Shadforth Portfolio Service Super and Pension General Reference Guide

Dated: 30 September 2024

The information in this guide forms part of the **Product Disclosure Statement (PDS)** for **Shadforth Portfolio Service – Super and Pension** dated 30 September 2024, **Shadforth Portfolio Service – Term Allocated Pension** dated 2 April 2[i]024 together with any Supplementary Product Disclosure Statements (**SPDSs**), **Shadforth Portfolio Service Insurance Guide (Insurance Guide)** and **Shadforth Portfolio Service Investment Guide (Investment Guide)**.

These documents should be considered before making a decision to acquire the products. We recommend you read this entire guide. The information is divided into the following sections.

In addition to the PDS, you should consider the information contained in the Shadforth Portfolio Service Investment Menu (**Investment Menu**) before making a decision to invest in this product.

Contents

Important information

This guide has been prepared and issued by IOOF Investment Management Limited (IIML or Trustee) ABN 53 006 695 021, AFSL 230524.

The Shadforth Portfolio Service (the Service) consists of the Shadforth Portfolio Service - Super (Super Service), Shadforth Portfolio Service – Pension (Pension Service) and Shadforth Portfolio Service – Term Allocated Pension (TAP Service) which are superannuation and pension products forming part of the IOOF Portfolio Service Superannuation Fund (Fund), ABN 70 815 369 818.

General advice warning

The information contained in this guide:

- does not and is not intended to contain any recommendations, statements of opinion or advice
- 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 before deciding whether to acquire this product.

About the Trustee

IIML is a part of the Insignia Financial Group comprising Insignia Financial Ltd 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 undertakes all of the administrative tasks through IOOF Service Co Pty Ltd ABN 99 074 572 919[1]. IIML has investment, resources and service contracts with related parties within the Insignia Financial Group, including IOOF Service Co Pty Ltd and OAM.
- Managed Portfolio Services Limited (MPSL) ABN 77 009 549 697, a managed discretionary account operator and provider of the Managed Portfolio Service (MPS), is also a related party of the Trustee.
- IOOF Investment Services Ltd ABN 80 007 350 405 AFSL 230703 a related party of the Trustee, has been appointed as the Fund's custodian, meaning it holds the assets of the Fund on behalf of members.
- Our broker Bridges Financial Services Pty Ltd ABN 60 003 474 977 is also a related party of the Trustee.

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

Contributions made to, and investments in, the Super Service, Pension Service and TAP Service do not represent assets or liabilities of IIML (other than as Trustee of the Fund) or any other company or business within the group. The terms 'our', 'we', 'us' and 'Trustee' in this PDS refer to IIML.

Neither IIML, nor any other related or associated company, the third-parties listed in the PDS, service providers or the related bodies corporate of the parties mentioned, guarantee the repayment of capital or the performance or any rate of return of the investment options chosen in the Service. Investments made

[1] On 1 October 2024, the administrator will change from IOOF Service Co Pty Ltd to Oasis Asset Management Limited (OAM) ABN 68 090 906 371. OAM is a related party of the Trustee.

into the investment options are subject to investment risks and other risks. This could involve delays in the repayment of principal and loss of income or principal invested.

IIML as Trustee of the Fund operates the Super Service and Pension Service on the terms and conditions outlined in this PDS and in accordance with the Fund's Trust Deed. We may change any of the terms and conditions set out in the PDS at any time where permitted to do so under the Trust Deed and super law.

Investment options offered

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 your Cash Account, a similar investment option or the default investment strategy 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 products issued by them.

Where an investment option is issued by an Insignia Financial Group related entity, the fees received by the Insignia Financial Group entities are charged in accordance with the constitutions of the investment options.

In order to choose an investment option for your investment strategy, you should review the information in the **Investment Guide** and **Investment Menu**. Before selecting an investment option your financial adviser should provide you with the product disclosure statement for the relevant managed investment or the product disclosure statement or product guide for the relevant maturing investment.

Your financial adviser as relevant should also consider the Target Market Determination (TMD) relevant to the investment option. These documents provide you with important information to consider and evaluate prior to investing. Product disclosure statements and product guides are also available on our website portfolio.sfg.com.au. Please note, product disclosure statements and product guides are not available for listed investment options.

Opening and contributing to your account

To open an account, you should apply through your financial adviser.

There is no minimum contribution required to establish your super account. Once started, contributions can continue to be added to your super account on an ongoing basis. To commence a pension account a minimum initial investment of $30,000 is required. Once a pension account has commenced, no further contributions can be made to that account.

Contributions made into your account are credited first to your Cash Account. Contributions (less any nominated Member Advice Fee – Upfront) will be invested by us in accordance with your Deposit Instruction. You can provide us with a specific instruction concerning a particular contribution that differs from your Deposit Instruction by making this clear on an Additional Lump Sum Contribution form for that particular contribution. This form is available from our website.

You do not directly invest into (or hold an interest in) any investment option. This means that investing in the Service is not the same as personally investing in managed investments, listed investments or maturing investments.

How to contribute to your account

You can contribute to your account using a variety of methods such as payroll deductions, cheque, BPAY®[2], EFT and direct debit. Unfortunately, we cannot accept cash or credit card payments for super contributions.

All cheques should be made payable to the relevant product you are applying for.

IPS – Shadforth Portfolio Service - Super – [your full name or account number]

IPS – Shadforth Portfolio Service - Pension – [your full name or account number]

Contribution methods

1. **Payroll deductions (Super Service only)**

If your employer is making contributions for you, such as compulsory Superannuation Guarantee contributions and/or salary sacrifice contributions, this will normally be done via standard payroll arrangements. You can also make personal or spouse contributions by a regular deduction from your after-tax salary, as agreed with your employer. To make sure your employer directs these contributions to your account, you can provide your employer with a Choice of Fund form.

2. **Cheque, BPAY or EFT**

You can make an initial or additional (Super Service only) one-off personal contributions to your account by either Cheque, BPAY or EFT.

For contributions made by BPAY, a Biller Code and Customer Reference Number are provided in your Welcome letter or can be obtained from Shadforth ClientFirst or by logging into Shadforth Portfolio Online.

[2] Registered to BPAY Pty Ltd ABN 69 079 137 518

For contributions made by EFT, a BSB and account number can be obtained from Shadforth ClientFirst or by logging into Shadforth Portfolio Online. Please note, credit card payments and international deposits cannot be accepted via EFT.

Note employer contributions need to be made through a SuperStream compliant method.

3. Direct debit

You can make your initial contribution to your account by direct debit.

Shadforth Portfolio Service – Super members can also set up a Regular Contribution Plan and make regular contributions to their super account by completing a Direct Debit Request form.

The direct debit will occur from your nominated account with a financial institution at the frequency you have chosen. Please note that the account from which your contribution is deducted may impact how we classify the contribution.

4. Transfers

You can transfer your benefits held with another super fund to your account. This will not only help you keep track of your super but also may save you additional administration fees. If you complete the Request to Transfer form, we can arrange the transfer from another super fund or super income stream on your behalf.

Alternatively, you can arrange to transfer your benefits held with another super fund to your super account electronically via the Australian Taxation Office (ATO). Log onto your myGov account, select the ATO linked service; and then 'Manage my super'. If you do not have a myGov account you can create one at http://www.my.gov.au.

The Super and Pension Service can accept:

- Transfer of super benefits from other super funds, Approved Deposit Funds (ADFs) or superannuation annuities.
- Transfers from other super or pension products within the Fund.

The Pension Service can also accept:

- The transfer of a death benefit from another super fund or super/pension account within the Fund to commence a Death benefit pension. Only certain dependants (such as a spouse) can transfer a death benefit to commence a pension.

What types of contributions can be made?

The Super and Pension Service can accept:

- **Personal contributions:** contributions you make from your after-tax income. You may be able to provide us with a notice to claim a deduction in relation to these contributions should you wish. Please refer to the 'How super is taxed' section of this guide.
- **Spouse contributions:** contributions made by your spouse for your benefit.
- **Downsizer contributions:** these are contributions from the proceeds of selling your family home from age 55.

The Super Service can also accept:

- **Employer contributions via SuperStream** these can be:

  - Superannuation Guarantee contributions or contributions under an industrial award.
  - Salary Sacrifice or other voluntary employer contributions.
- **Government contributions:** co-contributions paid by the Commonwealth Government and low-income superannuation tax offset.
- **Third party contributions:** these are contributions made by insurers, from Workcover and ATO interest payments.

If you wish to commence a pension with these types of contributions, you will need to make them to your super account first and then transfer to your new pension account.

When can these contributions be made?

Below is a table setting out when these contributions can be made.

Your age	Contributions we can accept into your super account
Any age	Transfers from another product within the Fund. Transfers of benefits from other super funds, ADFs or superannuation annuities.
Under age 55	All contributions excluding downsizer contributions. This includes personal, spouse and employer contributions.
Age 55 to 74*	All contributions including downsizer contributions.
Age 75 or more	Superannuation Guarantee and Award contributions. Downsizer contributions.

* Contributions can be accepted until 28 days after the end of the month in which you turn 75.

Additional information on super contributions

Concessional contributions

Concessional contributions are employer and personal contributions for which you have lodged a notice of intent to claim a tax deduction. Employer contributions include compulsory Superannuation Guarantee contributions and salary sacrifice or other voluntary employer contributions.

You can carry forward any unused concessional contributions cap and use that in a later year for up to five years. However, you will only be able to contribute additional carried-forward amounts if your total superannuation balance is less than $500,000 on 30 June of the previous tax year. Your total superannuation balance is the total amount you hold across super and pension accounts (including the value of any defined benefits and guaranteed pensions but excluding any personal injury compensation contributions).

Up-to date- information about super caps, thresholds and tax is available at **ato.gov.au**.

Non-concessional contributions

Non-concessional contributions are mostly personal and spouse contributions which are not tax deductible. The Commonwealth Government sets a cap on the amount of these contributions that can be made to your super each year. If you are under age 75 on 1 July of the financial year you may be able to bring forward the next two years' entitlements. However, if you are above the relevant total superannuation balance as at the previous 30 June, your non-concessional contributions cap is nil. For more information on how the cap works, please refer to the 'How super is taxed' section below.

Up-to date- information about super caps, thresholds and tax is available at **ato.gov.au**.

Some personal contributions, such as those attributable to the sale of some small business assets and those derived from certain personal injury compensation payments, may be exempt from the non-concessional contributions cap. For the exemption to apply, you will need to submit the appropriate ATO form with the contributions.

By agreement with your employer, personal contributions paid from your after-tax salary can be deducted from your pay and forwarded to the Fund by your employer within 28 days of the end of the month the deduction was made.

Downsizer contributions

Downsizer contributions are contributions made from age 55 from the proceeds of selling your home. Downsizer contributions are not counted under the non-concessional contributions cap but have a separate limit.

To be eligible to make downsizer contributions, you must have sold your home and made the contributions within 90 days of receiving the proceeds (or a longer period as allowed by the ATO). You, your spouse or your former spouse must have owned the property for at least 10 years and be eligible for a partial or full main residence capital gains tax exemption. You must submit the ATO approved form either with or before making your downsizer contributions.

If the ATO notifies the fund that the contributions do not meet the above requirements, the super fund will treat the contributions as personal contributions. If the member is not eligible to make personal contributions, the fund will be required to refund the contributions.

Contribution splitting with your spouse

You can split concessional contributions with your spouse. If employer contributions and/or deductible personal contributions have been paid into your super account in one financial year, you can apply to the Trustee in the next financial year to split up to 85% of these contributions (up to the concessional contributions cap) to your spouse's super account either within the Fund or in another super fund. You cannot split any other contributions in your account.

Only one application can be made to split in respect of the applicable contributions from the previous financial year and you must use the application form approved by the Trustee.

Where you are commencing a pension or leaving the Fund, an application to split contributions can be made in the same year as the contribution(s) occurred. In this scenario, your application to split contributions should be made prior to your withdrawal request or before commencing a pension. Applications made after the withdrawal has been completed cannot be processed. An application is considered invalid if at the time the application was made, the spouse is either age 65 years or older, or is between age 60 (preservation age) and 65 years and has satisfied the retirement condition of release. The

Trustee is entitled to reject the application if it is not fully completed. Split contributions will be paid to your spouse's account as a rolled over super benefit.

We recommend you contact a financial adviser before you make a decision to split your contributions with your spouse.

The ATO Application form for contribution splitting are available to members via portfolio.sfg.com.au.

Important note: if you split your before-tax contributions and give some to your spouse, these contributions still count towards your concessional cap.

The Government co-contribution

If you make personal after-tax contributions to your super account, the Commonwealth Government will make a corresponding co-contribution to your account, subject to certain requirements, including your income level, age and employment status. The Government will match your contribution by 50%, up to a maximum co-contribution of $500. To receive the Government co-contribution, at least 10% of your total income must relate to employment or business income.

There are two Government co-contribution income thresholds for 2024/25. For incomes between these two thresholds the maximum entitlement reduces progressively:

- A lower threshold ($45,400) below which you will receive the maximum entitlement.
- A higher threshold ($60,400) above which you will not receive any entitlement.

To be eligible for the super co-contribution you must satisfy the following:

- Be under 71 years of age at the end of the financial year.
- Pass the income tests described above, as well as have at least 10% of your income sourced from employment or self-employment.
- Lodged your income tax return for the relevant year.
- Did not hold a temporary visa at any time during the financial year (unless you are a New Zealand citizen or it was a prescribed visa).
- Must have a total superannuation balance less than the transfer balance cap ($1.9 million for the 2024/25 financial year) at the end of 30 June of the previous financial year.
- Must not have contributed more than your non-concessional contributions cap.

You do not have to make a claim for the Government co-contribution as the Government will pay it automatically to the Trustee and we will credit it directly to your super account after the ATO has processed your tax return for the financial year. You can find out more about the Government co-contribution from the ATO website (www.ato.gov.au).

First Home Super Saver Scheme

You can make voluntary contributions to your super account and later withdraw those contributions with interest to help buy or build your first home. Voluntary contributions that can be withdrawn are personal contributions (concessional or non-concessional) and salary sacrifice contributions made from 1 July 2017. The maximum that can be released is $15,000 of voluntary contributions per year ($12,750 if the contributions are concessional contributions) up to a total of $50,000 of voluntary contributions in total ($42,500 after tax for concessional contributions) plus interest calculated by the ATO.

When you are ready to buy or build your first home, you apply to the ATO to release those voluntary contributions (less 15% tax if the contributions are concessional contributions) plus an amount for earnings calculated by the ATO. You must be aged 18 or more and have not previously owned property. Firstly, the ATO calculates how much can be released from your super. You then request a withdrawal up to that amount via the ATO and the super fund pays this amount to the ATO. The ATO releases the amount to you after deducting withholding tax on the assessable amount (the concessional contributions and earnings). Once you make a valid request for release of your amount from the ATO you have 12 months to sign contracts to purchase/build a first home. If you haven't purchased a new home after the 12-month period, you can either recontribute the released amount back to super as a non-concessional personal contribution or the ATO will levy additional tax on it. You can also apply to the ATO for an extension to the 12-month period.

Low Income Superannuation Tax Offset (LISTO)

If you are a low income earner, you are entitled to a tax offset to compensate for the 15% contribution tax paid on concessional contributions made to your account. The tax offset (up to a maximum of $500) is credited to your super account. To be eligible, you must have adjusted taxable income of less than $37,000 and at least 10% of your total income is sourced from employment or self-employment. This amount will be paid by the ATO to your super fund automatically – you do not need to apply for LISTO.

Can you change your mind and get a refund for your contributions?

Once you have made contributions to super (including personal, spouse and employer contributions), they must stay in super until you retire after you reach preservation age at 60 (see the 'Accessing your super' section of this guide for more information). You can, however, choose to transfer to another super fund at any time. Note, contributions cannot be refunded under the cooling off period but may be transferred to another super fund or withdrawn if you meet a condition of release.

Contributions we can't process

Any contributions we can't process will be held in an interest-bearing account. In circumstances where any unallocated monies are returned to you, we may retain the interest earned. Where contributions can be allocated to your account you will receive interest from the date we receive the deposit.

Accessing your super

Withdrawing money from superannuation

The Government requires you to meet certain conditions before you can access your super account as super is a long-term investment. You can access your super when you retire after reaching age 60 (your preservation age).

What are your access options?

Your money can stay in super for as long as you like, and you don't have to access your benefits when you retire. However, once you reach age 60 and retire, there is a tax-effective way to access your super. That is by converting your accumulated super into a retirement income stream such as the Pension Service. This is a particularly tax-effective way to take your benefits because not only are the payments tax-free from age 60, but the investment assets backing the pension are held in a tax-free environment.

Even if you are still working, once you reach age 60 (preservation age) you can commence a Pension Service account using the transition to retirement (TTR) pension option. Under this option, you can receive tax-effective income through your pension while continuing to contribute to your super account. However, investment earnings in the TTR pension will be subject to the same rates of tax as in the Super Service. Super Service members can transfer their super into a Pension Service account (including to the TTR pension option) and maintain their investment options without triggering capital gains tax if those options are available in the Pension Service.

What happens if you decide to leave or make a withdrawal?

- You can ask us to transfer (rollover) your account balance to another super fund. We are generally required to make the transfer within three days of redeeming your investment options (and within 30 days of your request).
- You can also ask us to transfer your account balance to another super product in the Fund. See the 'Other general information' section of this guide.
- If you qualify, you can make a lump sum (cash) withdrawal.

  You can only make a partial withdrawal in cash or by transfer to another super fund if at least $6,000 remains in your account (net of accrued liabilities). If you are making a partial transfer to another super or pension account within the Fund, the minimum balance remaining in your existing account is $10,000 plus any liabilities.

Your nominated top-up method will be used to identify the investment option(s) that should be redeemed to pay any withdrawals when your request is not accompanied by a specific withdrawal instruction. Alternatively, a withdrawal can be redeemed from the investment option(s) you specify.

Upon leaving the Service you will receive an exit statement by mail showing all transactions since the opening of your account or your last Annual Statement (whichever is the latter).

General conditions for withdrawing the various components of your super

Components	When can you withdraw your super in cash?
Unrestricted non-preserved benefits	At any time.
Restricted non-preserved benefits	When you: • terminate employment with an employer who has contributed to your super account • have retired on or after age 60 • you leave employment after age 60 • reach age 65.
Preserved benefits	When you: • have retired on or after age 60 • you leave employment after age 60 • reach age 65.
All components	Can be transferred to another super fund or super account at any time.

Important note: Contributions (other than part or all of some transfers) made by you or on your behalf into a super fund and any investment income earned on those contributions are preserved benefits.

Restricted non-preserved and preserved benefits

Both restricted non-preserved and preserved benefits become unrestricted non-preserved amounts when one of the following conditions of release is satisfied:

- You permanently retire from the workforce on or after reaching age 60.
- You leave employment after age 60 (but have not necessarily permanently retired).
- You reach age 65.
- You become permanently incapacitated or terminally ill.

Once you have met one of the above conditions, your entire benefit is unrestricted non-preserved and you can withdraw your benefit as a lump sum or income stream at any time.

To request a full or partial lump sum withdrawal from your account please complete a Withdrawal form available from our website or from Shadforth ClientFirst.

The tax consequences associated with making withdrawals are described in the 'How Super is taxed' section of this guide.

Other conditions of release may be available in limited circumstances. Generally, these include if you:

- attain age 60 and commence a TTR pension

- become temporarily disabled (if you have income protection insurance, your insured benefit may become payable)
- in the event of terminal illness (if you also have Death cover, you may be eligible to claim a Terminal Illness Benefit)
- are a temporary resident departing Australia permanently
- qualify for an early release on the grounds of severe financial hardship or specified compassionate grounds (in these circumstances only part of your benefit may be released, in most cases) or
- provide the Fund with a release authority via the ATO, which allows you to withdraw any excess non-concessional contributions plus 85% of associated earnings, or up to 85% of excess concessional contributions, access your First Home Super Saver benefit, or pay your Division 293 tax liability.

Under super law, there are strict qualifying criteria that must be met in each of these circumstances and not all of these circumstances allow a total withdrawal from your account. In addition, restrictions can apply to the form of payment. If you rollover an existing preserved benefit, this will also be preserved in your super account until you meet a condition of release.

Retirement definition

For a person who has reached age 60 or above, retirement occurs when

- an arrangement under which you were gainfully employed has ceased (whether this occurred before or after you turned age 60) and you never intend to become gainfully employed again for ten hours or more per week;
- when an arrangement under which you were gainfully employed has come to an end.

At age 65, you can access your super even though you have not left work.

Can you transfer your benefit?

You can transfer your benefit to another complying super fund that is willing to accept it, at any time.

Can you commence an income stream with your benefit?

You can generally commence an income stream with your benefit if:

- you have unrestricted non-preserved benefits
- you have satisfied a condition of release
- you have reached age 60 and are purchasing a TTR pension
- you are rolling over a death benefit from another super fund or account within the fund. Only certain dependants (such as a spouse) can receive death benefits as an income stream.

Special rules for temporary residents

If you are a temporary resident of Australia, you can generally access any Australian super benefits you have if:

- you satisfied a condition of release before 1 April 2009 under the rules that applied at that time
- you leave Australia and your temporary visa has been cancelled or expired (known as a departing Australia superannuation payment)

- you suffer temporary or permanent incapacity or a terminal illness
- you die (in which case your super benefits would be paid to your beneficiaries).

If you do not take your super benefits with you upon departure from Australia as a departing Australia superannuation payment (DASP) within six months, we must pay the super benefits to the ATO as required by law. You can later claim the amount of the benefits back from the ATO. Where benefits are transferred to the ATO in this manner, the Trustee will rely on ASIC relief and will not issue an exit statement in respect of your super benefit at the time of, or after, the benefit is transferred. If you would like more information about how to claim your super benefits from the ATO as a temporary resident, please visit our website.

How is super treated for Centrelink/Department of Veterans' Affairs purposes?

The Commonwealth Government applies two tests, the income test and the assets test, to assess whether you are eligible for a Centrelink or Department of Veterans' Affairs (DVA) pension or allowance payment. The test which gives you the lower rate of payment is the one Centrelink or DVA will use to determine your eligibility for a pension or allowance.

Assets in the Super Service

Benefits held in super accounts in the Fund are exempt from assessment under the Centrelink or Department of Veterans' Affairs (DVA) means tests until you reach Age Pension age. Once you reach Age Pension age (age 67), your account balance is treated as a financial asset under the Centrelink/DVA assets test and is deemed to earn a set rate of income under the Centrelink/DVA income test. For more information about the Centrelink/DVA means tests, please contact your financial adviser.

Assets in the Pension Service

An investment in an account-based pension (including a TTR pension) is assessed under both the Centrelink/DVA income and assets tests. The account balance is counted as a financial asset under the assets test and is deemed to earn a set rate of income under the income test if the pension commenced after 1 January 2015. Pensions commenced before 1 January 2015 may be assessed under 'grandfathered' income testing rules depending on the owner's Centrelink status since that date.

Term allocated pensions which meet certain criteria receive a 50% reduction of their account balance for Centrelink/DVA asset testing. From an income test perspective, the gross annual pension less the 'deductible amount' (generally the purchase price divided by the term at commencement) will count as income.

How super is taxed

Super is one of the most tax-effective ways to invest. Pre-tax contributions made by you or by your employer (which include salary sacrifice contributions) are taxed at 15%. When you take your money out from age 60, you do not pay tax on your withdrawal.

This section provides you with some general information about the tax implications of investing in super, including:

- what tax concessions apply to contributions

- what tax applies to withdrawals
- how investment income is taxed
- tax treatment of investments if you take benefits as pension

Seek advice

The laws relating to super, including tax laws, are complex and subject to change from time to time. We recommend you obtain advice from a registered tax agent or registered tax (financial) adviser before making any decision based on the information in this guide.

Tax on contributions going into your super

Most contributions are categorised into two distinct types:

- Concessional contributions (known as 'before-tax' contributions).
- Non-concessional contributions (known as 'after-tax' contributions).

The most common examples of each are listed below:

Concessional contributions	Non-concessional contributions
Employer contributions (including SG contributions)	Personal contributions
Salary sacrifice contributions (these are technically also employer contributions)	Spouse contributions
Tax deductible personal contributions (if eligible)	

Concessional contributions include compulsory employer and salary sacrifice contributions and are taxed at 15% in the Fund. However, those on incomes of $37,000 or less will benefit from a refund of this tax (up to a maximum of $500) through the low income superannuation tax offset.

As superannuation is a low-taxed environment, the Government sets a maximum limit that you can contribute in each financial year for each type of contribution before additional tax is payable.

Up-to date information about super caps, thresholds and tax is available at ato.gov.au.

Tax deductions for contributions to Super

Some contributions to super are tax deductible. These contributions (sometimes called before-tax contributions) are:

1. Tax deductions for Employers

Contributions which are tax deductible to the employer include:

- salary sacrifice contributions
- voluntary employer contributions
- compulsory employer contributions such as Superannuation Guarantee contributions.

2. Tax deductions for Personal contributions

These are personal contributions you make which you notify the super fund that you intend to claim as a tax deduction.

If you are aged 18 to 66, you can make personal contributions and claim a tax deduction for those contributions if you have sufficient assessable income against which to claim the deduction. For those aged 67 to 74, tax deductions for personal contributions are still available but you must meet a work test (or work test exemption) to claim a tax deduction on your personal contributions. The work test requires you to be employed or self-employed for at least 40 hours within a consecutive 30-day period in the financial year of the contribution you intend to claim.

The work test exemption is a one-off concession that applies if you do not meet the work test in a given year, but met the test in the previous year, have not used the exemption for this purpose previously and your total super balance was under $300,000 at the start of the financial year.

If you are aged 75 or more you cannot make personal contributions.

How do you claim a tax deduction for personal contributions to super?

If you would like to claim a tax deduction for your personal contributions, you must notify us of your intention before the earlier of the following:

- When you submit your income tax return.
- At the end of the next financial year after you have made the contribution.

You can use the ATO's approved 'Notice of intent to claim or vary a deduction for personal super contributions' form which is available from our website or from www.ato.gov.au. Subject to the above time limits, you can lodge this form at any time after the relevant contribution is made.

You will not be able to claim a personal tax deduction for your contributions if, before we acknowledge receipt of the form, you:

- leave the Fund
- make a partial withdrawal, including some of your contributions[3]
- decide to transfer your benefits to a pension within the Fund
- choose to split the contributions with your spouse.

Please note that the ATO can disallow a deduction on your contribution. We may be unable to refund any taxes deducted as a result of this disallowance if the above have occurred. As such it is important to understand the restriction on making a claim, especially if you are approaching retirement.

If you wish to use a tax-deductible contribution as part of the purchase price of a pension, you will need to make these contributions accompanied by an SFG Portfolio Service tax deduction notice or the ATO approved form before the pension account is opened. Once this has been processed, the amount net of tax can then be transferred to the new pension account.

[3] With a partial withdrawal, some of the personal contributions are deemed by the ATO to be paid out of the fund and therefore, unless a tax deduction notice is received beforehand (and trustee acknowledgement issued), the full contribution is not tax deductible.

Are any tax offsets available for super contributions?

If you have a spouse who makes contributions to your super account, these contributions are not tax deductible, but your spouse may be eligible for a tax offset. The spouse tax offset is equal to 18% of the spouse contributions made to your account, up to a maximum of $540 and is available where your annual income is $37,000 or less. The maximum spouse tax offset reduces where your income exceeds $37,000 and ceases at $40,000. The spouse tax offset is claimed through your spouse's personal tax return.

If your income is $37,000 or less you may be entitled to the low income super tax offset. This is a refund of the 15% tax on concessional contributions made to your super account, up to a maximum of $500 and is credited to your super account.

Are there any caps on concessional contributions to super?

The Commonwealth Government sets an annual cap on tax concessions attributed to concessional super contributions.

Any unused concessional contributions cap amount may be carried forward and used in a later year, for up to five years. However, you will only be able to contribute additional carried-forward amounts if your total superannuation balance is less than the relevant cap on 30 June of the previous tax year. Up-to date-information about super caps, thresholds and tax is available at ato.gov.au.

Contributions that exceed the concessional contributions cap will be included in your assessable income and taxed at your marginal tax rate. To take into account the 15% tax paid by your fund on the excess contributions, you will receive a non-refundable tax offset equal to the amount of tax paid.

The ATO will notify you if you have excess concessional contributions and you can elect within 21 days to have your excess contributions released from your super fund. If you make this election, the super fund is required to pay 85% of the excess contributions (or the amount in the release authority) to the ATO. The ATO will make the appropriate tax adjustments and refund the net amount to you personally. The gross amount of any excess that remains in the fund will count towards your non-concessional contributions cap.

Are there any caps on the amount of non-concessional contributions to super?

The non-concessional contributions cap will increase in line with the concessional contributions cap. Up-to date- information about super caps, thresholds and tax is available at **ato.gov.au**.

Your ability to bring forward any future years' non-concessional contributions cap entitlements may be restricted by the amount of super and pension benefits you have.

Non-concessional contributions **included in this cap** are:

- Personal contributions that are not tax deductible.
- Spouse contributions.
- Excess concessional contributions that you elect not to have refunded.

The contributions which are **not included in this cap** are:

- Transfers from other Australian super funds or schemes.
- Personal injury compensation payments contributed to super in respect of a person who is permanently disabled within 90 days of receipt of the payment or a longer period as allowed by the ATO.
- Proceeds from the sale of certain small business assets contributed to super up to a lifetime limit. This limit (known as the 'CGT Cap') is indexed annually.
- The Government co-contribution.
- Downsizer contributions. Please note that downsizer contributions have a separate limit.

Up-to date- information about super caps, thresholds and tax is available at **ato.gov.au**.

If you are making personal contributions and wish to claim an exemption from the non-concessional contributions cap because the contributions arise from injury compensation payments, a downsizer contribution or from the sale of a small business, you must provide the relevant ATO form to us before or at the time you make the contribution.

If your non-concessional contributions exceed the cap, the ATO will issue you with a release authority where you can make an election within 60 days to withdraw the excess plus 85% of the associated earnings, calculated by the ATO based on the General Interest Charge rate. The full amount of associated earnings will be included in your assessable income and you are entitled to a tax offset of 15% to account for tax already paid by the super fund. If you choose to leave the excess in super it will be taxed at the highest marginal tax rate (refer to **ato.gov.au**).

Tax on contributions paid by the Fund

The Fund pays tax on concessional contributions at 15%. This tax is deducted from your account if we receive concessional contributions for you. The following amounts paid into your account will incur tax:

- employer contributions (including salary sacrifice employer contributions and SG contributions)
- Super Guarantee shortfall components
- tax-deductible personal contributions
- the transfer of the untaxed element from a public sector scheme.

No tax is payable on:

- personal contributions that are not tax deductible
- spouse contributions
- downsizer contributions
- transfers from other taxed super funds
- transfers between super products within the Fund
- low income super tax offset and the Government Co-contribution.

Division 293 tax for high-income earners

Generally, if the sum of your income and concessional contributions for a financial year exceeds $250,000, you will incur an additional 15% tax on your concessional contributions that fall within your concessional contributions cap, that exceed the $250,000 threshold. The ATO will calculate the liability and issue a notice of assessment and a release authority so that the amount of the assessment can be released from your superannuation fund to make the payment to the ATO.

There is a specific definition of income for these purposes, and the calculations to determine an individual's tax liability are very complex. For these reasons it is recommended that members with very high incomes seek professional advice on their particular circumstances.

Tax deductions

The Trustee is generally able to claim a tax deduction for any fees and insurance premiums we deduct from your super account. The benefit of these tax deductions is passed on to you and effectively reduces the impact of the fee or premium cost to your account by 15%. All fees and costs in this PDS and this guide are shown before considering any allowable tax deduction benefits unless we tell you otherwise.

Tax treatment of your investment income

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.

In the Super Service the rate of tax applied to earnings, which is the interest and investment income from your investment options, is 15%. Capital gains are effectively taxed at the concessional rate of 10% if the asset has been held for longer than 12 months as they receive a 1/3 discount.

Once you convert your accumulated super into a retirement phase income stream through an account-based pension, the news gets even better. 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-free environment, no capital gains tax (CGT) applies if you choose to switch your investments or redeem any investments to provide for pension payments or cash lump sums. The Government restricts the total amount you can transfer to the tax-free pension environment. This limit is called the 'transfer balance cap'.

If you transfer your super benefits to another super fund or to another product within the Fund, we will deduct any tax on contributions and investment income from your super account prior to transfer.

Super Service

The Fund pays tax on investment income at a rate of 15%. The net tax is often less than 15% because tax is paid on the taxable income of the Fund. The rate of tax is applied to income after allowing for tax-deductible expenses. The actual tax paid may be further reduced by franking credits received by your account. A franking credit is a tax credit that may be available to the Fund for the tax that has already been paid by the issuing company on dividends received on shares in the investment option.

The following table describes the general treatment of investment income.

Investment income	General rate of tax
Interest, dividends and income distributions	15%
Capital gain:	
• held for less than 12 months	15%
• held 12 months or longer	10%*

* The tax rate for super funds is 15%, however capital gains on assets held for more than 12 months are discounted by 1/3, resulting in an effective rate of 10%.

Tax on capital gains

Capital gains can arise:

- from distributions of net capital gains from your investment option(s)
- if you choose to redeem your investment option(s) to effect a switch to another investment option or make a withdrawal from your super account.

If you incur a capital loss after redeeming your investment option(s), it can be used to reduce any capital gains that other investments in the Fund may have earned over the year. At the time when the Fund prepares its income tax return, if you have excess capital losses, these may be applied against other members' capital gains and we may credit the cash benefit (at the rate of 10% to 15% of the amount of losses used) to your Cash Account.

What are the tax implications if you transfer to another product within the Fund?

If your investments are transferred as they are to another product within the Fund, there is no realisation of capital gains and therefore no tax applies.

If your investments are transferred as they are to a retirement phase pension product within the Fund, no realisation of capital gains occurs and your investments will be held in a tax-exempt environment. Therefore, if you make an investment switch within the pension account or redeem any investment option to make a withdrawal (such as a lump sum or pension payment), no CGT applies.

However, if you transfer investment options from a Retirement phase pension to a superannuation account and then redeem the investment, CGT may apply to gains that accrued while the investment was held in the retirement phase pension.

When is tax deducted from your super account?

We generally only deduct tax (net of deductions) on employer contributions, deductible personal contributions and investment income from your account, and generally at the end of the month. Any accrued tax on contributions will be retained in the Cash Account and the remainder will be invested in accordance with your Deposit Instruction. If you intend to claim a tax deduction on your personal contributions, tax will be accrued when we receive your completed 'ATO Notice of intent to claim or vary a deduction for personal super contributions' form. The accrued tax is deducted from your account at the end of the month.

A final tax deduction/refund may be made after the fund's annual tax process is finalised to adjust your account for any differences between the tax calculated monthly and the final tax position for the full income year. The final deduction or refund for the year will take into account all information not available at the time of the monthly deduction, including the income components from trust distribution income that is only known after year end. If you close your account before the Fund's tax process is finalised, this annual deduction or refund will not be applied.

Important note: We pay the tax on contributions and investment income on your behalf; therefore, investment income is not declared as taxable income in your personal income tax return each year.

Pension Service

The tax treatment of investment earnings will depend on whether your pension is in retirement phase or is a Transition to retirement (TTR) pension.

If you have a TTR pension, the investment earnings on your pension account are taxed on the same basis as investments in the Super Service (above). When you turn 65 or notify us you have retired (if earlier), your pension will automatically become a retirement phase pension.

If you have a retirement phase pension, the investment earnings on your pension account are exempt from tax. Account based pensions which are not transition to retirement pensions, reversionary pensions and death benefit pensions are treated as retirement phase pensions for tax purposes.

Retirement phase pensions

The following table describes the treatment of investment income derived from investment options held in your pension account.

Investment income	General rate of tax
Interest and income distributions	Nil
Realised capital gains	Nil

Your pension account may be entitled to a tax refund due to franking credits. A franking credit is a tax credit that may be available to the Fund for the tax that has already been paid by the issuing company on dividends received by a managed investment.

Transfer Balance Cap

The Government limits the total amount that a person can transfer to the tax-free investment environment (retirement phase). This limit is called the Transfer Balance Cap and is currently $1.9 million. If you have already had pension benefits assessed against the cap, indexation will only apply to that proportion of the cap that has never been used. For each new pension or reversionary pension, the account balance will be assessed against your remaining personal transfer balance cap on commencement (or 12 months from date of death for a reversionary pension).

Up-to date- information about super caps, thresholds and tax is available at **ato.gov.au**.

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 your personal transfer balance cap. Additionally any amounts that relate to compensation payments or structured settlements that have been contributed to super are excluded from assessment under the cap.

What happens if the transfer balance of the new retirement phase pension exceeds the transfer balance cap?

If your transfer balance exceeds the cap, the ATO will issue a determination and also direct that the excess be commuted and either taken in cash or rolled back into a superannuation account. The ATO will calculate an amount of earnings on the excess, and 15% tax is payable on this amount for the first breach of the transfer balance cap. For any subsequent transfer balance excesses, the tax rate on earnings increases to 30%. If you do not commute the excess within 60 days, the ATO will issue a commutation authority to the Fund.

If the Trustee receives a commutation authority, the excess will generally be rolled back into a Super Service account in your name. If necessary, the Trustee will open a new account for you.

How are reversionary and death benefit pensions treated under the transfer balance cap?

If you are commencing a new death benefit pension, either on the death of another member of the fund or on the rollover of a death benefit from another super fund, the transfer balance cap applies to the new death benefit pension in the same way as it would, had you commenced a new retirement phase pension. The death benefit pension is assessed against your personal transfer balance cap on commencement.

However, if you are a reversionary pensioner the amount assessed against your transfer balance cap is the account balance on the date of death of the primary pensioner. This amount does not count towards your cap until 12 months after the date of death. This is to provide reversionary pensioners time to decide an appropriate course of action should they exceed their transfer balance cap.

Where the death benefit pensioner or reversionary beneficiary is a child (other than a disabled child) of a deceased member the transfer balance cap assessment is different. The transfer balance cap for the child is determined by reference to the child's share of the deceased parent's personal transfer balance or the general transfer balance cap (if the deceased had not previously commenced a pension). Excess amounts from death or reversionary pensions can only be paid in cash – they cannot be rolled back to super.

Tax on pension payments and withdrawals

Benefits paid at age 60 or more

Lump sum withdrawals and pension payments paid from the Fund are tax-free.

Benefits paid before turning age 60

Benefits paid from your account before turning age 60 are split into a tax-free component and a taxable component on a proportional basis. You can only make withdrawals on this proportionate basis. The tax-free component is the sum of all tax-free components held in your account divided by the account balance and then converted to a percentage. For withdrawals from your super account, the percentage of tax-free component is calculated at each withdrawal. When you commence a pension, the percentage of tax-free component is calculated on commencement and will then apply to all pension payments and lump sum withdrawals (including lump sum commutations and transfers) made from the account thereafter.

The sum of the tax-free components includes any personal or spouse contributions, any tax-free component calculated and crystallised within your super as at 30 June 2007, and the tax-free components of amounts transferred into your account from other super accounts.

The tax treatment of benefits received prior to age 60 is as follows:

Component	Pension payment	Lump sum withdrawal from pension or super
Tax-free	Tax-free and not included in assessable income	Tax-free and not included in assessable income.
Taxable	Included in assessable income. 15% tax offset applies if received after reaching age 60 (preservation age) or if commenced as a disability pension.	Included in assessable income and taxed at 20% (plus Medicare Levy).

Up-to date- information about super caps, thresholds and tax is available at **ato.gov.au.**

Tax is not payable when you transfer your benefit to another super fund (excluding tax on capital gains realised as a result of the transfer) or to another product within the Fund.

You should be aware that your account balance does not fully reflect the tax impact of any unrealised gains or losses that may arise if you request a withdrawal from your account.

Tax treatment of Disability Benefits

The taxation of a lump sum withdrawal received upon total and permanent disablement (TPD) (including any benefit containing insurance) is the same as above. However, the tax-free component will be increased to include the proportion of the benefit that relates to the period from the date you left your employment due to TPD until the date you reach age 65. To apply this increase, tax law requires the Trustee to hold two current doctor's certificates at the time of the lump sum payment which certify that, because of your ill-health, it is unlikely that you can ever be gainfully employed in a capacity for which you are reasonably qualified because of education, experience or training.

Also, if you choose to transfer your benefits to a pension within the Fund, you may be entitled to a 15% tax-offset on the taxable component of the pension if you are under age 60. A pension paid due to TPD is treated as a retirement phase pension and is assessed against the individual's transfer balance cap on commencement. The Trustee will require two current certificates at the commencement of the pension to apply this treatment.

Tax treatment of Income Protection payments

Any income payments you receive as a result of an income protection claim will be included in your normal assessable income and taxed at your marginal rate (plus the Medicare Levy). If your income protection insurance cover includes a provision to pay super contributions, these contributions are treated as concessional contributions and taxed at the rate of 15% when credited to your super account.

Tax treatment of Death Benefits

Taxation of Death Benefits paid as lump sums

The tax on a lump sum payment made in the event of your death will depend on who receives the benefit.

The payment will be tax-free if it is made to your Death Benefits Dependants (either directly or through your estate). For tax purposes, a Death Benefits Dependant includes:

- your spouse
- your children under age 18 (including a natural child, stepchild, adopted child or child of your spouse)
- a person who is partially or wholly financially dependent on you at the date of death
- a person with whom you have an interdependency relationship at the date of death

Lump sum benefits paid to a dependant who is not a Death Benefits Dependant are taxed on a similar basis to lump sum benefits paid to those under age 60. However the tax rate on the taxable component will generally be 15% (plus the Medicare Levy).

Where a lump sum superannuation Death Benefit containing insurance is paid to a non-dependant for tax purposes, the taxable component will be split into taxed and untaxed elements using an aged-based formula. The untaxed element is taxed at 30% (plus the Medicare Levy).

Death Benefit lump sums paid to the Legal Personal Representative (the estate) are taxed within the estate depending on whether the beneficiaries of the estate are dependants or non-dependants for tax purposes.

The tax rates applicable to lump sums paid to beneficiaries who are not dependants for tax purposes apply regardless of age.

Taxation of Death Benefits paid as pensions

A Death Benefit paid in the form of a Reversionary or Death benefit pension will be tax-free if either you or the beneficiary is aged 60 or more. If both you and the beneficiary are under age 60, the taxable component of pension payments is assessed as income for the beneficiary, with a 15% tax offset. When the beneficiary turns age 60 the pension payments become tax-free. Lump sum withdrawals are tax free to the beneficiary, and the beneficiary can roll over to commence a new Death benefit pension at any time. Death benefit pensions paid to children (under age 18 or under age 25 and financially dependent or permanently disabled) must be converted to a tax-free lump sum benefit once the child turns age 25 unless the child is permanently disabled.

Special tax rates for temporary residents

Temporary residents who have departed Australia permanently can claim their Australian super as a Departing Australia Superannuation Payment. Withholding tax of 35% generally applies to the taxable component of these payments. A higher withholding tax of 65% applies for former temporary residents on working holiday visas.

Foreign taxes

Superannuation and investments may be affected by foreign tax laws, which can reduce the amount you receive. Under some foreign laws you may be subject to additional obligations if you have a connection with a foreign country (for example by birth, residence, citizenship or property ownership).

Tax file numbers

Under super law, we are authorised to ask for your tax file number (TFN). If you do not provide us with your TFN, by law we cannot accept any personal contributions made by you or on your behalf by your spouse. If you make personal contributions, or spouse contributions are made on your behalf, and you have not provided the Trustee with your TFN the contributions will not be credited to your account and must be refunded to you within 30 days (less any permissible deductions) unless you provide your TFN in the meantime. By law employer contributions can be accepted but you will pay more tax on your super.

We only use your TFN for certain purposes such as:

- providing it to the ATO for the purpose of reporting information about super benefits, as we are required to under law
- providing it to another super provider if your account balance is transferred (unless you ask us not to)
- identifying your super benefits where other information is insufficient
- helping you re-connect with super accounts through initiatives such as the ATO's SuperMatch initiative whereby organisations can match individuals with their lost super; and
- calculating tax on benefit payments you may be entitled to.

These purposes may change in future.

Please provide your tax file number (TFN) when acquiring this product. Under the *Superannuation Industry (Supervision) Act 1993*, we are 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 its 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.

We require your TFN in order to process your application for the Service.

Tax file numbers – specific requirements

We require you to provide your tax file number (TFN) in order for your Super and/or Pension Service application to be accepted (unless we already hold your TFN). Without a TFN, we would be required to deduct tax from the taxable component of the pension at the top marginal tax rate for those under age 60.

If you are aged 60 or over or opening a Shadforth Portfolio Service – Superannuation account

You can notify us of your TFN on your Shadforth Portfolio Service – Super Application Form.

If you are under age 60 and opening a Shadforth Portfolio Service – Pension account

You need to complete the tax file number declaration. You can obtain a tax file number declaration by contacting your financial adviser or downloading from our website.

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

Estate Planning

On your death, your superannuation benefits in the Fund may be treated differently to other assets you own. Unlike directly owned property or shares, super doesn't normally form part of your estate. Instead, super benefits are paid out in accordance with the governing rules of the super fund.

In the event we are informed of your death:

- we have the discretion to retain or redeem the investments depending on the form of the death benefit payment. Generally, any investment options will be sold to cash unless there is a Reversionary Pension nomination or the expected beneficiary requests for the investment options to be retained.
- we will continue to deduct applicable administration fees and costs (including the Account Keeping Fee) as disclosed in the 'Fees and other costs section' of the PDS until the payment of your superannuation benefit is authorised by the Trustee and your account is closed
- we will stop charging insurance premiums (if applicable)
- existing Member Advice fees will cease and if charged will be refunded to your account to the beginning of the month of your death, and
- the Trustee will pay your benefits as soon as practicable after your death either directly to your dependant(s), or to your Legal Personal Representative.

Death benefit nominations

You can nominate one or more of your dependants and/or your Legal Personal Representative to receive your benefit in the event of your death and can allocate your benefit between them in any proportion.

Any dependent you nominate must be a dependant as defined by super law.

If you nominate your Legal Personal Representative, your benefit will form part of your estate and be distributed in accordance with your Will or in accordance with the laws that govern persons who die without a Will.

Eligible dependants

There are rules around who can receive a superannuation benefit – it's not solely at a member's discretion. The beneficiary must be a 'dependant'.

A dependant includes:

- your current spouse
- your children of any age (including ex-nuptial children, adopted children, step-children and your spouse's children)
- any person who is partially or wholly financially dependent on you at the date of your death
- any person with whom you have an interdependency relationship at the date of your death.

What is an interdependency relationship?

An interdependency relationship may exist between two people if they live together in a close personal relationship and one or each of them provides the other with financial and domestic support and personal care. For a full definition see the 'Key words explained' section of this guide.

Types of Death benefit nomination

You can choose one of the following forms of nomination to inform us to whom you would prefer your benefit to be paid in the event of your death:

- Reversionary Pension (this option is only available for pension accounts).
- Non-lapsing Binding Death Benefit Nomination (Non-lapsing Binding Nomination).
- Binding Death Benefit Nomination (Binding Nomination).
- Non-Binding Death Benefit Nomination (Non-Binding Nomination).

The most appropriate nomination will depend on your personal circumstances. As there may be taxation and other implications to consider, we recommend that you seek professional advice before making your nomination.

If you hold an Enduring Power of Attorney for a member, we will accept a nomination you make on behalf of the member (subject to the requirements below). However, you must ensure the power granted to you allows you to make such a nomination and that the relevant State law does not prohibit this action. You may wish to seek legal advice on this matter.

If you are under 18 years of age and making a Death benefit nomination your beneficiary nomination form will need to be co-signed by a parent or guardian.

Reversionary Pensioner option (Pension only)

A Reversionary pensioner can only be nominated at the commencement of a pension. You can nominate any eligible dependant as the Reversionary Pensioner. However, if you wish to nominate your child as your Reversionary Pensioner, you can only nominate:

- a child who is less than 18 years of age
- a child who is over the age of 18 years and under 25 years who is financially dependent on you at the date of nomination
- a child who is permanently disabled

These conditions must also be met at the date of your death.

In the event of your death we will continue to pay the remaining balance of your pension account (if any) to your nominated Reversionary Pensioner. The remaining balance of your pension account will be transferred into the Reversionary Pensioner’s name. Your existing investment options, Standing Instructions and nominated level of annual pension payments will also be transferred and remain unchanged unless alternative instructions are received from the Reversionary Pensioner. The pension will continue to be paid until the account balance is exhausted.

The Reversionary Pensioner may also choose to make a lump sum withdrawal, rather than continue to receive the pension payments upon your death. A lump sum withdrawal can be taken in cash or rolled over to commence a new Death benefit pension.

A reversionary pension being paid to a child will automatically terminate on the child’s 25th birthday and the remaining balance of the pension account (if any) will be paid to the child as a lump sum, unless the child is permanently disabled.

If, at the time of your death, the nominated child has ceased to be entitled to receive a pension (if the child turns age 18 or, in the case of a financially dependent child over 18, ceases to be financially dependent or turns 25), the benefit will be paid to the nominated child as a lump sum.

Your reversionary nomination cannot be changed once your pension commences. If the reversionary pensioner can no longer receive a death benefit (for example, if your nominee predeceases you), you cannot nominate a new reversionary pensioner. However, you can make a Non-lapsing Binding Nomination, Binding Nomination or Non-Binding Nomination in favour of another dependant(s).

> **Important note:** If a pension does revert to your nominated Reversionary Pensioner, the Reversionary Pensioner may nominate their dependant(s) and/or Legal Personal Representative to receive any remaining benefit as a lump sum in the event of their death.

Non-lapsing Binding Nomination

You can nominate your dependants and/or Legal Personal Representative to receive your benefits in the event of your death in a Non-lapsing Binding Death Benefit Nomination (Non-lapsing Binding Nomination). If the Trustee consents to your nomination, on death the Trustee will pay to the persons nominated in the proportions specified in the Beneficiary Nomination form. A Non-lapsing Binding Nomination must be signed by the member and does not require the member's signature to be witnessed. The nomination will continue unless it is subsequently revoked or amended in writing.

As a Non-lapsing Binding Nomination is only valid if the Trustee consents to your nomination, the Trustee is required to consider whether the nomination is enduring and that you do not intend the nomination to expire. If you nominate your spouse or your estate, the Trustee considers this will be an enduring nomination. However, if you nominate another dependent, such as a financial dependant or interdependent, the Trustee may require further details to ensure that you do not intend the nomination to expire.

If you make a new Non-lapsing Binding Nomination, this will revoke any earlier nomination other than a Reversionary Beneficiary or a currently valid Binding Nomination. If a valid Binding Nomination is in place, this must be formally revoked using the procedures set out below before the Trustee can consent to a new Non-lapsing Binding Nomination. Otherwise, you can make a Non-lapsing Binding Nomination after the Binding Nomination has expired.

If a person nominated is no longer your dependant at the time of your death, the Trustee will treat your account as having no nomination.

You can make a Non-lapsing Binding Nomination using the Beneficiary Nomination form available from our website. Details of your current nomination will appear on Shadforth Portfolio Online and your Annual Statement.

Binding Death Benefit Nomination

If you have a valid Binding Nomination in effect, we must pay your benefit to the dependant(s) and/or Legal Personal Representative that you have nominated in the proportions that you have set out in your nomination. A valid Binding Nomination remains in effect for **three years** from the date it was first signed, last amended or confirmed. The following conditions must be met to ensure that a Binding Nomination is valid:

- The nomination must be in favour of one or more of your dependant(s) and/or your Legal Personal Representative.

- Each nominated dependant must be an eligible dependant at the date of nomination and at the date of your death.
- The allocation of your benefit must be clearly set out.
- The total benefit must be allocated (the percentage nominated must add up to 100%), otherwise the entire nomination will be invalid.
- The nomination must be signed and dated by you in the presence of two witnesses, both of whom are over 18 years of age and are not nominated to receive the benefit
- The nomination must contain a declaration signed and dated by each witness stating the notice was signed and dated by you in their presence.

Important note: If your Binding Nomination is in favour of one or more eligible dependant(s) and/or Legal Personal Representative but fails to meet any of the other stated conditions, the entire nomination will be deemed to be invalid. If your Binding Nomination includes a person who is not an eligible dependent, whether at the time your nomination is made or at the time of your death, then we will treat your account as having no nomination.

If any of the information provided in your Binding Nomination is unclear, we will contact you to confirm the details. An unclear Binding Nomination may be invalid.

You can make a Binding Nomination using Shadforth Portfolio Online or by completing Beneficiary Nomination form which is available from our website.

Details of your current Binding Death Benefit Nomination will appear on Shadforth Portfolio Online and your Annual Statement along with its expiry date.

You must confirm your nomination before it expires in order for it to remain valid. You can do this by giving us a written notice, signed and dated by you, before it expires. It is your responsibility to ensure your Binding Death Benefit Nomination is confirmed before it expires.

Your Binding Nomination can be amended or revoked at any time. You can amend your nomination at any time by making a new Binding Nomination and providing it to us.

In order to revoke your Binding Nomination, you must give us a written notice, signed and dated by you in the presence of two witnesses both of whom are over the age of 18 years and not nominated to receive the benefit. Alternatively, you may revoke your nomination by completing a Beneficiary Nomination form which is available from our website.

Non-Binding Nomination

If there is a Non-Binding Nomination on your account, your nomination is not binding on us but we will take it into account when we determine to whom to pay your benefit.

You can make a Non-Binding Nomination using Shadforth Portfolio Online or by completing a 'Non-Binding Death Benefit Nomination form' which is available from our website.

You can amend your nomination at any time by making a new Non-Binding Nomination and providing it to us.

No Binding Death Benefit Nomination

If there is no valid Binding Nomination in place when we are notified of your death, the Trustee will use its discretion to determine who will receive the death benefit. The Trustee will firstly make reasonable enquiries to identify any dependants or a Legal Personal Representative . If there are no dependants or a Legal Personal Representative, the Trustee may pay to another person.

Protected Members

A protected member is a member of the Fund who is, or becomes, subject to a court order for the guardianship, administration and management of their estate. As a Protected Member, your affairs will be managed by a guardian or private manager who will have been appointed to manage and protect your estate.

If you do not have a binding nomination in place at the time of your death, the Trustee will pay your death benefit to your legal personal representative (i.e. your estate). If you have a valid binding nomination in place at the time of your death, your death benefit will be paid in accordance with that binding nomination. If the Trustee cannot pay part of the death benefit in accordance with the nomination (e.g. because the Trustee does not consider one of the persons nominated to be a dependant), the Trustee will pay the proportion of the death benefit that can be paid in accordance with the binding nomination and the remainder of the death benefit will be paid to your legal personal representative.

What happens if I have more than one super or pension account within the fund?

A reversionary pension nomination will only apply to that particular pension account. It does not apply to any other super or pension account you have within the fund.

A Binding (Lapsing or Non-Lapsing) or Non-Binding Nomination will only apply to a particular super or pension account. Where you have multiple accounts within the fund and you wish to make a nomination, a separate nomination is required for each account.

Payment options available

In most situations, we can pay the Death Benefit as a lump sum or as a pension.

If you have selected the Reversionary Pensioner option, your benefit will be paid as a continuing pension to your nominated Reversionary Pensioner, provided they are eligible to receive the benefit in the form of a pension.

We have discretion to sell your investment options and put your money into the Cash Account until the death benefit is paid. We would normally exercise this discretion unless we are advised otherwise.

- Important note: Any investments which form part of an MDA model being managed by your MDA provider will be unlinked from the MDA model after we receive evidence of your death. The investments which were managed by your MDA provider will remain on your Shadforth Portfolio Service account and the below may apply.

Death benefit pensions

Death benefits can only be paid as a pension to certain nominated beneficiaries. These include your spouse, dependent children, or other financial dependent or interdependent. A continuing pension cannot be paid to a child of yours aged 18 or over unless they are either:

- under age 25 and financially dependent on you immediately prior to your death, or
- permanently disabled.

If you have made a Non-lapsing Binding Nomination, Binding Nomination or Non-Binding Nomination and the beneficiary wishes to receive the death benefit as a pension, the beneficiary must complete an application form for a new pension, including a new Investment Instruction. A new Death benefit pension account will be established in the name of the beneficiary and the remaining balance of your super or pension account will be transferred into their new pension account. As this is a new pension, the level of annual pension payments payable from the pension will be re-calculated at this time.

Important note: A death benefit pension is also assessed against the beneficiary's transfer balance cap and this may limit the amount that can transfer to a pension. More information on the transfer balance cap is available from the 'How super is taxed' section of this guide.

Managing your account

Standing Instructions

Your Standing Instructions outline how you would like us to:

- invest your contributions and rollovers (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 are able to supply three types of Standing Instructions.

Types of Standing Instructions

Deposit Instruction

Your Deposit Instruction tells us how you would like contributions and rollovers (less any Member Advice Fee – Upfront) to be invested as a percentage. Your Deposit Instruction can include your Cash Account, managed investments and SMA Model Portfolios[4].

You can also provide us with a specific instruction concerning a particular contribution that differs from your Deposit Instruction by making this clear on an Additional Lump Sum Contribution form for that particular contribution. This form is available from our website.

In the Service you are required to make an investment choice as part of your application.

Please note that the total percentage allocated to each managed investment, SMA Model Portfolio and your allocation to the Cash Account (of at least 1%), must add up to 100%. Maturing Investments and listed investments cannot form part of your Deposit Instruction.

- **Deposit Instruction – Managed Discretionary Accounts[5]**

Your financial adviser can also allocate a percentage of your Deposit Instruction to a Managed Discretionary Account (MDA) model as part of your Deposit Instruction for your contributions (less any Member Advice Fee – Upfront).

This means any future contributions will be invested in the selected MDA model when the MDA provider next rebalances.

Income preference

Income distributions that you receive from your investment options are automatically credited to your Cash Account or your cash account managed by your model provider (if applicable). Any income from your managed investments or income generated in your SMA Model Portfolio can then be re-invested using one of the following methods (only one can be selected):

---

[4] You will only be able to select an SMA in your Deposit Instructions if you have already bought into the SMA Model Portfolio. Where you redeem your SMA Model Portfolio or transfer out of your SMA Model Portfolio the SMA Model Portfolio will be redeemed from your Deposit Instructions.

[5] Your financial adviser will only be able to select an MDA Model in your Deposit Instructions if you have already bought into the MDA model. Where you redeem your MDA model or transfer out of your MDA model the MDA Model will be removed from your Deposit Instructions.

- **Re-invest (default option)**

This method allows you to automatically reinvest the income distribution into the same managed investment or SMA Model Portfolio.

Please note that you may not have the most recent PDS or SMA at the time these re-investments are made.

- **Retain in your Cash Account**

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

- **Income instruction – percentage**

You can choose to have your income from your managed investments or income received within your SMA Model Portfolio to be invested into one or more managed investment(s). The income will be invested subject to a minimum buy of one dollar.

Your income preference may be subject to the availability of sufficient cash in your Cash Account. Any income received in the Cash Account may be used to top up your Cash Account.

Income preferences – Managed Discretionary Accounts

Income distributions from investments held within an MDA model are paid into the cash account managed by your MDA provider.

Where you have elected to retain income distributions in your Cash Account as part of your income preferences then any income earned within the MDA model will be transferred from the cash account managed by your MDA provider to your Cash Account.

Where you have selected to have your income re-invested into one or more managed investments, any MDA model income received will be applied as per these instructions.

Any distributions received after an MDA model has been unlinked will be transferred to the Cash Account.

Maturity Instructions – Maturing investments

You can choose the maturity instructions for your maturing investment. Please refer to the **Investment Guide** for more detail.

Cash Account preferences

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

Your Cash Account holding is pooled with that of other investors' and placed in interest bearing accounts with an authorised deposit-taking institution (ADI) selected by us, currently the Commonwealth Bank of Australia, ABN 48 123 123 124.

The funds in your Cash Account earn interest. We retain a portion of the interest earned on the pooled cash assets and set a net interest to be credited to the Cash Account. The interest we retain is the difference between the net rate we credit to your Cash Account daily balance and the interest we earn from the pooled deposits of the Cash Account. Interest credited to you is subject to change in line with the official cash rate set by the Reserve Bank of Australia and/or interest we receive or changes to the interest retained.Net interest is credited to your Cash Account monthly.

Transactions including switches, partial withdrawals and other payments (including fees) may result in your Cash Account temporarily having a negative balance. If this occurs, a percentage fee equal to the daily Cash Account interest rate will be charged for each day that your Cash Account has a negative balance. This fee will reduce the interest payable for the month in which your Cash Account has a negative balance and can result in a deduction rather than an interest payment to your account.

Allocation to your Cash Account

You are required to elect a minimum percentage allocation to the Cash Account, and you can customise it to suit your needs. This amount is used for funding fees and expenses, taxes, insurance premiums and pension payments (where applicable). Where you choose to customise your percentage, you can elect for this to be the same percentage allocation to the Cash Account that you have elected in your Deposit Instruction or a custom percentage nominated by you.

In addition, you may nominate a dollar-based minimum on the amount held in your Cash Account, (subject to a $5,000 minimum) that will be used in conjunction with your percentage-based minimum. If your Cash Account falls below zero, we will then top up your Cash Account to the lower of your dollar-based minimum or percentage-based 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 and insurance premiums (insurance premiums are only applicable for the Super Service)
- after tax has been deducted
- after pension payments have been deducted (Pension Service only)
- We may also apply distribution income to a negative Cash Account balance before reinvesting in accordance with any Standing Instruction.

If the balance of your Cash Account is zero or below, we will top it up as directed by you to the lower of:

- the minimum percentage allocation for the Cash Account (1% (default amount), the percentage nominated in your Deposit Instruction, or a percentage nominated by you); or
- your nominated dollar-based minimum 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 methods as directed by you (only one method can be selected). If no method is selected the default will apply. We may also top up your Cash Account using any available distribution income.

Important note: Maturing investments, listed investments, SMA Model Portfolios and some restricted investments are excluded from the top up process, as are investments managed in accordance with an MDA model. When a Cash Account top up occurs it may give rise to a CGT liability which may reduce the value of your account. Please speak to a financial adviser or tax adviser for more information. In some instances, investment options that cannot be redeemed on a daily basis will not be able to be included in your Cash Account Top up instructions. Pending transactions may be taken into consideration when topping up your Cash Account.

1. Pro-rata (default option)

Sells funds across all managed investments according to the proportion of the portfolio that they represent. Managed investments managed in accordance with an MDA model or held within an SMA Model Portfolio, Listed investments managed in accordance with an MDA model and constructed by an MDA provider will not be sold under this option.

2. Redemption Instruction – Percentage

You can sell funds from specified managed investments according to the percentage allocation nominated by you.

3. Pecking order

Redeems funds from your managed investments according to a prioritised list. You can choose which managed investments are to be used and the order in which the funds are to be redeemed one at a time.

Insufficient managed investments to enable the top up of your Cash Account

Where there are insufficient managed investments to enable the top up of your Cash Account, as instructed by you, we will redeem some of your other investments in order to fund fees, expenses, taxes, pension payments and insurance premiums to provide the minimum cash requirement. We will redeem investments in the following order:

- SMA Model Portfolios and/or cash and investments managed in accordance with an MDA model. Any redemption will occur proportionately across Managed Account models.
- Listed investments with the highest balance.
- Maturing investments with the lowest balance (redeemed in full).

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

Changing your Standing Instructions

Your Standing Instructions can be updated through Shadforth Portfolio Online.

How changes to Investment Options impact your Standing Instructions

Deposit Instructions

Where we have suspended or stopped investments in a managed investment or SMA Model Portfolio, the percentage of your deposit that you allocated to invest in that managed investment will be retained in the Cash Account.

Income Preferences

Managed Investments

Where we have suspended or stopped investments in a managed investment or where a managed investment is redeemed in full income distributions received from that managed investment will be retained in the Cash Account.

An exception to this is 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.

SMA

Where an SMA Model Portfolio is terminated or redeemed in full, any income received in the model portfolio will be transferred to your Cash Account.

Top up

Redemption Instructions %

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.

Pecking Order

Where redemptions have been stopped or suspended in an investment option, we may need to redeem from the next investment option in your pecking order. If there are no other managed investments listed in the pecking order, the Cash Account top up method will revert to the default option.

Automatic Re-weight facility

You can establish an Automatic Re-weight instruction on your account. This will enable you to re-weight your investments and Cash Account according to a desired weighting percentage allocation. If you have authorised your financial adviser to do so, they can place or modify an Automatic Re-weight instruction on your behalf at any time.

The Automatic Re-weight occurs on the 20th day of the month (or nearest business day after the 20th) and you can choose the frequency on which you want it to occur from quarterly, half yearly or yearly.

Important notes:

- Maturing Investments and some restricted investments are unable to be traded as part of the Automatic Re-weight facility. In some instances, investment options that cannot be redeemed on a daily basis will not be able to be included in your Automatic Re-weight facility.
- The Automatic Re-weight facility is not available for accounts which hold investments that are managed in accordance with an MDA model managed by an MDA provider.
- Transaction minimums of $200 per managed investment and $500 per listed investment apply.
- Where a managed or listed investment option has been redeemed in full by us or the investment manager, the percentage allocated against an investment option will be re-allocated to the other remaining eligible investments in the portfolio. Where you initiate a full redemption of an investment option you will need to update your Automatic Re-weight instructions.
- Where a SMA Model Portfolio is terminated by us or the model manager, any scheduled automatic re-weight will not proceed. You or your financial adviser will need to update your Automatic Re-weight facility instructions online.

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

Your financial adviser can update your Standing Instructions on your behalf via our online portal.

Switching

Switching involves redeeming units from one or more of your existing investment options and purchasing units in one or more investment options selected by you. Your financial adviser can switch your investment options through our online portal. Please ensure you have read the most recent PDS for a managed investment (and TMD if applicable) before making a switch.

Switching between investment options may give rise to a CGT liability which may reduce the value of your account. Please speak to a financial adviser or tax adviser for more information.
A buy-sell spread may be incurred when switching between managed investments. See 'Transaction costs' section of the PDS and the PDS for the particular the particular investment option for details.

Shadforth Portfolio Online & mobile app

It's important to be in control of your super. After all, you worked hard for it and need to ensure that it's working hard for you. With our easy to navigate, secure website, you can stay in control and get closer to achieving your retirement goals. In addition to cutting edge infographics and innovative tools to review portfolio information, you can also download statements, view transaction records and much more. It's right there at your fingertips, 24/7 on any device, anywhere you choose to use it.

Functions available online

By using Shadforth Portfolio Online or the Shadforth mobile app, you can view your:

- account balance
- transaction history
- investments held
- BPAY® details
- EFT details
- insurance details
- Death benefit nomination
- Standing Instructions
- corporate actions (if eligible)
- portfolio reporting, including account return information across any period and detailed transaction listing.

In addition to the items listed above you can:

- update your personal details
- add, change or renew a death benefit nomination, and
- view the Trustee's communications that are made available electronically.

Your financial adviser can provide you additional access to transact online by contacting Shadforth ClientFirst which will allow you to update your investment portfolio, participate in certain eligible corporate action elections, update your tax optimisation method and initiate withdrawals to the nominated financial institution account.

Also, your financial adviser has the following online transaction options including, but not limited to:

- buy and sell eligible investments
- invest your portfolio accordance with MDA models managed by your appointed MDA provider
- adjust your Standing Instructions
- re-weight your portfolio or establish an automatic re-weight facility
- participate in certain corporate action elections
- Family Fee Aggregate accounts
- Update your tax optimisation method
- update your pension payments
- update your contact details

- update your nominated financial institution
- initiate withdrawals of unrestricted non-preserved superannuation benefits to your nominated account with a financial institution.

The Shadforth mobile application can be downloaded via selected mobile application stores.

Please note, under the current cyber threat landscape, certain regions of the world may be blocked to protect Insignia Financial Group's infrastructure, which will mean that certain investors connecting from the blocked regions may have restricted or no access to Shadforth Portfolio Online and our mobile app.

How to register for online access

You can register for online access once you have received your account number, which appears on your welcome pack. Visit portfolio.sfg.com.au and click on the Login button and follow the prompts.

Other general information

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 scanned electronically except, for instance, if they are instructions to change your name, make a withdrawal or to request the transfer of your superannuation to or from 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 or an overseas address, a signed request is required.

If you wish to amend your death benefit nomination, you can do this by using Shadforth Portfolio Online or by submitting a new Beneficiary Nomination form. You may also confirm or revoke your nomination using Shadforth Portfolio Online or by completing the relevant form. For more information refer to the 'Estate Planning' section of this guide.

Your instructions to us

We will act in accordance with instructions from you, your financial adviser or your appointed representative.

However, please note, we are not required to affect 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 and we are unable to redeem sufficient assets 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.

Corporate actions

Except where you are permitted to provide directions to us for listed securities via Shadforth Portfolio Online, we are not required to give effect to any directions as to how the corporate actions are to be exercised in respect to investment options held for you.

Keeping track of your investments

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

We provide regular communications which are sent to you for your records. Additionally, you can view your account information via Shadforth Portfolio Online.

What you will receive from us
Account Schedule • Sent on the establishment of your account • Your Account/Member Schedule confirms your super account details and initial investment instructions (together with your Customer Reference Number (CRN) for any future BPAY contributions for super accounts).
Annual Statement Provides a summary of all transactions over the period including: • contributions and withdrawals over the period • taxation and other fees or costs deducted • details of your account value, current investments and historic performance results for each of your investment options • insurance details (cover and premium cost) • death benefit nominations • preservation status of your super benefit. An Annual Statement is provided within six months of the end of each financial year and following the closure of your account.
Annual Pension Pack – Pension Service only 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 at no additional cost to you You can request a copy of: • the most recent audited financial reports for the Fund, together with the auditor's report • the Trustee's Annual Report • the Trust Deed

- the Fund's Risk Management Plan
- Group Life and Income Protection Insurance Policies arranged by the Trustee.

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 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 key 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.

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 at no additional cost to you, on request.

Terms and conditions for electronic communications

Where you elect to receive communications from the Trustee electronically via Shadforth Portfolio, 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 in your application 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 external assets into your account

Any external assets that you currently hold and that are on our approved list may be able to be transferred into your account in the Fund. As a transfer of external assets from outside super is treated as a contribution to the Fund, tax and superannuation 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 Fund's custodian.

Transfers from the Super Service to the Pension Service

Once you reach age 60 (preservation age), you can convert your accumulated super in the Super Service into an income stream (pension) in the Pension Service. If you have not met an unrestricted condition of release, the income stream will be established using the transition to retirement provisions, which include a prohibition on lump sum withdrawals. If you have met an unrestricted condition of release, your pension will be a retirement phase pension subject to the transfer balance cap discussed above.

Financial Adviser Authority

When you join Shadforth Portfolio Service you are taken to have automatically authorised your financial adviser and their staff (financial adviser), as your agent, to operate your account and 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 account nominated by you (or any account with a financial institution 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 account to the financial institution account nominated by you (or any financial institution account you nominate in future) and establish or change Investment Instructions in relation to your account.

Your financial adviser may also be authorised to use our online portal to complete and submit on your behalf any forms which the Trustee permits to be submitted electronically. For example, your financial adviser may submit a switch or reweight instruction, establish or change standing instructions or apply for Family Fee Aggregation on your behalf using our online portal.

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.

How to appoint a representative to act on your behalf

You may also appoint a person, other than your financial adviser to operate your account (Authorised Representative). You could for instance appoint a spouse, relative, accountant or solicitor. Only you can authorise a representation to act on your behalf.

To authorise another person with authority to act on your behalf, simply complete the Authorised Representative Form. To cancel the authority of your nominated representative, you must give us prior written notice. The cancellation or appointment of a new representative will be effective once it has been received and recorded by us.

The appointed representative will be able to provide instructions on the account's behalf by any method acceptable to us. This authority does not authorise your representative to:

- withdraw and funds from your account except to authorise payment of withdrawals to the financial institution nominated by you (or any financial institution account nominated in the future)
- change the nominated financial institution account on the account
- authorise the change in fees and charges
- sign any form on your behalf where the law or an external party requires your signature on the form
- change the name on the account
- change an address associated with the account
- authorise any ither person to operate the account.

You are responsible for anything that your representative does on your behalf.

Investing without a financial adviser

Shadforth Portfolio Service is designed to be used with a Shadforth financial adviser. If you decide to discontinue the relationship with your financial adviser you need to tell us.

If you do not have a financial adviser to act on your behalf, you are permitted to submit switch or re-weight instructions for eligible investments, establish or change investment instructions in relation to your account and participate in certain eligible corporate actions using Shadforth Portfolio Online.

What if you have a complaint?

Resolving Complaints

We value your feedback and we're committed to resolving any concerns you may have. If you have a complaint, our service representatives can usually resolve it quickly over the phone on 1800 931 792.

If you'd prefer to put your complaint in writing, you can email or send a letter using the contact details below.

Email: portfolioservice@sfg.com.au
In Writing: The Complaints Resolution Manager
GPO Box 264
Melbourne Vic 3001

An assigned case manager will conduct a fair review and provide you with a full response in writing.

Further Help - The Australian Financial Complaints Authority (AFCA)

You can lodge a complaint with AFCA if you are not satisfied with our response or if your complaint has not been resolved within the maximum timeframe prescribed by the Australian Securities and Investment Commission (ASIC). AFCA provides fair and independent financial services complaint resolution that is free to consumers.

Website:	www.afca.org.au
Email:	info@afca.org.au
Telephone:	1800 931 678 (free call)
In writing to:	Australian Financial Complaints Authority, GPO Box 3 Melbourne VIC 3001

Time Limits may apply to complain to AFCA so you should act promptly or otherwise consult the AFCA website to find out if or when the time limit relevant to your circumstances expires.

Your privacy

We are committed to protecting your privacy. Any personal information we collect about you (including your sensitive information, where authorised and required) 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 our privacy policy, please contact Shadforth ClientFirst on 1800 931 792 or visit our website sfg.com.au/portfolio/privacy.

We collect your personal information from the application form you complete 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.

For the purpose of providing you with the products and services you have requested, 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 and Counter-Terrorism Financing (AML/CTF) requirements

We are required by law to carry out proof of identity procedures before cashing a super benefit. These requirements arise under the Commonwealth Government's Anti-Money Laundering and Counter-Terrorism Financing (AML/CTF) Act 2006.

Further information can be found in the PDS and below.

Source of wealth and source of funds

Under AML/CTF laws, we are required to identify your source of funds and/pr source of wealth for some contributions and may request proof.

Document verification

We may seek to validate any government issued identity document (such as your driver's licence) that you provide for identity verification purposes. This may include providing your personal details such as name, date of birth and address and any identification document information to our service provider, who will crossmatch this with the Australian Government's document verification service (DVS). If you do not provide the required identification document when requested, the identification provided cannot be verified by DVS, or we are not satisfied as to your identity we may not be able to process your application.

Portability of super benefits

If you provide us with a request to rollover or transfer your benefit(/s) to another regulated superannuation fund or approved deposit Fund, superannuation law requires that we rollover or transfer your benefit(/s) within 30 days of receiving mandatory information in order to process your request.

Some investments have extended redemption periods of up to 360 days (or more) and therefore not be readily available to rollover or transfer within the 30-day time frame. These are called illiquid investments. This may restrict your ability to switch these investments and rollover or transfer them under the superannuation portability law processing timeframes.

Before you invest in illiquid investments, you should read the investment option's product disclosure statement and by selecting the investment option, you accept that a period longer than 30 days may be required to sell those investments and so effect the transfer because of the illiquid nature of those investments. Investment options that fall into the category of illiquid investments are identified in the Investment Menu (if applicable). Please refer to the product disclosure statement of the investment option for more information.

Illiquid investment options may include managed investments such as some property funds, hedge funds and fixed interest funds, plus maturing investments and capital guaranteed investments. The time required to transfer your super will depend on the investment options chosen. From time to time a fund manager may have a need to suspend their investments and therefore we may not be able to rollover or transfer your benefit within 30 days. If this occurs, we will write to you. Where you invest in an illiquid investment, part or all of a rollover or transfer may be delayed until sufficient assets from that investment can be redeemed.

Whilst not always specified in the PDS or Product Guide, Maturing Investments are illiquid in nature and would normally take more than 30 days to redeem.

To enable members to monitor their illiquid investment options we maintain on our website details such as the availability of withdrawal opportunities, termination processes and recent payout ratios.

Account liquidity

Super Service

There are limits on holdings in illiquid investments, listed investments and maturing investments, please refer to the Investment Guide.

Pension Service

As Trustee we are required to meet the legislated annual minimum pension payment. Therefore, we need to ensure there is sufficient liquidity to meet your annual payments. We will redeem funds as outlined in the 'Insufficient managed investments to enable the top up of your Cash Account' section of this guide.

If you hold any investment options that cannot be redeemed on a daily basis in your pension account that prevent us from making the legislated minimum pension payment, we will move your pension account to a super account and contact you to let you know the details. These investment options may be able to be sold during a future period of redemption set by the investment option.

Trustee voluntary payments to the ATO

Generally, the Trustee can only close your account on your instruction once your benefit within the fund has been fully cashed. However, if the trustee believes it is in your best interest your benefit may be transferred to the ATO. Circumstances where this may be used would be if, after you have closed your account an amount becomes payable to you and, after reasonable attempts, we have been unable to contact you. Further circumstances where the law requires the Fund to transfer your benefit to the ATO are discussed below.

Lost members

If we have had two consecutive written communications to you returned unclaimed, we will generally consider you to be a lost member. We will undertake a range of steps to identify your current address. After taking reasonable steps, if we are still unable to determine your current address, we may decide to transfer your benefit to the ATO.

Intra-fund consolidation

Under the intra-fund consolidation measures, trustees are required, on an annual basis, to identify members with multiple superannuation accounts within the Fund and to consolidate those accounts where it is in the best interests of the members to do so.

Unclaimed benefits

We are required to pay unclaimed benefits to the ATO. Your benefit will be classified as unclaimed in various circumstances, including if:

- you turn 65,
  - and have not claimed your benefit, and
  - we have not received any contributions for you for at least two years, and
  - we have been unable to contact you for five years despite our reasonable efforts.
- you have died, and
  - we have not received any contributions for you for at least two years, and
  - after making reasonable efforts, we are unable to ensure that the benefit is received by the person who is entitled to receive the benefit.

Individuals can reclaim their benefits from the ATO.

Inactive low-balance accounts

We are required to pay inactive low-balance accounts to the ATO. Your benefit will be classified as an inactive low balance account if:

- no contributions or rollovers have been received into the account during the previous 16 months;
- the account balance is less than $6,000;
- you have not met a prescribed condition of release; and
- there is no insurance cover attached to the account.

However, the account will not be an inactive low-balance account if any of the following have occurred in the last 16 months:

- you have changed your investment options
- you have made changes to your insurance coverage
- you have made or amended a binding beneficiary nomination
- you have made a written declaration that you are not a member of an inactive low-balance account.

The ATO will then automatically transfer the amount into your active super account within 28 days.

Super and the Family Law Act

Under the Family Law Act 1975, on marriage breakdown, your account can be divided, and your spouse or former spouse can receive a payment that can be:

- transferred to a new account within the Fund
- transferred to another super fund or withdrawn (subject to satisfying certain conditions).

Super entitlements can be divided either by a court order or a super agreement which must meet certain legislative requirements. Also, your spouse or another person who intends to enter into a super agreement with you (for example through a pre-nuptial super agreement) can request information from us.

Super and bankruptcy

Under the Bankruptcy Act 1966, super contributions made on or after 28 July 2006 in order to defeat creditors can be recovered by the trustee of a bankrupt member's estate. In certain circumstances a super trustee can be served with freezing orders and payment orders from the official receiver in respect of a bankrupt's super account. There are also circumstances in which a court can order payment of money from the account to the trustee of the bankrupt member's estate. We are required by law to comply with such orders.

Transfers within the Fund

If you are transferring from another product within the Fund and your current investment option(s) is also available in your new product, you can transfer those investment option(s) directly into your new account. Where an existing investment option is not available in your new product, your holding in that investment option will be sold down within your existing account and the proceeds added to your Cash Account. Your Cash Account balance will then be transferred to your new account.

SMA Model Portfolios and MDA models can only be transferred when the model portfolio is transferred in full.

The Trust Deed

The Trust Deed dated 20 June 1994 (as amended from time to time) governing the Fund, together with the relevant laws and the PDS, governs our relationship with you and sets out your rights as a member. In the event of any conflict between the PDS and the Trust Deed, the Trust Deed will apply.

When acquiring this product, you become a member of the Fund and you agree to be bound by the provisions of the Trust Deed. We may amend the Trust Deed from time to time and will, when required by law, advise members in writing of the purpose, nature and effect of the amendment.

The Trustee may not amend the Trust Deed if the amendment would have the effect of reducing or adversely affecting the rights or claims of a member to accrued entitlements under the Fund. Such entitlements include those which have arisen prior to the amendment being made, or entitlements that have already become payable. In these circumstances, the amendment to the Trust Deed could only be made if the affected members consent in writing to the amendment, or the amendment is permitted by law or consented to by Australian Prudential Regulation Authority (APRA). In making any amendment, the Trustee must act in the best interests of members. You may obtain a copy of the Trust Deed, at no additional cost to you, by contacting Shadforth ClientFirst.

The Trustee

The Trustee of the Fund holds an AFSL under the Corporations Act 2001. The Trustee has effected and maintains in force professional indemnity insurance. The Trustee and its directors and officers are also entitled to be indemnified out of the assets of the Fund to the extent permitted by super law. The role of the Trustee is to operate the Fund in accordance with its Trust Deed and relevant law.

Key words explained

If you find some of the terms used in the PDS and/or guides difficult to understand, don't worry. This section helps explain some of the key terms that arise along the way. If you require further information or explanation of a term not covered in this guide, please contact Shadforth ClientFirst.

<table>
<tr><td>Account based pension (also known as an allocated pension)</td><td>A pension arrangement where a person regularly draws down an amount from their account within prescribed limits set by the Commonwealth Government. The pension will continue until death, commutation, or until the pension account is exhausted.</td></tr>
<tr><td>Activity fees</td><td>A fee is an activity fee if:
the fee relates to costs incurred by the trustee of the superannuation entity that are directly related to an activity of the trustee:
that is engaged in at the request, or with the consent, of a member, or
that relates to a member and is required by law, and
those costs are not otherwise charged as an administration fees and costs, investment fees and costs, transaction costs, a buy-sell spread, a switching fee, an exit fee, an advice fee or an insurance fee.</td></tr>
<tr><td>Administration fees and costs</td><td>Administration fees and costs are fees and costs that relate to the administration or operation of the superannuation entity and includes costs incurred by the trustee of that entity that:
relate to the administration or operation of the entity; and
are not otherwise charged as investment fees and costs, a buy-sell spread, a switching fee, an exit fee, an activity fee, an advice fee or an insurance fee.</td></tr>
<tr><td>Advice fees</td><td>A fee is an advice fee if:
the fee relates directly to costs incurred by the trustee of the superannuation entity because of the provision of financial product advice to a member by:
a trustee of the entity, or
another person acting as an employee of, or under an arrangement with, the trustee of the entity, and
those costs are not otherwise charged as administration fees and costs, investment fees and costs, a switching fee, an activity fee or an insurance fee.</td></tr>
</table>

AML/CTF Act	*Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth),* and all sub-ordinate legislation in respect of that Act, as amended from time to time.
Annual Statement	An annual statement of your account, including a transactions summary for the financial year and other prescribed information.
Approved Deposit Fund (ADF)	A concessionally-taxed trust that can receive, hold and invest certain types of rollovers (but cannot accept super contributions) until such funds are withdrawn or a condition of release is met.
Australian Financial Services Licence (AFSL)	A licence issued by ASIC under the Corporations Act 2001 which among other things, permits the issuing of a financial product or the giving of financial advice.
Benefit	The amount of money in your account to which you (or in the event of your death, your dependants and/or Legal Personal Representative) are entitled to be paid in relevant circumstances.
Binding Death Benefit Nomination	A written direction to us which, if valid and in effect, binds us to pay your benefit to the dependant(s) and/or Legal Personal Representative that you have nominated in the event of your death.
Business day	A day other than a Saturday, Sunday or a public holiday in Melbourne.
Buy-sell spreads	A buy-sell spread is a fee to recover transaction costs incurred by the trustee of the superannuation entity in relation to the sale and purchase of assets of the entity.
Capital gains tax (CGT)	A tax applied on the increase in the value of an investment that may be payable upon the disposal of the investment. CGT does not apply to investment options redeemed in a Retirement phase pension account.
Certified copy	A document that has been certified to be a true and complete copy of the original, by a person authorised to witness the signing of a statutory declaration under applicable Commonwealth or State legislation.
Concessional contributions	Employer and tax-deductible personal contributions. The Government sets an annual cap on the amount of concessional contributions that can be made to your super each year before additional tax is payable. The cap on concessional contributions and the tax penalties that apply if you breach the cap are set out in the ‘How super is taxed’ section of this guide.
Condition of release	These are restrictions placed on super funds for how and when preserved benefits can be paid. A condition of release must be met before a benefit is paid. Conditions of release include but are not limited to: • retirement on or after age 60

	• reaching age 65 • reaching preservation age (age 60) and permanently retired • death • permanent incapacity • terminal illness.
Consent end date	The date all ongoing advice fees will end if we have not received your consent to continue.
Contribution	Represents any amount that is a concessional or non-concessional contribution or transfer to your account.
Death Benefits Dependant	When paying a Death Benefit, a dependant (for tax purposes) means: • a spouse • children under age 18 (including a natural child, stepchild, adopted child or child of your spouse) • a person who is partially or wholly financially dependent on you at the date of death • a person with whom you have an interdependency relationship at the date of death.
Death benefit pension	This is a new pension that commences on the death of a superannuation fund member. A Death benefit pension can be paid to a Death Benefits Dependant other than a child aged 25 or over (unless the child is disabled).
Dependant	A dependant (for super purposes) means: • the spouse of the member • any child of the member (including a child over 18) – a child includes a natural child, ex-nuptial child, stepchild, adopted child or child of your spouse • a person who is partly or wholly financially dependent on you at the date of death • a person with whom you have an interdependency relationship at the date of death.
Derivatives	Contracts that call for money to change hands at some future date, where the amount depends on, or is derived from, another security, liability or index. For example, a contract might specify that one person can buy an item from the other at today's price in six months' time, regardless of the market price at that time.
Exit fee	An exit fee is a fee, other than a buy-sell spread, that relates to the disposal of all or part of a member's interest in a superannuation entity.

Fee rebate for low account balances	Applicable if your account has less than $6,000 at the end of the financial year or the withdrawal benefit on closure of your account is less than $6,000
Financial institution	A bank, building society or credit union.
Fund	IOOF Portfolio Service Superannuation Fund ABN 70 815 369 818.
Goods and Services Tax (GST)	A tax on the supply of goods and services.
High-yielding securities	High-yielding securities are investments in non-traditional debt assets that generally earn higher interest than traditional fixed interest securities. These securities may provide higher returns as they are generally regarded as being less secure than traditional fixed interest securities. As a result, there is potential for higher volatility and lower liquidity.
Income stream	A series of payments provided by a pension or annuity product.
Interdependency relationship	An interdependency relationship may exist between two people if they live together in a close personal relationship and one or each of them provides the other with financial and domestic support, and personal care. This may include a parent or sibling with whom you live. An interdependency relationship may still exist between two people if they have a close personal relationship but do not live together because either or both of them suffer from a physical, intellectual or psychiatric disability.
Illiquid investments	An illiquid investment for the purposes of super law relates to the portability of members' benefits. Illiquid investments are assets, which either cannot be readily realised within 30 days, or where realising those assets within 30 days would have an adverse impact on their value.

Investment fees and costs	Investment fees and costs are fees and costs that relate to the investment of the assets of a superannuation entity and includes:
	• fees in payment for the exercise of care and expertise in the investment of those assets (including performance fees); and
	• costs incurred by the trustee of the entity that:
	    • relate to the investment of assets of the entity; and
	    • are not otherwise charged as administration fees and costs, a buy-sell spread, a switching fee, an activity fee, an advice fee or an insurance fee.

Legal Personal Representative	The executor of your Will or the administrator of your estate.

Managed Account (MA)	A Managed Account is a professionally managed portfolio of investments. A Managed Discretionary Accounts (MDA) and Separately Managed Accounts (SMA) are types of Managed Accounts.
Managed Discretionary Account (MDA)	Members enter into a separate agreement with an MDA provider to receive an MDA service and appoint their MDA provider as their agent. The MDA provider will give instructions to manage investments in their account on a discretionary basis in accordance with that separate agreement. The MDA provider is solely responsible for the MDA services they provide.
Maturing investments	Term deposits and fixed-term annuities which allow you to lock away an interest rate for a fixed period of time.
MDA model	An MDA model is a model portfolio of assets constructed by the MDA provider in accordance with an investment strategy agreed between you and your MDA provider, which may be used by the MDA provider (as your appointed agent) to determine how to manage your assets and what instructions to provide us in relation to your account. MDA models are not investment options accessible from the **Investment Menu**
Mandated employer contributions	Superannuation Guarantee contributions and employer contributions under an award or industrial agreement.
Non-Binding Death Benefit Nomination	A nomination of preferred dependant(s) may assist us to determine to whom to pay your benefit in the event of your death. We are not bound by this nomination.
Non-concessional contributions	These are personal contributions and spouse contributions which are not tax deductible. The Commonwealth Government sets an annual cap on the amount of non-concessional contributions that can be made to your account before additional tax is payable. Some personal contributions, such as those attributable to the sale of small business assets up to a lifetime limit and those derived from personal injury compensation payments may be exempt from the cap. For the cap on these contributions and tax penalties that apply if you breach the cap, see the 'How super is taxed' section of this guide.
Non-lapsing Binding Nomination	A written nomination where the Trustee consents to pay your death benefit to the beneficiaries you have nominated. The Trustee will only consent if it is clear that the member understands that the nomination is enduring and will not expire.
Pension product	Includes account-based pension and allocated pension.
Pensions	Pensions are provided by super funds and are established for the purpose of paying an income in retirement.
Permanently incapacitated	Ill-health (whether physical or mental) where the Trustee is reasonably satisfied that the member is unlikely, because of the ill-health, to engage in gainful

	employment for which the member is reasonably qualified by education, training or experience.
Portfolio	The mix and composition of an investor's holdings among different asset classes (or if in a single asset class, between different sectors and securities).
Preservation age	The age at which retired individuals can access their super. This age is 60.
Preserved benefits	Generally, these benefits must be retained in the super system until you permanently retire from the workforce on or after reaching your preservation age (age 60). Preserved benefits can also be paid out: • on leaving employment after age 60 • on reaching age 65 • under a transition to retirement pension • on death • on permanent incapacity • on temporary incapacity (where you have income protection insurance) • on severe financial hardship grounds • in certain circumstances where your benefit is under $200 • on compassionate grounds approved by the ATO. They may also be paid out to satisfy a release authority from the ATO.
Reduced input tax credits (RITC)	Refers to a portion of the GST that can be claimed back from the ATO in certain circumstances.
Release authority	An authority issued by the ATO specifying an amount to be released from the Fund in order to pay tax on contributions that exceed the annual caps.
Restricted non-preserved benefits	These benefits can be accessed on the same grounds that apply for preserved benefits. Also, where you terminate your employment with an employer who had, at any time, contributed to the super fund on your behalf, your restricted non-preserved benefits become unrestricted non-preserved benefits.
Retirement phase pension	This is a pension payable when the member has met a condition of release (such as retirement after preservation age (age 60) or reaching age 65).
Reversionary Pensioner	The person nominated by the primary pensioner to continue the pension after their death.
Salary sacrifice	An arrangement with an employer for an employee to 'give up' a portion of the employee's pre-tax salary in exchange for additional contributions by the employer to the employee's super.

Spouse	This could be: • your married husband or wife • a person with whom you have a relationship registered under State or Territory law • a person with whom you live on a genuine domestic basis in a relationship as a couple. A spouse includes an opposite-sex or a same-sex de facto partner.
Separately Managed Account (SMA)	An SMA is a registered managed investment scheme that allows you to access a number of professionally constructed and managed portfolios of investments.
SMA Model Portfolio	Professionally managed model portfolios which can be accessed via the SMA.
Super product	Includes personal super and employer super within the Fund.
Super fund	A complying fund whose trustee has elected that the fund be regulated by the *Superannuation Industry (Supervision) Act 1993.*
Switching	The movement of monies between investment options (such as managed investments and/or listed investments) and/or between the Cash Account and investment options. Switches between managed investments are processed as a redemption of units from one managed investment and the purchase of units in another managed investment from the available investment list. Switches between listed investments involve the sale of a listed investment and the purchase of another listed investment.
Switching fees	A switching fee is a fee to recover the costs of switching all or part of a member's interest in the superannuation entity from one investment option or product in the entity to another.
Target Market Determination (TMD)	A Target Market Determination (TMD) is a document that a product issuer must issue for each financial product which describes the target market and key attributes of the product and details any conditions or restrictions on distribution of the product.
Taxable component	Tax may be payable on the component of your benefits that is not included in the tax-free component.
Tax-free component	Tax is not payable on this component of your benefits. The tax-free percentage of a pension is determined on commencement of the pension and applies to all payments made thereafter (lump sum or pension). Tax is not payable on the following components of a lump sum: • Any non-concessional contributions plus any Government co-contributions made to the super account.

	• Tax-free components previously transferred into the super account or crystallised within the account as at 30 June 2007.
Terminally ill or Terminal illness	For the purposes of releasing superannuation benefits, you are terminally ill if two medical practitioners (one of whom is a specialist in the relevant illness or injury) certify that you suffer from an illness or have incurred an injury that is likely to result in death within a period of 24 months after the date of the certificate (and the period of 24 months has not yet expired). If there is an insured benefit for Terminal Illness, for a Terminal Illness claim to be payable under the insurance Policy with the Insurer, the life expectancy period is 24 months.
Total Superannuation Balance	Your total superannuation balance is made up of the balance of all your super and pension accounts. This is reduced by the sum of any personal injury compensation payments (structured settlement) amounts contributed to super. You cannot make further non-concessional contributions if your total superannuation balance on the previous 30 June was equal to or greater than the general transfer balance cap.
Trading Day	A trading day means Australian Securities Exchange (ASX) Trade is open for trading.
Transaction costs	Transaction costs are costs associated with the sale and purchase of assets of the superannuation entity other than costs that are recovered by the superannuation entity charging buy-sell spreads. We are required by law to include this definition, however, Shadforth Portfolio Service does not charge any transaction costs, however transaction costs will apply and the amount of these transaction costs will depend on the managed investments selected by you from the **Investment Menu**.
Transfer Balance Cap	This is the maximum amount of pension benefits that can transfer to the tax-free investment environment. Retirement phase pensions, Reversionary pensions and Death benefit pensions are generally assessed against the recipient's personal transfer balance cap. Reversionary and Death benefit pensions paid to children are assessed against the child's share of the deceased parent's transfer balance cap. TTR pensions are not assessed against the transfer balance cap until the member meets a condition of release.
Transfer/rollover	A lump sum paid within the super environment between super funds, between super products or into an income stream.
Transition to retirement (TTR) pension option	A pension that enables persons who have reached their preservation age (age 60) to transfer their preserved benefits, restricted non-preserved benefits and unrestricted non-preserved benefits into an income stream while continuing to work. An income stream using a TTR pension option will generally be non-commutable and have restrictions on when withdrawals can be made.
Trust Deed	The legal document governing the Fund and its operation. A trustee must comply with its trust deed.

Unrestricted non-preserved benefits	These benefits may be paid to you at any time without a change in your employment status.
Withdrawal	A payment made to you or for your benefit from your super fund after allowing for taxes, fees and charges (if any). The payment can be made to another super fund or taken in the form of a lump sum cash payment (Commonwealth Government restrictions may apply; see the 'Accessing your super' section of this guide for further information). Cash withdrawals are only permitted in certain limited circumstances under the transition to retirement pension option.

Contact us

If you have any questions about Shadforth Portfolio Service, please contact us:

Phone: 1800 931 792

Email: portfolioservice@sfg.com.au

Website: portfolio.sfg.com.au