than the amount of your initial contribution.

Please note, the cooling-off period ceases to apply if you exercise your rights or powers in the Pension Service, such as if you make an investment switch during the 14 day cooling-off period.

If you have selected the TTR pension option, we cannot repay your initial contribution directly to you. You must nominate another complying income stream or a provider that offers a TTR pension option so your initial contribution can be transferred.

If you do not make a nomination within one month after notifying us of your intention to seek the return of your initial contribution or your nominated provider does not accept the transfer, the contribution will be retained in the Cash Account until you provide us with alternative instructions.

### Your instructions and communications

Instructions must be made in writing unless another facility for providing instructions is made available to you or your financial adviser by us. Your instructions may generally be accepted by fax or scanned electronically except, for instance, if they are instructions to change your name, make a withdrawal or to request the transfer of your pension to another super fund.

Any changes (or corrections) to your personal details (for example changing your name by marriage) should be advised in writing to us as soon as possible (together with a certified copy of documentation verifying the name change).

You can change your address details over the telephone by calling Shadforth ClientFirst on 1800 931 792 or by using Shadforth Portfolio Online, provided you satisfy our identification and verification requirements. Where you wish to update your postal address to a Post Office Box, a signed request is required.

If you wish to amend your Death Benefit Nomination, you can do this online or by submitting new Binding Death Benefit Nomination form or Non-binding Death Benefit Nomination form.

You may also confirm or revoke your nomination using Shadforth Portfolio Online or as per the process outlined in the 'Death Benefit Nominations' section of the **General Reference Guide** and by completing the relevant form. Visit our website ([portfolio.sfg.com.au](http://portfolio.sfg.com.au)), see a financial adviser or call Shadforth ClientFirst on 1800 931 792 for assistance.

Please contact us directly for further instructions if you want to make any other changes to your pension account (such as changing your selected investment options).

We will act in accordance with instructions from you or your appointed representative (including a financial adviser). We are not required to ask whether instructions are genuine or proper.

You agree to release us from, and indemnify us against, any and all losses and liabilities arising from any payment or action we make based on any written instruction (even if not genuine) we receive bearing your member number and a signature we reasonably believe is yours or that of your representative. You also agree neither you, nor anyone claiming through you, has any claim against us or the Fund in relation to these payments or actions.

However, please note, we are not required to effect any instructions if:

- it would make your account balance fall below the minimum holding requirement
- giving effect to the instruction is contrary to our agreement with you, the law or any market practice
- the instructions are incomplete or are, in our opinion, unclear
- you do not have sufficient investments or funds in your Cash Account for us to carry out the instruction
- we are not reasonably satisfied that the instructions are genuine
- you have not provided us with relevant documents or information we consider necessary to act on your instructions
- your membership of the Fund is suspended or terminated.

We do not accept any liability whatsoever for an instruction not being implemented in these circumstances.

## Keeping track of your investments

We provide you with comprehensive and consolidated reporting on all of your investments in your pension account.

We provide regular communications which are sent to you for your records. Additionally, you can view your account information via Shadforth Portfolio Online or request reports from Shadforth ClientFirst by calling 1800 931 792.

### What you will receive from us

#### Account Schedule

Sent on the establishment of your Pension Service account.

Your Account Schedule confirms your pension account details and initial investment instructions.

On receipt of all contributions to commence a Retirement phase or Death benefit pension we will send the Pension Service applicants a Centrelink/Department of Veterans' Affairs Schedule.

TTR pensioners can download a Centrelink/Department of Veterans' Affairs Schedule from Shadforth Portfolio Online if required.

#### Annual Statement

Provides a summary of all account details and transactions over the period including:

- your contributions and withdrawals over the period
- taxation and other fees or costs deducted
- details of your pension account value, current investments and historic performance results for each of your investment options
- pension payments
- estate planning nominations
- preservation status of your benefit.

An Annual Statement is provided within six months of the end of each financial year and following the closure of your pension account.

#### Annual Pension Pack

You will also receive a Pension Pack each year detailing your new annual pension payment for the following financial year and your PAYG payment summary for tax purposes (where required).

The Annual Pension Pack is sent to you by 14 July each year.

### What other information is available for you to access?

#### Additional information available free of charge

You can request a copy of:

- the most recent audited accounts for the Fund, together with the auditor's report
- the Trustee's Annual Report
- the Trust Deed
- the Fund's Risk Management Plan.

You can also request other information that is reasonably required to help you understand your benefit entitlements in the Fund.

#### Trustee's Annual Report

We will provide on our website the Trustee's Annual Report for the Fund, which covers financial statements, general super updates and managed investments information for each financial year ending 30 June.

It is provided within six months of the end of each financial year.

#### Internet access and functionality

Shadforth Portfolio Online is a user friendly internet facility. It provides you with convenient and secure access to your pension account details, including the value of your investment options.

You can register for access to Shadforth Portfolio Online at our website ([portfolio.sfg.com.au](http://portfolio.sfg.com.au)).

## Electronic communications

You will receive electronic communications from the Trustee via Shadforth Portfolio Online, including, but not limited to:

- your Annual Statement
- confirmation of transactions which are required by law to be confirmed
- notice of any change or event required by law to be given to members

You can elect to receive paper copies via Shadforth Portfolio Online.

You will be able to access and download these communications electronically at any time while you are a member and registered user of Shadforth Portfolio Online.

When a communication is available for you to access online, we will send a notification to your preferred email address.

You will need to let us know your preferred email address when registering to join Shadforth Portfolio Online and then tell us your new email address if it changes.

By making these communications available to you electronically, we satisfy our obligations under the *Corporations Act 2001*.

However, if you ever change your mind and would like paper copies of any of these communications, we will provide them to you free of charge on request.

## Terms and conditions for electronic communications

Where you elect to receive communications from the Trustee electronically via Shadforth Portfolio Online, you agree:

- to receive the communications from the Trustee electronically by regularly accessing them using Shadforth Portfolio Online
- to register or be registered and remain registered as a user of Shadforth Portfolio Online
- any communication given to you electronically by making it available to you to access online will be taken to be delivery of the communication to you
- the Trustee will send an email notification to your preferred email address when a communication is available for you to access online
- you have provided your preferred email address and are responsible for notifying the Trustee of any change to your preferred email address
- you will be able to access such communications at any time while you are a member and registered user of Shadforth Portfolio Online
- you can download a copy of any such communication
- the Trustee will send you a free paper copy of any communication you request
- Shadforth Portfolio Online is a 'facility' for the purposes of section 1017F(5) of the *Corporations Act 2001*
- the Trustee may give you any communication in any other method permitted by law.

## Transferring assets into your Pension Service account

Any external assets that you currently hold may be able to be transferred into your account in the Fund on commencement of your pension. As a transfer of external assets is treated as a contribution to the Fund, tax and super rules may apply to the transfer. The Trustee will treat the contribution as having been received by the Fund when legal title passes to the Trustee.

## Transferring from another IOOF product

If you apply to transfer to the Pension Service from the Super Service you are authorising us to transfer each investment option (where possible), and the balance of your Cash Account (together comprising the full balance of your existing account), to your new pension account.

Any investment options you may have held in your existing product that are not currently available in the Pension Service, will be redeemed and invested in the Cash Account until you provide us with new Investment Instructions. If any of those investments are redeemed prior to the transfer, you may incur a CGT liability.

If you are transferring an existing account to the Pension Service and you do not complete Deposit and Standing Instructions, your existing instructions will be transferred. You are **not** required to provide Deposit and Standing Instructions, **unless** you are making additional contributions to your transfer from an existing account to commence your pension.

A Member Advice Fee – Upfront will not be charged on the transfer of your existing account balance to your new account. If you would like to transfer your benefit from another super or pension product, please complete the relevant section of the Application form located in the Forms booklet.

## Appointment of Representative (financial adviser authority)

If you appoint a financial adviser you are taken to have automatically authorised your financial adviser and their staff (financial adviser), as your agent, to operate your account, to give any instructions on your behalf in relation to your account to us by any method acceptable to us, including electronically. This authority **does not authorise** your financial adviser to:

- withdraw any funds from your account **except** to authorise payment of withdrawals to the bank account nominated by you (or any bank account you nominate in future)
- authorise any change in fees and charges
- sign any form on your behalf where the law or an external party requires your signature on the form (such as a Binding Nomination form or a Transfer form)
- change the name on your account
- authorise any other person to operate your account.

Accordingly, your current or any future financial adviser you appoint can do everything you can do with your account **except the things listed above**. We will continue to follow instructions given by your financial adviser under this authority until we receive notice in writing signed by you to cancel the authority.

If you have authorised your financial adviser to do so, your financial adviser may submit switch or re-weight instructions, authorise payment of withdrawals from your Pension Service account to the bank account nominated by you (or any bank account you nominate in future) and establish or change standing instructions in relation to your account.

Your financial adviser may also be authorised to use the adviser online portal to complete and submit on your behalf any online forms which the Trustee permits to be submitted electronically using the adviser online portal.

For example, your financial adviser may submit, switch or re-weight instructions, establish or change standing instructions or apply for Family Fee Aggregation on your behalf.

Your financial adviser is required to provide you with a PDS for the investment options you choose to invest in. Alternatively, you can access the PDS for the available investment options through our website.

## What if you have a complaint?

If you have a complaint about your Pension Service account (or want to obtain further information about the status of an existing complaint), please contact the Manager, Customer Care on 1800 931 792 or write to:

Manager, Customer Care  
IOOF Investment Management Limited  
Reply Paid 264  
Melbourne VIC 8060

If you let us know of any concerns arising from your dealings with us, we can work towards providing suitable resolutions and better service for all clients in the future. When you get in touch with us, please provide:

- your contact details
- your account number
- a detailed description of the facts surrounding your complaint.

Where possible, concerns will be resolved immediately.

If further investigation is required, our Customer Care Team will acknowledge your complaint in writing and will consider and respond to your complaint as quickly as possible. We are required by law to respond to your complaint within 90 days.

If an issue has not been resolved to your satisfaction, you can lodge a complaint with the Australian Financial Complaints Authority, or AFCA. AFCA provides fair and independent financial services complaint resolution that is free to consumers.

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

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

**Tel:** 1800 931 678 (Free call)

**Mail:** Australian Financial Complaints Authority  
GPO Box 3  
Melbourne VIC 3001

## Your privacy

We are committed to protecting your privacy. Any personal information we collect about you will be handled in accordance with our privacy policy, which outlines how we manage your personal information, how you may access or correct your personal information, and how you may complain about a breach of your privacy. To obtain a copy of the privacy policy, please contact Shadforth ClientFirst on 1800 931 792 or visit our website ([www.sfg.com.au/portfolio/privacy](http://www.sfg.com.au/portfolio/privacy)).

We collect your personal information from the application form completed when applying for this product for the purpose of providing you with the products and services that you request and for related purposes, including providing you with financial advice and ongoing services in relation to your account with us, or providing information about other products and services that may be of interest to you. If you do not provide all the information requested in your application form, we may not be able to process your application.

To verify your identity for Know Your Customer (KYC) purposes, we may also solicit personal information about you from reliable identity verification service providers.

We may disclose your information to our related bodies corporate or external parties, including your financial adviser or employer, banks or other financial institutions, medical professionals, insurers, legal or accounting firms, auditors, mail houses, or when required or authorised to do so by law. It is generally unlikely that we will disclose your personal information overseas, however any overseas disclosure does not affect our commitment to safeguarding your personal information and we will take reasonable steps to ensure any overseas recipient complies with Australian privacy laws.

## Anti-Money Laundering (AML) and Counter-Terrorism Financing (CTF) legislation

We are required to by law carry out proof of identity procedures before establishing a pension. These requirements arise under the AML/CTF Law.

Where you have not already provided us with appropriate identification, we will be required to collect customer identification information and to verify it by reference to a reliable independent source. You will be notified of these procedures during the application process and/or when you request a pension payment. We may also be required to collect customer identification at other times. If you do not provide the information or we are unable to verify the information, payment of benefits (including your pension) may be delayed or refused.

# How do I apply?

## **Application procedure**

Joining is simple. Your financial adviser may be able to complete an online application form on your behalf. Alternatively, you can complete an application form and any other relevant forms in the Pension Service Forms booklet.

You can obtain a copy of this booklet:

- from your financial adviser
- by downloading one from our website ([portfolio.sfg.com.au](http://portfolio.sfg.com.au))
- by calling Shadforth ClientFirst on 1800 931 792.



# Contact us

**Postal address**

Shadforth Portfolio Service  
GPO Box 264  
Melbourne VIC 3001

**Telephone**

1800 931 792

**Email**

[portfolioservice@sfg.com.au](mailto:portfolioservice@sfg.com.au)

**Website**

[portfolio.sfg.com.au](http://portfolio.sfg.com.au)

**Trustee**

IOOF Investment Management Limited  
ABN 53 006 695 021  
AFS Licence No. 230524

**Registered address**

Level 6, 161 Collins Street  
Melbourne VIC 3000

**Unique Superannuation Identifier**

SMF0126AU

**1800 931 792**  
[portfolio.sfg.com.au](http://portfolio.sfg.com.au)