



Powerwrap™

Powerwrap Pension Account

Transition to Retirement Pension Account Based Pension Term Allocated Pension

Product Disclosure Statement

25 September 2017

Trustee and Issuer:

Diversa Trustees Limited

ABN 49 006 421 638

AFSL 235153

RSE Licence No L0000635

GPO Box 3001 Melbourne, VIC 3001

Promoter:

Powerwrap Limited

ABN 67 129 756 850

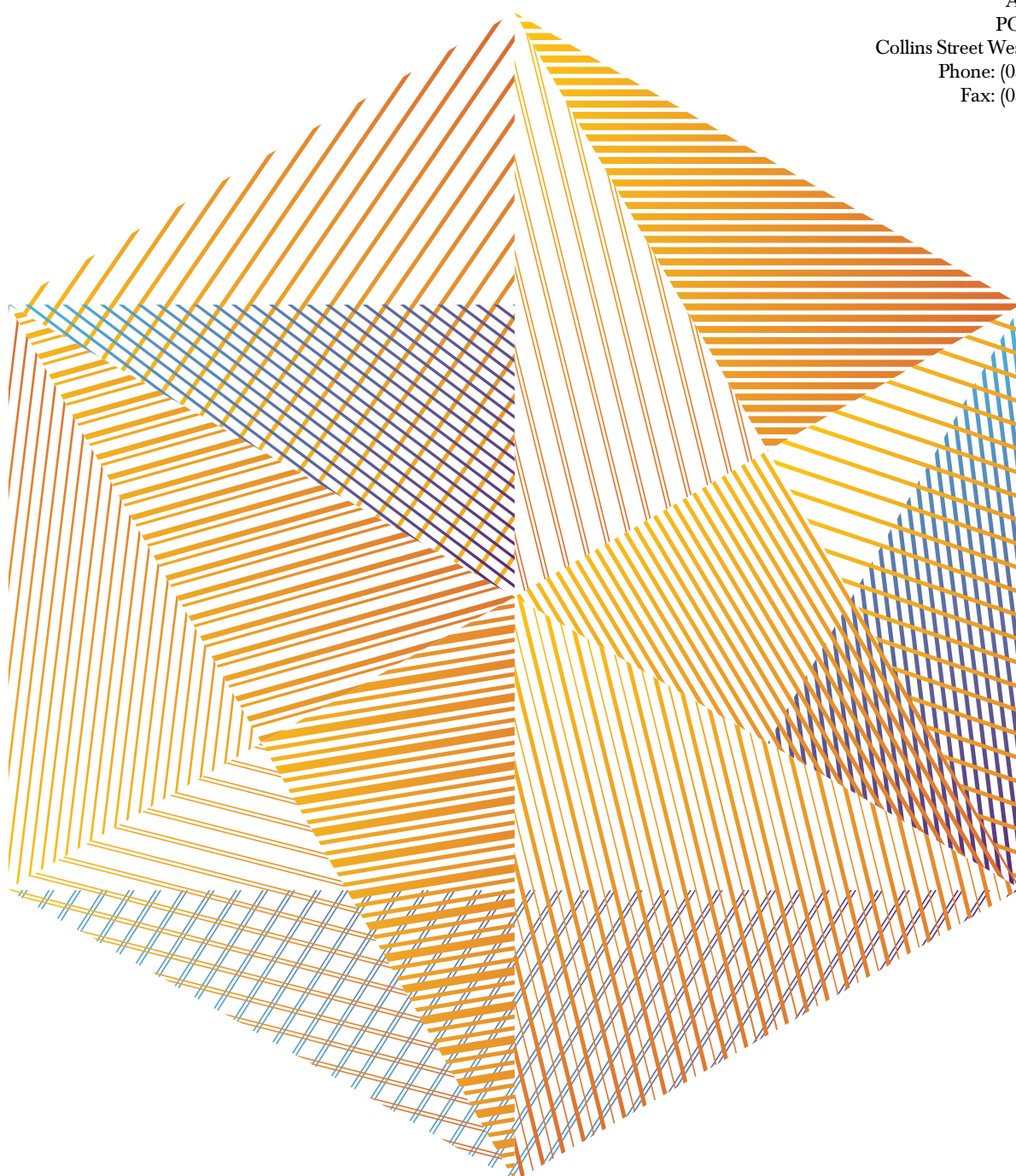
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IMPORTANT NOTES

This Product Disclosure Statement (PDS) is dated 25 September 2017 and is a summary of significant information relating to the Powerwrap Pension Account (referred to in this PDS as the “Powerwrap Pension Account” or “Pension Account”), established under the Powerwrap Master Plan (ABN 82 890 650 204, RSE R1073560) (“Plan”).

The Trustee of the Plan and issuer of this PDS is Diversa Trustees Limited (ABN 49 006 421 638, AFSL 235153, RSE Licence No. L0000635) (“Trustee”).

Key service providers to the Powerwrap Pension Account include:

- Powerwrap Limited (ABN 67 129 756 850, AFSL 329829) is the Investment Administrator and Promoter. As Investment Administrator, Powerwrap Limited provides a comprehensive, sophisticated and flexible investment platform through which the Plan’s investments are made. The Plan’s investments are made via the Powerwrap Investment Account, a registered Managed Investment Scheme (“Scheme”) of which Powerwrap Limited is the Responsible Entity. Powerwrap Limited also provides investment consulting services to the Plan.
- DIY Master Proprietary Limited (ABN 41 123 035 245, AFSL 312431) is the Member Administrator.

For further information about the Plan, including its service providers, distribution arrangements and investment structure, go to www.powerwrap.com.au. For information on the Fund’s Trustee and any other information that must be disclosed in respect of the Fund and made available on the Fund’s website under superannuation law, go to <http://powerwrap.com.au/resources/powerwrap-documents>.

You can only invest in the Powerwrap Pension Account if you are advised by a Financial Adviser so that you can receive financial advice for each investment you are considering. Your Financial Adviser will be authorised by you to provide your instructions to the Trustee and to access your Cash Account (on a limited access basis). The role of your Financial Adviser is explained in more detail later in this PDS.

The provisions of ASIC Class Order 14/1252 (as amended by the ASIC Corporations (Amendment) Instrument 2016/1224 and the ASIC Corporations (Amendment and Repeal) Instrument 2015/876) applies to this Product Disclosure Statement.

You should read this PDS carefully. The information contained in this PDS is general information only and does not take into account your personal objectives, financial situation and/or needs. Pensions are complex products. This PDS provides a summary only of the standards applicable to pensions (including payment of benefits from pension accounts) in superannuation legislation. These more detailed standards must be adhered to (where applicable to your pension) notwithstanding any information in this PDS.

Before you make an investment decision it is recommended you obtain professional financial advice from your Financial Adviser tailored to your personal circumstances.

This PDS does not constitute a recommendation by the Trustee to join the Plan. This PDS can only be used by persons receiving it (electronically or otherwise) in Australia and applications from persons outside Australia will not be accepted.

Unless otherwise stated, all amounts in this PDS are quoted in Australian dollars and all fees are stated inclusive of GST, less any reduced input tax credits (RITC), if applicable.

All references to time are to Australian Eastern Standard Time (AEST) or Australian Eastern Daylight Time (AEDT) in Melbourne Victoria, as the case may be depending on the time of the year.

Updated information

Information in this PDS (or incorporated into this PDS) can change from time to time. If the change is not materially adverse it may be updated on the Powerwrap website at www.powerwrap.com.au. You may also request a free paper copy of any updated information by contacting the Promoter or your Financial Adviser.

Documents incorporated into this PDS

Incorporated by reference into this PDS is the Powerwrap Superannuation and Pension Approved Products List (as amended from time to time). The Powerwrap Superannuation and Pension Approved Products List contains information about the investments that are available for selection to construct the investment strategy for your Pension Account. You can obtain a copy of the Powerwrap Superannuation and Pension Approved Products List free of charge by:

- requesting a copy from your Financial Adviser
- visiting the Powerwrap website www.powerwrap.com.au.

INVESTING IN A PENSION ACCOUNT

The Powerwrap Pension Account allows you to convert your superannuation savings into a flexible income stream.

It provides a wide range of investment options for you to choose from in consultation with your Financial Adviser including Managed Funds, exchange-traded funds, Australian & International Listed Securities, term deposits and Model Portfolios.

A key benefit is that it brings all your investments together in one investment portfolio online. This allows you and your Financial Adviser to keep track of and manage your investments, transact on your Pension Account, and know how your investments are performing with consolidated portfolio reporting.

You can choose from three types of Pension Accounts:

- a **Transition to Retirement Pension**, designed to provide you with a regular income where you have reached your preservation age (see below) but wish to continue to work;
- a standard **Account Based Pension (“Superannuation Pension”)**, designed to provide a regular income where you have retired from the workforce after reaching your preservation age or have met a condition of release (see below); or
- if you already have a Term Allocated Pension in another superannuation product or fund, a **Term Allocated Pension**, which provides you with the ability to choose the term you wish to receive your benefits (This option is only available for rollovers of existing Term Allocated Pensions into the Plan.)

Eligibility

To start a **Transition to Retirement Pension** you must be at or over your preservation age. Your preservation age is based on your date of birth as follows:

Date of birth	Preservation age
Before 1 July 1960	55
From 1 July 1960 to 30 June 1961	56
From 1 July 1961 to 30 June 1962	57
From 1 July 1962 to 30 June 1963	58
From 1 July 1963 to 30 June 1964	59
On or after 1 July 1964	60

To start a **Superannuation Pension**, you must be at or over your preservation age **and** have satisfied a condition of release, which generally includes where you:

- reach your preservation age that is less than 60 and cease employment, and the Trustee is reasonably satisfied that you do not intend ever again to become gainfully employed
- reach age 60 and cease employment and either of the following applies:
 - you attain age 60 on or before the ending of employment, or
 - the Trustee is reasonably satisfied that you do not intend ever again to become gainfully employed
- reach age 65.
- suffer from permanent incapacity.

To start a **Term Allocated Pension** in the Plan you must have an existing Term Allocated Pension in another superannuation product.

** Note: Residents who hold temporary visas (except visas under subclasses 405 and 410) are subject to more restrictive conditions of release which mean (in most cases) that they cannot commence a pension. Speak with your Financial Adviser for further information.*



Starting a Pension Account

There are various ways you can start a Pension Account.

You can begin your Powerwrap Pension Account by making a contribution, rolling over money you hold in a Powerwrap Superannuation Account, or by rolling over money from another Superannuation or Pension Account you have with another superannuation provider. The minimum investment is \$50,000. Simply complete the Application Form accompanying this PDS.

If you have an existing Powerwrap Superannuation Account, all amounts intended for the purchase of the pension that are received will be held in your existing Powerwrap Superannuation Account. Once all moneys identified in your Application Form accompanying this PDS have been received into your super account, the amount will be rolled over from that account into your Powerwrap Pension Account to commence the pension.

If you do not have an existing Powerwrap Superannuation Account, and you wish to make a contribution as part of your initial pension purchase price and/or wish to rollover amounts from another Superannuation or Pension Account(s) you have with other superannuation providers, we will place those amounts into a superannuation holding account in your name until such time as all amounts intended for the purchase of the pension are received. This holding account does not accumulate any interest or investment earnings and no fees are levied. Your funds will only be held in this account for a maximum of 90 days. After 90 days, all amounts in the account will be rolled across to commence your new Powerwrap Pension Account. If you do not wish to proceed with commencing your new Powerwrap Pension Account, you can only transfer these amounts to another complying superannuation fund or will have to satisfy a condition of release before these funds can be released to you.

In addition to the above, special conditions apply when starting a Pension Account which is a Term Allocated Pension (see below).

No additional investments

You cannot make further contributions to your Pension Account once it has started, so you may wish to consolidate your various superannuation balances (including external account balances) (as outlined above) before you start a Pension Account.

Alternatively, you may start more than one Pension Account.

Pension Cap

The Government has passed legislative amendments, effective from 1 July 2017, to impose a cap of \$1.6 million (indexed in line with the Consumer Price Index) on the total amount of accumulated superannuation an individual can transfer into the pension phase (across all accounts from all providers). Any existing amounts in excess of the cap will need to be withdrawn or transferred back into the accumulation phase. For more information, go to www.ato.gov.au.

Starting a Term Allocated Pension Account - Important Information

Specified term

A Term Allocated Pension must have a specified term. The term of the pension is the number of years that your pension will be paid. In the case of a Term Allocated Pension it is based on your life expectancy or age at the time you purchase the pension, with an ability to extend the timeframe if you nominate your spouse (which may include a de facto spouse of the same or opposite sex) as a reversionary beneficiary (and your spouse is younger than you).

You may choose the term for your Term Allocated Pension (in complete years) from the options described below:

- your life expectancy on the commencement date of the pension
- your life expectancy as if you were up to 5 years younger on the commencement date of the pension
- a period that is not less than your life expectancy on the commencement date of the pension and not more than the greater of:
 - your life expectancy as if you were up to 5 years younger on the commencement date of the pension; and
 - the period of years that is the difference between age 100 and your age on the commencement date of the pension
- your reversionary beneficiary's (that is, your spouse's) life expectancy on the commencement date of the pension
- your reversionary beneficiary's (that is, your spouse's) life expectancy as though he or she were up to five years younger on the commencement date of the pension. This will extend the length of the term of your pension but will obviously reduce the amount of each of your pension payments
- a period that is not less than your reversionary beneficiary's (that is, your spouse's) life expectancy on the commencement date of the pension and not more than the greater of:
 - your spouse's life expectancy as though he or she were up to five years younger on the commencement date of the pension; and
 - the period of years that is the difference between age 100 and your spouse's age on the commencement date of the pension.



Importantly, once your Term Allocated Pension has commenced, you cannot change the term of your pension. To determine the appropriate term applicable to your circumstances and the implications of this decision, you should speak to your Financial Adviser.

The calculation of the term (and annual income payments) for a Term Allocated Pension is based on life expectancy factors in a Life Expectancy table issued by the government. The Life Expectancy table is available by contacting your Financial Adviser.

The role of your licensed Financial Adviser

You can only invest in the Pension Account through a licensed or authorised Financial Adviser ("Financial Adviser"). Your Financial Adviser is integral to the operation and maintenance of your Pension Account and investment portfolio, and can help you:

- understand your financial position
- identify your goals and financial issues
- make more informed decisions about your investments, and
- choose an investment strategy and underlying investments that best suit you.

To determine which income stream and retirement benefit strategy is best suited to your circumstances, please speak to your Financial Adviser. Pensions, in particular, Term Allocated Pensions, are complex and should be considered in light of all your personal circumstances having regard to your any taxation and social security considerations applicable to your circumstances.

Many of the investment options available through your Pension Account will have a Product Disclosure Statement (or similar disclosure document) that describes a financial product or other investment, including the features, benefits, cost and risks associated with that product or investment. Your Financial Adviser will give you and you must read a copy of this documentation for each underlying product or investment you may be considering. This documentation is also available at www.powerwrap.com.au. Refer to page 16 of this PDS for further information about additional disclosures about available investments.

Prior to selecting investment options you should consult your Financial Adviser and consider all relevant information including risks, fees and costs of any investments you may be considering and the benefits of diversification. You should also consider what style of portfolio would suit your objectives, financial situation and needs taking into account the volatility and return profile of underlying investments.

Providing instructions to us through your Financial Adviser

By completing the Application Form, you agree to appoint your Financial Adviser as your agent for the purposes of operating your Pension Account, and providing instructions in relation to your Pension Account to the Trustee (or service providers appointed by the Trustee). You further authorise your Financial Adviser to have access to your Pension Account details and to transact on your Pension Account. This means that the Trustee and its service providers can accept and act on such instructions given by your Financial Adviser without requiring your signature, additional proof, instructions or further confirmation from you.

The transactions for which this authority applies are:

- Investment of the pension purchase amount;
- Switching between investment strategies/underlying investment holdings in the Plan including purchasing and selling investments;
- Starting, changing or stopping a regular investment amount;
- Changing a regular withdrawal amount (subject to superannuation legislation);
- Starting, stopping or changing a regular withdrawal amount (subject to superannuation legislation, including minimum pension payment requirements);
- Changing the weightings of securities held; and
- Making elections on dividend or distribution re-investment and other corporate action events where applicable.



Your Financial Adviser may also, on your behalf, select a broker for your account to enable trade transactions and to facilitate the payment of any associated fees and brokerage charges from your Cash Account.

Also, your Financial Adviser may more actively assist with the management of your investment portfolio, based on Model Portfolios constructed and managed by professional portfolio managers, using investments shown in the Powerwrap Superannuation and Pension Approved Product List. A Model Portfolio provides a framework (or strategy) for the purchase and sale of underlying investments in your investment portfolio in the Plan. For a list of the Model Portfolios that may be used in connection with your investments in the Plan, refer to the Powerwrap Superannuation and Pension Approved Product List, and the Scheme's Product Disclosure Statement.

We are entitled to rely on the instructions of your Financial Adviser as if they were your instructions, unless there is reason to believe that the person providing the instructions is not your Financial Adviser. However, please note that we require direct instructions from you to change your contact details, rollover your Account or to make a commutation.

We will continue to act upon any instructions from your Financial Adviser until we receive written cancellation of the appointment. In the event you cancel the appointment of your Financial Adviser, unless you appoint another Financial Adviser, we may be asked to transfer your benefit to another complying superannuation fund. If you fail to comply with that request within 30 days of it being dated, the Trustee may transfer your benefit to the Plan's nominated Eligible Rollover Fund.

You and your Financial Adviser release, discharge, and indemnify the Trustee and all of the Trustee's successors, assigns and service providers from and against all losses, actions, liabilities, claims, demands, and proceedings arising from your appointment of a Financial Adviser and all acts, matters and things done or purported to be done by a Financial Adviser even if not actually authorised by you and neither you nor any person claiming through you will have any claim or right against the Trustee or any of the Trustee's successors, assigns and service providers in relation to any act, matter or thing done or purported to be done by your Financial Adviser or any person purporting to be your Financial Adviser provided that Trustee or its service providers have no reasonable reason to believe that the person purporting to be your Financial Adviser is not your Financial Adviser.

Refer to the Application Form accompanying this PDS for further information about the terms and conditions applicable to your appointment of a Financial Adviser.

Your Financial Adviser receives Adviser Fees relating to the performance of his/her role. Fees and costs charged by Model Portfolio managers are classified as Investment Fees but with your consent, may be payable to your Financial Adviser, the AFS Licensee of your Financial Adviser or a related entity, for Model Manager services provided. The Model Portfolio Manager fees are in addition to the investment costs that may apply to investments held in the Model Portfolios and must be disclosed to you by your Financial Adviser. Further information about the fees and costs payable to your Financial Adviser, and Model Portfolio managers, is provided in the "Fees and Other Costs" section of this PDS.

Cooling-off

If after starting a Pension Account you change your mind, you may write to the Member Administrator or Trustee and request cancellation of your application. The request must be received within 14 days from the earlier of:

- the time you receive written confirmation of the opening of your Pension Account, and
- 5 days after the opening of your Pension Account.

The amount refunded will be adjusted to take account of any increases or decreases in the value of the investments you may have selected, any tax payable and any reasonable administration expenses. Any refunds are subject to preservation rules and payment standards (including commutation restrictions applicable to Term Allocated Pensions) in relevant legislation.

You cannot exercise your cooling-off rights if you make any transaction on your Pension Account or exercise any other rights in relation to your Pension Account.

If you wish to close your Pension Account at any time, you should contact your Financial Adviser.

PAYMENT OF BENEFITS

Income payments - Transition to Retirement Pension and Superannuation Pension

The Federal Government sets minimum payment amounts for how much income you can receive each year from your Pension Account, based on your age. With:

- a **Transition to Retirement Pension**, you can choose any amount between the minimum payment amount for your age (see table below) and 10% of your Pension Account balance, and
- a **Superannuation Pension**, you can choose any amount (up to your Pension Account balance) above the minimum payment amount for your age (see table below).

Your minimum payment amount is calculated by multiplying the total of your Pension Account balance as at 1 July each year by the minimum payment percentage for your age as listed below (if you start a Pension Account after this date, the minimum payment amount is pro-rated for the days remaining in the financial year):

Age	Minimum payment amount (% of Pension Account balance as at 1 July)
Under 65	4
65 to 74	5
75 to 79	6
80 to 84	7
85 to 89	9
90 to 94	11*
95 and above	14*

* For the Transition to Retirement Pension, the maximum pension payment is 10%.

You must receive at least one pension payment each financial year (however, if you open a Pension Account after 31 May you can delay the start of your payments until the following financial year). You can choose to receive income payments monthly, quarterly, six-monthly or annually. Payments are made directly to your chosen bank account and paid on the 15th day of the month (if the 15th day falls on a weekend or public holiday, your payment will be processed earlier so that is accessible by the 15th).

You can change the payment frequency and the value of each income payment at any time by contacting your Financial Adviser, as long as the total yearly payment is within the Federal Government's set limits.

Any variation in your regular pension payment will be presumed to be an irregular pension payment unless you otherwise elect. Different taxation consequences may apply depending on whether your payment is a pension payment or a partial commutation.

On 1 July each year, your minimum payment amount is recalculated after all your payments for the past financial year have been deducted and investment earnings applied. The Member Administrator will notify you of your new minimum payment amount. You can then choose to adjust the amount of your payments or do nothing.

Income payments - Term Allocated Pension

Pension payments from the Plan's Term Allocated Pension must satisfy the following rules:

- payments are an amount, which must be paid to you at least annually (but can also be paid to you monthly, quarterly or semi-annually). A rollover of monies from your account to another superannuation fund or product does not count when assessing whether the minimum pension payment requirement has been met;
- your annual payment is calculated according to a schedule of payment factors (This table is available by contacting the Member Administrator). The pension payment is calculated by dividing your account balance on 1 July each year (or on the pension commencement date) by the payment factor for the remaining term of your pension (rounded up or down in accordance with legislative requirements). You can choose an income amount between 90% and 110% of this calculated amount. From time to time, the income amount allowed by law may change. For more information about this please contact the Member Administrator.

Term Allocated Pension payments are also subject to the prescribed annual minimum amount applicable to Transition to Retirement and Superannuation Pensions (see above).



By the end of the term of your pension there should be no money left in your account. In order to achieve this, your annual pension payment is calculated on 1 July each year based on the balance of your investment and the remaining term.

Payments are made by withdrawing units (where applicable) from an investment portfolio up to the value of your payment request. If you do not nominate a particular portfolio or during the year the balance of the portfolio you have nominated is insufficient to make the payment as you have instructed, the payment will be made from a portfolio selected by the Trustee.

Changing the amount paid

You cannot select to change the amount paid to you through a Term Allocated Pension, except where permitted by relevant regulations, having regard to set limits (mentioned above). The amount paid is calculated based on your account balance and the relevant payment factor on 1 July each year.

The amount of your Term Allocated Pension payment will not change during that financial year. Investment earnings during that year will be accounted for when your Term Allocated Pension payment is recalculated at the next 1 July.

If you do not ask us to alter your annual pension amount (where permissible), then your payment will be the same as for the previous financial year, unless we have to adjust your payment to remain within your income range for that year.

It is important to note that the Plan's Pension products may not provide you with a pension for the rest of your life. The duration of your pension payments depends on a number of factors including the amount invested.

Commutations

You cannot make commutations (i.e. lump sum cash withdrawals) from a Transition to Retirement Pension or Term Allocation Pension (except in very limited circumstances).

With a Superannuation Pension, you can make partial or full commutations at any time (if you make a full commutation, your Pension Account will be closed). However, before making a commutation a payment of at least a pro-rata portion of the minimum annual payment must be made in the financial year in which the commutation is to occur.*

Please note, partial or full commutations (particularly where you are under age 60) may lead to taxation events (see "Taxation").

For Transition to Retirement Pensions and Term Allocated Pensions, the limited circumstances in which you may be able to access your benefits other than when your pension payments are made include:

- to give effect to a payment split under family law; or
- to purchase another complying income stream; or
- upon your death, or where you have selected the reversionary option for your Term Allocated Pension, upon the death of both yourself **and** your reversionary pension beneficiary.

Closing your account

Although commutations may be limited in some circumstances, you may close your Pension Account by transferring your benefit to another superannuation product or fund. The circumstances in which you are able to close a Term Allocated Pension include:

- within 6 months of the pension commencing (provided that it was not funded from the commutation of another complying income stream); or
- to purchase another complying income stream.

** This requirement does not apply to a commutation resulting from the death of the member or reversionary beneficiary. Nor does it apply to a payment split under Family Law provisions.*

Death benefits

When you start a Pension Account, you need to choose what happens should you die before your benefit is paid out in full. You have two options to choose from, and if you are uncertain of which to choose, you should speak with your Financial Adviser.

Regardless of the type of nomination you choose, your death benefit can (usually) only be paid to:

- one or more of your dependants, and/or
- your legal personal representative.

If you are transferring a Term Allocated Pension from another superannuation product or fund to the Plan, you should consider the taxation and social security implications of such a transfer where you have previously based the term of your Term Allocated Pension on your spouse's life expectancy.

A "dependant", includes:

- your **spouse**, which may include a person legally married to you or another person (whether the same or opposite sex) with whom you are in a relationship that is registered under a State or Territory law, or another person (whether the same or opposite sex) who, although not legally married to you, lives with you on a genuine domestic basis in a relationship as a couple, or
- your **child**, which includes an adopted child, a stepchild or an ex-nuptial child, a child of your spouse, or someone who is a child under the Family Law Act, or
- any person who you have an **interdependency relationship** with, defined as a relationship between two people where they have a close personal relationship, they live together, one or both of them provides the other with financial support, and one of them provides the other with domestic support and personal care (two people with a close personal relationship who do not meet the above criteria because one or both suffers from a physical, intellectual, or psychiatric disability can still be considered to have an interdependency relationship), or
- a person who is wholly or partially financially dependent on you.

Option 1: Reversionary beneficiary option – pension payments

You can nominate a reversionary beneficiary to whom your pension payments will revert on your death. The reversionary beneficiary must be a dependant at the date of your death. In addition, your child can only be a reversionary beneficiary if they are (at the date of your death):

- under the age of 18, or
- aged 18 to 25 and financially dependent on you, or
- suffering from a prescribed disability.

If your reversionary beneficiary is a child under the age of 18 at the date of your death, they can only receive your pension as an income stream until they turn 25, at which point the remaining pension must be converted into a lump sum benefit (unless they suffer from a disability).

You can nominate one reversionary beneficiary. If you want to change your reversionary beneficiary after a pension has commenced, this is allowable, however members should obtain independent tax advice before proceeding. For Term Allocated Pensions, no changes can be made to a reversionary beneficiary once the pension has commenced.

The pension amounts that your reversionary beneficiary is entitled to are calculated in accordance with superannuation law. The following conditions apply:

- your nominated reversionary beneficiary will have the option to convert the pension to a lump sum at any time, and
- if your nominated reversionary beneficiary dies before the pension is paid out in full, the balance may be paid to their estate if permitted under superannuation law.

A valid reversionary beneficiary nomination is binding on the Trustee.

For Term Allocated Pensions, nomination of your spouse as a reversionary beneficiary may affect the term of your pension and amount of pension payments. Nomination of a reversionary beneficiary for a Term Allocated Pension should be considered having regard to social security and taxation considerations applicable to your personal circumstances.

Option 2: Lump sum option

You can make two types of nomination regarding the payment of your benefit in the event of your death. These are:

- non-binding death benefit nomination, or
- binding death benefit nomination.

Regardless of the type of nomination you choose, your death benefit can only be paid to one or more of your dependants, and/or your legal personal representative.

Non-binding death benefit nomination

If you make a non-binding death benefit nomination, the Trustee will take it into account when deciding who to pay your death benefit to. However, your nomination is a guide only and the Trustee has complete discretion in deciding who should receive your death benefit and in what proportions.

Binding death benefit nomination

If you make a binding death nomination the Trustee will pay your benefit according to your nomination as long as the nomination is valid at the time of your death. To make a valid binding nomination:

- you must nominate either a dependant or dependants (as defined) or your legal personal representative
- you must ensure you allocate all your super. If the percentages do not add up to 100%, your nomination will be invalid
- your nomination must be in writing
- your nomination must be signed and dated, in the presence of two witnesses, being persons:
 - each of who has turned 18 years old, and
 - neither of whom is mentioned in the nomination, and
- your nomination must contain a declaration signed and dated by the witnesses stating that the nomination was signed by you in their presence.

Binding nominations have a fixed term of three years and override any nomination you have made previously. The Trustee must follow a valid binding death nomination even if your circumstances change between the date of the binding nomination and the time of your death. You must confirm or amend your notice at least every three years in order for it to be valid. You may revoke your binding nomination at any time.

The Trustee does not accept binding nominations made on behalf of a member under a Power of Attorney.

Social Security and Veterans' Affairs

Your Pension investment may be considered an asset for social security and Veterans' Affairs benefit purposes. Any income received from your Pension Account may be assessed against the income test for social and Veterans' Affairs Purposes. We recommend you seek further advice from your Financial Adviser based on your own personal situation and circumstances. More information on the income and asset tests and how these are applied for social security and Veterans' Affairs purposes can also be obtained from the Department of Social Services' website at www.humanservices.gov.au.

For more information about Centrelink's income test and the assets test, go to Centrelink's website, www.centrelink.gov.au. You can also request to speak with a "Financial Information Service Officer" (FIS Officers) who provide information to people over the telephone. To speak to a FIS Officer, you can telephone 13 2300.

HOW WE INVEST YOUR MONEY

Flexible Investment choices

In consultation with your Financial Adviser, you can choose to invest your super in a wide range of investment options including:

- Top 500 Securities listed on the Australian Securities Exchange;
- International Listed Securities from approved Exchanges;
- Exchange Traded Funds;
- Exchange Traded Commodities;
- Hybrid Securities;
- Listed property trusts;
- Unlisted property trusts which individually exceed \$50 million in value;
- Managed funds registered by ASIC;
- Hedge funds registered by ASIC;
- IDPS like schemes approved by ASIC;
- Deposits lodged with an Australian Deposit-Taking Institution;
- Cash management accounts;
- Cash management trusts.
- Model portfolios.

For Managed Funds, the objective of this investment option is to provide members with a combination of income and growth assets over the longer term which can be accessed through Managed funds registered by ASIC.

For the investment in IDPS like schemes approved by ASIC: the objective of the investment option and the risk profile will be determined by the member's choice of the IDPS underlying investments approved by the Trustee for investment by Plan members.

For the investment in the Scheme: the objective of this strategy and the risk profile will be determined by the member's choice of the Scheme's underlying investments approved by the Trustee for investment by Plan members.

For all securities listed within the All Ords Index and securities such as Exchange Traded Funds (ETF), Exchange Traded Commodities (ETC), Hybrid Securities, Bonds and Listed Investment Companies, the objective of this investment option is to provide members with a combination of income and growth over the longer term which can be accessed through assets on the Australian Securities Exchange.

For International Listed Securities from approved Exchanges, the objective of this investment option is to provide investors with growth in the value of their investment over rolling five year periods through exposure to securities that are listed on the Trustee approved Exchanges. Investments in this strategy will suit investors who accept a high level of risk and the possibility of negative returns in any year.

For Term Deposits with Authorised Deposit-taking Institutions (ADIs) which are corporations which are authorised under the Banking Act 1959, the objective of this investment option is to provide members with a secure income over a selected term. ADIs include banks, building societies and credit unions.

The risk profile of the various asset classes that can be invested in through the various investment options available are broadly as follows:

Asset Class	Investment option classification	Standard Risk Measure (SRM) / risk profile
Cash	Cash	1 – Very low
Term deposits	Term deposits	1 – Very low
Fixed interest	Australian fixed interest – core	3 – Low to medium
	Australian mortgage backed	3 – Low to medium
	Global bonds – core	4 – Medium
	Global bonds – income	3 – Low to medium
	Global bonds – inflation linked	5 – Medium to high

Real assets	Infrastructure – global	6 – High
	Real estate – listed – Australian	7 – Very high
	Real estate – listed – global	6 – High
	Real estate – diversified – Australian and global	5 – Medium to high
Alternatives	Hedge funds – multi-strategy and trading strategies	5 – Medium to high
	Hedge funds – global macro / managed futures	5 – Medium to high
	Alternatives – diversified	6 – High
Australian shares	Australian equity	6 – High
	Australian equity – small cap	6 – High
	Australian equity – geared	7 – Very high
Global shares	Global equity – unhedged	6 – High
	Global equity – hedged	6 – High
	Global equity – small cap	6 – High
	Global regional equity – Asian and emerging markets	7 – Very high
	Global regional equity – developed market	6 – High
	Global sector specific equity (unhedged)	7 – Very high
Diversified	All growth	6 – High
	(100% growth assets)	
	Multi-asset – high growth	6 – High
	(80%-100% growth assets)	
	Multi-asset – balanced growth	5 – Medium to high
	(60%-80% growth assets)	
	Multi-asset – moderate	4 – Medium
	(40%-60% growth assets)	
Listed securities	Australian securities	7 – Very high
	Interest rate securities	5 – Medium to high
	International securities	7 – Very high

The investment information outlined above is designed to provide you with a general outline of the different types of investments available and the broad investment objectives and risk levels typically associated with those types of investments.

However, it is important to note that the information above is general information only and does not reflect the investment objectives and risk levels of any particular investment or mix of investments. Before deciding on which investment or mix of investments to choose, you must consider the product disclosure statement and/or any other disclosure information available in relation to the particular investment as it will provide more specific information in relation to that particular investment. These product disclosure documents are available from your Financial Adviser. You should also seek personal financial advice from your Financial Adviser to ensure that any investments are made only after consideration is given to your personal objectives, financial situation and needs.

The investment options available to you on the Approved Products List do not take into account your own investment objectives, needs or financial situation. You need to seek professional advice on these issues so the strategy you implement and investments you choose are appropriate for your circumstances. This might depend on a range of factors including your age, years to retirement, non-superannuation investments and attitude to risk.

The Trustee retains the right to make changes to the investment options available at any time, and to add additional investment options or discontinue any investment options.

Constructing your investment portfolio

Subject to any applicable investment limits (see below), your portfolio may include shares and other ASX top 500 listed securities, listed property trusts, unlisted property trusts which individually exceed \$50 million in value, managed funds (including hedge funds) registered by ASIC, bank or other deposit taking institution deposits, cash management trusts, pooled superannuation trusts, listed investment companies and a range of other investments, as approved by the Trustee in consultation with the Investment Administrator and published in the Powerwrap Superannuation and Pension Approved Products List. Consequently, it is important that you consult your Financial Adviser before making any investment decisions.

Investments for your Powerwrap Pension Account are made via the Powerwrap Investment Account, a registered Managed Investment Scheme ("Scheme") of which Powerwrap Limited is the Responsible Entity. Assets held inside the Scheme will be beneficially held.

The primary provider of the Cash Account will be Australia and New Zealand Banking Group Limited, ABN 11 005 357 522 (ANZ). The Responsible Entity will not withdraw any amount from this account except at your direction, where necessary to meet your minimum Cash Account requirements or as directed by a regulatory body or court order and as agreed with you under the terms of the Product Disclosure Statement.

The interest rate you receive on cash balances is net of any fees paid to the Responsible Entity for the administration of your Cash Account. The Responsible Entity sets, from time to time, the rate of interest payable in respect of your Cash Holdings and this is generally 0.50% less than RBA Cash Rate. The interest rate payable will be disclosed in the Approved Products List associated with the Product Disclosure Statement

Before choosing specific investment options, it is important that you discuss your investment objectives and risk profile with your Financial Adviser who will be able to guide you in the selection of investment choices that are appropriate for your own circumstances. When you first join, your money will be invested in your Cash Account until investment instructions are received.

Your Financial Adviser may also assist with more active management of your investment portfolio in the Plan, based on a Model Portfolio constructed and managed by a professional manager as shown in the Powerwrap Superannuation and Pension Approved Products List. A Model Portfolio is a notional 'model' portfolio of assets (such as ASX-Listed Securities and Managed Funds) managed in accordance with specified investment objectives, investment strategies (including authorised investments) and asset allocation guidelines, as described in the Scheme's Product Disclosure Statement. Models will differ in the levels of risk and return, and each model will have a different investment emphasis (such as ASX Top 20, Australian Shares, Property Securities, etc). The Model Portfolio determines the investments held in your Pension Account, however the only assets that can be included in a Model Portfolio are investments on the Powerwrap Superannuation and Pension Approved Products List (subject to any holding limits). A Model Portfolio can offer many advantages over Managed Funds including lower costs, greater tax efficiency and better transparency of your share holdings. You can blend multiple Model Portfolios to tailor the composition of your Model Portfolio to suit your personal circumstances. If changes are made to the Model Portfolio in which you invest, your portfolio will also be updated to reflect these changes at the next dealing point so that your portfolio mirrors, as closely as possible, the revised Model Portfolio. For more information about the Model Portfolios which your Financial Adviser may use in the provision of services relating to your investments, refer to the Powerwrap Superannuation and Pension Approved Products List and the Scheme's Product Disclosure Statement.

By choosing a Model Portfolio you instruct us to buy and sell on your behalf the underlying financial products that make up that Model Portfolio as advised by the Model Portfolio manager. Your Financial Adviser will provide you with additional disclosure information for any underlying investment (including underlying investments of Model Portfolios) which will include fees and costs information which you may be considering (where applicable) and research information on specific investment opportunities you may wish to include in your portfolio.

Once you have, with your Financial Adviser, developed an investment strategy that reflects your objectives and risk profile, you can select specific underlying investments and/or Model Portfolios from the Powerwrap Superannuation and Pension Approved Products List to implement that investment strategy (in particular, in terms of the allocation to growth or income assets, and among investment sectors). This does not mean that you own or have rights to the portfolio of underlying investments selected, but it does mean your investment returns, after taking into account fees, costs and taxes, will reflect as far as practicable the performance of your portfolio.

Buying, selling and switching investments

You can change your investment options at any time. There is generally no minimum amount for investments (however, some Managed Funds and Model Portfolios may impose minimum restrictions – speak with your Financial Adviser). When placing investment instructions, you must ensure your Cash Account holds sufficient cash above the minimum balance to enable the transaction to settle.

Managed Funds

You can choose from a wide range of Managed Funds offered by Australian and international Fund Managers.

The allocation (acquisition) and redemption of Managed Funds may depend on unit pricing or other processing arrangements applicable to specific funds. For example, investments in Managed Funds which are priced monthly may result in a delay in applications and redemptions until the next unit price is struck. For more detailed information about the unit pricing or other processing arrangements applicable to Managed Funds, refer to the relevant Product Disclosure Statement for the managed fund or contact your Financial Adviser or the Investment Administrator. Refer to the Powerwrap Superannuation and Pension Approved Products List for applicable holding limits.

Switches or withdrawal transactions will be processed after the redemption of the underlying investments and based on the actual realised earnings (less relevant fees, costs and taxes) as soon as possible after the date the Investment Administrator receives the completed documentation. All trades are settled via your Cash Account

Listed Securities

You can choose from a wide range of ASX-Listed Securities including:

- Listed Securities forming part of the All Ords Index (these are the top 500 companies listed on the ASX by market capitalisation)
- Listed Investment Companies (LICs)
- Exchange Traded Securities, including Exchange Traded Funds (ETFs) and Exchange Traded Commodities (ETCs)
- Hybrid Securities and Listed Debt Securities; and
- International Listed Securities from approved Exchanges.

Trades are normally placed with a stockbroker shortly after your Financial Adviser provides instructions. When the trade is placed, a limit on the price may be set, or the market price may be accepted. Trades can be executed quickly, however, it may take some time (particularly where you specify a buy or sell price). If your trade cannot be immediately executed, your Financial Adviser has full discretion in deciding for how long your instructions will remain valid. Refer to the Powerwrap Superannuation and Pension Approved Products List for applicable holding limits.

International Listed Securities

You can choose from a range of international listed securities from approved exchanges, as outlined in the Powerwrap Super and Pension Account Approved Products List.

For international listed securities, funds will first be converted into the relevant currency and then the trades will be placed. When the trade is placed, a limit on the price may be set, or the market price may be accepted. Trades can be executed quickly, however, it may take some time (particularly where you specify a buy or sell price). If your trade cannot be immediately executed, your Financial Adviser has full discretion in deciding for how long your instructions will remain valid. Refer to the Powerwrap Super and Pension Approved Products List for applicable holding limits.

Term deposits

You can choose from a range of Term Deposits held with Authorised Deposit-Taking Institutions. Generally, transaction instructions received by the Investment Administrator will be purchased the same day, or the next business day in accordance with the cut off times of the Investment Administrator. For more detailed information about the processing arrangements applicable to Term Deposits contact your Financial Adviser or the Investment Administrator. The interest rate you earn will depend on the length of the investment term chosen (and in some cases where “wholesale” interest rates are available, on the amount you invest). The interest rate applicable to a Term Deposit is the prevailing rate on the day the Term Deposit is opened. Refer to the Powerwrap Superannuation and Pension Approved Products List for applicable holding limits.



Model Portfolios

You can choose to invest in a professionally constructed and managed “model” portfolio of assets (such as ASX-Listed Securities and Managed Funds) via a Model Portfolio. The only assets that can be included in a Model Portfolio are investments on the Powerwrap Superannuation and Pension Approved Products List. A Model Portfolio can offer many advantages over Managed Funds including lower brokerage costs, lower investment management fees, greater tax efficiency and greater transparency of your share holdings. With a Model Portfolio, a professional manager constructs a “model” portfolio of assets you invest in. Models will differ in the levels of risk and return, and each model will have a different investment emphasis (such as ASX Top 20, Australian Shares, Property Securities, etc). You can blend multiple Model Portfolios to tailor the composition of your portfolio to suit your personal circumstances. If changes are made to the Model Portfolio in which you invest, your portfolio will also be updated to reflect these changes at the next dealing point so that your portfolio mirrors, as closely as possible, the revised Model Portfolio. By choosing a Model Portfolio you instruct us to buy and sell on your behalf the underlying financial products that make up that Model Portfolio as advised by the Model Portfolio manager.

Illiquid Investments & Portability of Super Benefits

Generally, an investment will be considered illiquid if it cannot be converted to cash in less than 30 days or if converting an investment to cash within 30 days would have a significant adverse impact on the value of the investment.

Ordinarily the Trustee must transfer or roll over your benefits within 30 days of receiving all prescribed relevant information (including all information that is necessary to process your request). However, if you hold an investment option(s) with terms greater than 30 days that are (or become) illiquid or suspended, it may take longer than 30 days to transfer your full benefits.

It may take six months or longer from the time the Trustee receives all the relevant information to finalise a withdrawal request involving illiquid or suspended investments. Where investments are illiquid because of withdrawal restrictions (including those pertaining to certain unlisted direct property funds) we may take up to 30 days after the withdrawal restrictions end. The investment options considered by us to be illiquid include any investment option, such as certain unlisted direct property funds, as specified in the Approved Products List or as advised on the Powerwrap Master Plan fund website from time to time. Term Deposits may also be considered illiquid as they cannot generally be withdrawn within 30 days. You can also obtain a copy of this information by contacting the Promoter on (03) 8681 4600 or your licensed financial adviser.

Delays in processing instructions

Sometimes it may not be possible to act on your instructions in a timely fashion (e.g. there may be insufficient information, certain requirements may not have been met, or a fund manager may have suspended applications or withdrawals). In these cases your Financial Adviser will be contacted. The Trustee reserves the right to refuse or delay your instructions for any reason. In such cases, the Trustee accepts no liability for any losses incurred.

Additional Important Investment Disclosures

Many of the underlying investments available through the Powerwrap Pension Account will have a Product Disclosure Statement (or other disclosure document) that describes a financial product, investment or Model Portfolio. All of the Model Portfolios available in relation to your investment in the Plan will be set out in the Powerwrap Superannuation and Pension Approved Product List. Your Financial Adviser must give you and you must read a copy of this documentation for each underlying investment (including underlying investments of a Model Portfolio in which you invest (whether it be a new or additional investment)). This documentation is also available through www.powerwrap.com.au. For investments in Managed Funds and Model Portfolios, which are made via Powerwrap Investment Account, a registered Managed Investment Scheme (“Scheme”), you should also read the Scheme PDS, available from your Financial Adviser and from www.powerwrap.com.au.

If the underlying financial product or investment requires a Product Disclosure Statement in accordance with the Corporations Act, the Trustee must be satisfied that you have received and/or know where to obtain the Product Disclosure Statement prior to the Trustee making investments in accordance with your selection of the product of investment (for example, a managed fund). This applies to your initial investment as well as any subsequent monies received for investment in the product.

You should read the Product Disclosure Statement for specific products or investments when making any decisions. However bear in mind that it may contain information that is not relevant to you because there are differences between investing in a financial product or investment directly (in your own name) and investing in the financial product or investment through the Plan.

Key differences include:

- You will not receive communications from the responsible entity or manager of the product or investment.
- You do not have the right to call, attend or vote at meetings of investors in relation to a particular investment or fund.
- Superannuation investments are subject to different (concessional) tax treatment.
- If you invested directly you might not be entitled to any wholesale discounts or rebates in respect of investment related fees and costs that the Trustee may be able to negotiate.
- The investment or product may not be open to direct investment from you.
- If you invested directly you may have the benefit of a “cooling off” period which enables you to change your mind about your investment during a short period after the investment is made. The Trustee is not entitled to any “cooling off period” because it is a wholesale investor.
- If you invested directly, any queries or complaints would be handled by the enquiries and complaints handling mechanism of the product or fund. As an investor in the Plan, any queries or complaints must be handled by the Trustee’s enquiries and complaints handling mechanism, even if they relate to the underlying investment.
- You may not have access (via the Plan) to all of the investment choices available to you if you invested directly in the product or investment. For example, if you invested directly in the Scheme, additional financial products and Model Portfolios may be accessible to you. The Model Portfolios available via the Scheme are limited to those listed in the Plan’s Approved Product List.

If you would like any more information about these differences, consult your Financial Adviser.

What happens if information changes?

Information in Product Disclosure Statements may change from time to time. For this reason, you may not always have the most current product disclosure information relating to a financial product or investment at the time that the Trustee invests further money for you or implements your investment switching request. You can obtain the most recent Product Disclosure Statement through www.powerwrap.com.au or from your Financial Adviser.

The Trustee reserves the right to refuse or delay the investment of further monies or a switching request for whatever reason, including the occurrence of a materially adverse change or materially adverse significant event affecting the information in a Product Disclosure Statement for a product or investment available from the Plan. Where the Trustee considers that such a refusal or delay is appropriate or necessary, the Trustee accepts no liability for any losses incurred by a Member.

If a materially adverse change or materially adverse significant event occurs which affects the information in the Product Disclosure Statement and we continue to invest monies received for a Member on or after the change or event is notified to us, we will notify you about your options as soon as practicable after the change or event occurs. Other changes affecting information in a Product Disclosure Statement may be available from www.powerwrap.com.au or through such other means as the Trustee considers appropriate.

Investment limits

You may only select investments that are included on the Powerwrap Superannuation and Pension Approved Products List (subject to some investment limits). The Plan's assets will not usually be invested in illiquid assets (being investments that are not able to be redeemed within 30 days). If an illiquid asset is listed on the Approved Product List, generally no new investments in that asset will be permitted. The Trustee also imposes certain limits on the amount of your Account that may be invested in Australian and International Listed Securities (including Exchange Traded Securities and Hybrid Securities), Term Deposits, Listed Investment Companies and Hedge Funds for certain investment strategies available through the Plan. The limits relate to both single security and aggregate holdings.

Investment Class	Investment Limits
Managed Funds (conservative, balanced, growth, aggressive, cash, fixed interest, property, Australian equities and International equities)	Single Security Limit A maximum of 100 percent of a member's account balance can be invested in a single managed fund. Aggregate Holdings Limit 100%
Securities Listed in S&P / ASX top 300	Single Security Limit A maximum of 20% of your Account balance can be invested in a single listed security holding within the S&P/ASX 300 Index Aggregate Holdings Limit 100%
Securities Listed outside S&P ASX top 300	Single Security Limit A maximum of 10% of your Account balance can be invested in a single listed security holding outside of the S&P/ASX 300 Index but inside the All Ords Index Aggregate Holdings Limit A maximum of 40% of your Account balance can be invested in all listed security holdings outside of the S&P/ASX 300 Index but inside the All Ords Index
ASX Listed Exchange Traded Funds	Single Security Limit A maximum of 25% of your Account balance can be invested in a single listed security holding. Higher limits up to 50% for broadly diversified physical ETF's may be approved upon request and on a case-by-case basis. Aggregate Holdings Limit 100%
ASX Listed Hybrid Securities	Single Security Limit A maximum of 20% of your Account balance can be invested in a single listed security holding. Aggregate Holdings Limit 100%
Listed investment companies	Single Security Limit A maximum of 20% of your Account balance can be invested in a single Listed Investment Company. Aggregate Holdings Limit 100%
Alternatives including Hedge Funds and any alternative ETF's	Single Investment Limit A maximum of 25% of your Account balance can be invested in a single Alternative holding. Aggregate Holdings Limit 25%.
Listed International Securities from approved Exchanges as outlined in the Approved Products Lists	Single Security Limits A maximum of 20% of your Account balance can be invested in a single international listed security Aggregate Holdings Limit 100%
Model Portfolios	A model portfolio may only be comprised of securities approved for use on the Fund's Approved Products List and held within the holding limits described in this document.
Term Deposits	Single Investment Limit A maximum of 90% of your Account balance can be invested in a single term deposit. Aggregate Holdings Limit 90%

The Investment Holding Limit plus Limit Buffer for each available investment is included in the Powerwrap Superannuation and Pension Approved Products List.

Investment Holding Limits

Investment holding limits are calculated in aggregate at Member level, across all securities held within your Account. Where an Investment Holding Limit applies, if at any time the value of your holdings in a particular investment, or across your investment strategy (as a percentage of your Account) exceeds the Investment Holding Limit, you will not be permitted to purchase any further holdings in that investment or investment strategy until such time as the value of your holdings, as a percentage of your Account moves below the Investment Holding Limit.

Each quarter the Investment Administrator will monitor your Account to ensure that the value of your holdings, in any investment or across any investment strategy where an Investment Holding Limit applies, does not, as a percentage of the total value of your Account, exceed the Investment Holding Limit plus Limit Buffer for the investment or investment strategy. If at any of these times the value of your holdings does exceed the Investment Holding Limit plus Limit Buffer, you or your Financial Adviser will be notified.

Please note:

- If you have more than one account in the Plan, for example a Superannuation Account and Pension Account, or you choose to invest in a Model Portfolio, the investment holding limits apply across all your Accounts and will take into account investment holdings in the Model Portfolio.
- Any investments or assets acquired by the Trustee in accordance with the Powerwrap Superannuation and Pension Approved Products List or the above limits does not, in any way, constitute endorsement of the investment as being appropriate to your personal situation, objectives or needs. The limits are designed to ensure that investments are in accordance with obligations imposed on superannuation trustees under superannuation legislation. The Trustee reserves the right to change the Powerwrap Superannuation and Pension Approved Products List and any limits from time to time (you will be advised of this in advance where necessary or appropriate). Changes to the Powerwrap Superannuation and Pension Approved Products List or investment limits may result in an underlying investment or asset no longer being appropriate for an investment strategy and the redemption of that investment by the Trustee. Information about any changes to investment limits or the Powerwrap Superannuation and Pension Approved Products List will be available via www.powerwrap.com.au.

Changes to Investment Options and the Powerwrap Superannuation and Pension Approved Products List

The Powerwrap Superannuation and Pension Approved Products List can change at any time. Investment options may be added, and certain investment options may be removed all together from the Powerwrap Superannuation and Pension Approved Products List without prior notice. If you have invested in an investment option that is removed from the Powerwrap Superannuation and Pension Approved Products List, the Trustee may, at its discretion, allow you to continue to hold this investment, or it may require you to sell the investment.

Allocation of investment returns

In determining the earnings to be credited (or debited) to Pension Accounts, the Plan does not maintain investment reserves, however other types of reserves or provisions (such as expense or tax provisions) may be maintained as considered appropriate by the Trustee from time to time. The net return achieved by the investments selected by a Member and the Cash Account (after taking into account gains or losses of a revenue or capital nature and any applicable expenses or tax including reasonable estimates for tax and expenses where the exact amount is not known), is passed on to Members' Pension Account.

Any income, relevant fees, costs and taxes are reflected in your cash holding in the Cash Account from time to time.

For more information about the fees and costs, see page 24 of this PDS. For more information about taxes, see page 31 of this PDS.

Valuing your investment portfolio

Your Pension Account balance is the total of all the investments you hold in your investment portfolio, including the value of your Cash Account. The value of your investments is based on prices provided by fund managers and the ASX, the number of Managed Fund units and ASX and international-Listed Securities held, and any Term Deposits held. Prices are generally updated daily (however, there may be times when updated prices cannot be provided) and you can check the value of your investment portfolio online at any time.

Income from investments

Any income from Managed Funds and/or Listed Securities will be paid into your Cash Account (subject to any re-investment arrangements you may have established). With Term Deposits, your investment (i.e. the principal originally invested and any interest earned) will be paid into your Cash Account at maturity. You can redeem your investment in a Term Deposit at any time including before maturity, however, an early redemption may be subject to an interest rate reduction. Any income earned from a Model Portfolio will form part of your Model Portfolio's cash holding (if any), unless you choose to have that income paid directly into your Cash Account (speak with your Financial Adviser). For information about a Model Portfolio's cash holding refer to the Scheme's Product Disclosure Statement.

Corporate Actions - Listed Securities

Where you select Listed Securities directly (not via a Model Portfolio), you can potentially participate in a range of corporate actions relating to your chosen securities. Your ability to participate in a corporate action depends on its nature, any terms and conditions applicable, and the requirements of relevant legislation. Where permissible, the Trustee will give you the option to participate in a corporate action and notification will be provided to your Financial Adviser (however, the Trustee is under no obligation to do so).

Labour standards, or environmental, social or ethical considerations

The Trustee or its delegates do not take into account labour standards or environmental, social or ethical considerations when investing in, retaining or realising investments. Some Managed Funds and Model Portfolios available on the Powerwrap Superannuation and Pension Approved Products List may take these factors into account (refer to the applicable product disclosure document for the Managed Fund and Model Portfolio Profile) but they do so in their own right, not on behalf of the Trustee.

Investment disclaimer

Neither the Trustee, any of its related entities or their respective employees, Investment Administrator, Promoter, Member Administrator or other service providers of the Plan:

- guarantee the capital invested by you or the performance of your account, investment strategy, investment portfolio, specific investments or your benefits generally, and
- endorse, warrant or accept any responsibility for any of the services provided by your Financial Adviser.

Your Pension Account is subject to investment and other risks. This could involve delays in repayment, loss of income or capital invested. Refer to page 21 of this PDS for further information about risks. The Trustee may amend the terms and conditions of the Plan subject to its ability to do so under the governing rules and superannuation law. In particular, available investment strategies and investments may change from time to time.

INVESTMENT AND OTHER RISKS

All investments are subject to risk, meaning there is a possibility that you can lose money on your investments or they may not achieve your objectives.

Different investment options may carry different levels of risk, depending on their composition.

There is a relationship between investment risk and investment return. Assets with the highest long-term returns may also carry the highest level of short-term risk.

This means, generally speaking, if you want a low risk investment, you have to be prepared for low returns. If you want to aim for high returns, you have to be prepared to take some risks and possibly have negative returns at some time. This is known as the 'risk/return trade-off'. Historical data suggests returns from income investments (such as cash and fixed interest) are generally less volatile (that is, they tend to move up and down less) than returns from growth investments (such as shares and property). Over the long-term however, growth investments tend to achieve greater returns than income investments.

Some of the significant risks associated with any superannuation investment are:

- the value of your investment portfolio will vary over time
- the level of returns will vary and future returns may vary from past returns
- returns are not guaranteed and you may lose some of your money
- laws affecting superannuation and taxation may change in the future, which may affect the value of your investment and/or the ability to access your benefits, and
- if you close your account, you may get back less than the amount you paid in because of low or negative investment returns, fees, charges and the impact of taxes.

Also, your Pension Account may not provide an income stream for the rest of your life. How long your Pension Account lasts depends on many factors, including:

- the level of payments made to you each year
- any commutations you make (where permissible)
- the earnings of your investment portfolio, and
- the amount you pay in fees and costs.

It is not possible to identify every risk factor relevant to your Pension Account. The significant investment risks that you may encounter include, but are not limited to:

- **Market risk:** Market risk is the risk associated with being exposed to a particular investment market. Current and future economic conditions, political events, movements in the Australian and international stock markets, changes in investor sentiment, interest rate movements and exchange rate movements may influence the value of investments and returns.
- **Economic risk:** A downturn in the general economic conditions in Australia or globally may adversely affect the performance of your investment.
- **Inflation risk:** The increasing price of goods and services may exceed the rate at which your investment grows, thereby reducing the value of your investment in real terms.
- **Interest rate risk:** Changes in interest rates may affect the value of interest bearing securities (such as term deposits) and shares in some companies.
- **Specific security risk:** An individual company's shares and interest bearing securities may change as a result of factors such as changes in management, market sentiment or company/industry specific events.
- **Liquidity risk:** It may not be possible to convert an investment into cash with little or no loss of capital and minimum delay. Generally, investment in illiquid assets (that is, assets which cannot be redeemed within 30 days at all or with little or no loss of capital) is not permitted however it is possible that a previously liquid investment becomes illiquid due to changes in market conditions, Government changes or other factors. Where this occurs the Trustee may take such action as may be required from time to time to enable the Plan to discharge its liabilities and meet its cash flow requirements having regard to the best interests of Members as a whole. This might include delaying or freezing the processing of transfer, withdrawal and switching requests; reviewing the Plan's cash allocation; closing further investment in illiquid or impaired assets; selling down assets; entering into short term borrowing arrangements and/or seeking APRA relief.



- **Credit risk:** The issuer of a debt security may be unable to satisfy its obligations under the terms attaching to the security (including payment of interest or a dividend and repayment on maturity). A decline in credit quality of the issuer of a security could result in a loss being incurred on those securities.
- **Manager risk:** Underlying investment or professional managers for Managed Funds or Model Portfolios managers may not anticipate market movements or execute investment strategies effectively. Changes in staff may also have an impact on the performance of a Managed Fund or Model Portfolio.
- **Strategy implementation risk:** Trades and transactions may not always occur exactly as planned, for example, as a result of markets being closed, illiquidity, a trade or transaction being subsequently cancelled or disputed or failures in the transaction systems or processes.
- **Derivatives risk:** Where a specific investment derives its value from another security through the use of derivatives, the risk that the value of the derivative fails to move in line with the underlying asset and the potential illiquidity of the derivative.
- **Currency risk:** Where a portfolio holds an international investment(s) priced in a foreign currency, movements in the Australian dollar against that foreign currency may negatively impact on its value (you should refer to the relevant Product Disclosure Statement or other disclosure document applicable to an investment to determine whether this risk is managed through currency hedging).
- **Government risk:** The Federal Government could change superannuation and/or taxation law that may affect the value of your investment and/or your ability to access your benefits. The Government's fiscal, taxation and other political policies may also have an impact on the value of investments.
- **Counterparty risk:** Certain investments rely on counterparties such as brokers, lenders, issuers and clearing exchanges and these parties may be unable to meet their obligations.
- **Concentration risk:** The fewer the number of holdings in a portfolio the higher the concentration risk. With a more concentrated portfolio there is a greater risk that poor performance by one or a group of investments can significantly affect the performance of the whole portfolio.
- **Commodity price risk:** A portfolio may hold investments the price of which is significantly determined by the price of commodities. Commodity prices can fluctuate significantly over short periods of time. Falls in commodity prices may lead to loss in value of the investment.
- **Conversion risk:** Hybrid or other convertible securities that convert into ordinary shares may not be readily converted into an equivalent value of cash.

Other than investment related risks, there are other risks that may be relevant to your participation in the Plan such as the failure of the Insurer or other third parties to meet their contractual obligations and risks associated with the general operation of the Plan such as financial risk, operational risk and loss of data risk. The Plan relies on technological, human and other resources provided by external service providers, for example, administrative, custodial and broking systems or processes. A failure in these systems and processes may have an impact on a Member's investments or benefits (for example, investment transactions or benefit payments may be delayed).

The nature and extent of risks associated with your chosen investment strategy(ies) will depend on the underlying investments/ investment options utilised to implement your strategy. For information about risks relating to underlying investments refer to the relevant Product Disclosure Statement or other disclosure document applicable to the investment.

The Standard Risk Measure is based on industry guidance to allow members to compare investment options that are expected to deliver a similar number of negative annual returns over any 20 year period.

The Standard Risk Measure is not a complete assessment of all forms of investment risk, for instance it does not detail what the size of a negative return could be or the potential for a positive return to be less than a member may require to meet their objectives.

Further, it does not take into account the impact of administration fees and tax on the likelihood of a negative return.

Members should still ensure they are comfortable with the risks and potential losses associated with their chosen investment option/s.

The risk level shown for each investment option is a guide only and does not take into account your personal circumstances.

The Standard Risk Measure is grouped into the following bands:

Risk Band	Risk Label	Estimated number of negative annual returns over any 20 year period
1	Very Low	Less than 0.5
2	Low	0.5 to less than 1
3	Low to medium	1 to less than 2
4	Medium	2 to less than 3
5	Medium to high	3 to less than 4
6	High	4 to less than 6
7	Very high	6 or Greater

There may also be a relationship between fees and risk. All other things being equal, higher fees will increase the probability of a negative return.

The appropriate level of risk for your will vary depending on various factors including your age, investment timeframe, where and how other parts of your wealth are invested, and your level of risk tolerance. You should consult with your Financial Adviser to properly understand the risks associated with the Powerwrap Pension Account and your attitude to investment risk.

You should speak with your Financial Adviser to properly understand the risks associated with the Powerwrap Pension Account, the investments that make up your investment portfolio, and your attitude to investment risk.

Risk means different things to different people. Even the simplest investment has inherent risk. Finding the balance between the amount of risk you are prepared to take with the return you want (your 'risk profile') is the challenge all investors face.

Investment Decisions are Your Decisions

The risks outlined in this PDS are a guide only and not exhaustive. Your investment is not guaranteed. The value of investments may rise or fall from time to time, and neither investment performance nor the repayment of capital is guaranteed. The Trustee and its service providers do not assess the suitability or appropriateness of investments or investment managers for your personal circumstances. You must form your own view as to the suitability of any investment for you, with the assistance of your Financial Adviser. Any investment decision is *your* decision. By selecting investment options to implement your chosen investment strategy, you accept responsibility for those investments (including associated risks) and their performance.

FEES AND OTHER COSTS

DID YOU KNOW?

Small differences in both investment performance and fees and costs can have a substantial impact on your long-term returns.

For example, total annual fees and costs of 2% of your account balance rather than 1% could reduce your final return by up to 20% over a 30 year period (for example, reduce it from \$100,000 to \$80,000).

You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs.

You or Your Employer may be able to negotiate to pay administration fees. Ask the fund or your Financial Adviser.

TO FIND OUT MORE

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

This section shows fees and other costs that you may be charged. These fees and costs may be deducted directly from your Cash Account, investment returns or Plan assets.

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

Taxes are set out separately in this PDS.

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

Fees for Model Portfolios are set out in the Approved Products List. Your Financial Adviser is required to provide you with disclosure documentation for any underlying assets within a model portfolio which will include the fees and costs information for those assets. Fees and costs for those underlying assets are shown in the investment's Product Disclosure Statement (where applicable).

Fees and costs for particular investments are explained in the 'Additional explanation of fees and costs' on page 26 and in the relevant Product Disclosure Statement or other disclosure document for the investment.

All fees and costs shown in this section include stamp duty and GST, less any applicable reduced input tax credits, unless otherwise stated.

POWERWRAP PENSION ACCOUNT

TYPE OF FEE OR COST	AMOUNT	HOW AND WHEN PAID
<i>Investment fee</i>	Nil unless you invest in a Model Portfolio. Model Manager investment management fees are in the range 0% to 1.74% (\$0-\$17.40 per \$1,000). Refer to the Powerwrap Super and Pension Approved Products List for details.	The Model Manager Investment fee ¹ is deducted from your Cash Account and is generally calculated based on the daily value of your Scheme Account attributed to the relevant Model Portfolio and deducted monthly in arrears.
<i>Administration fee</i>	<p>Administration Fee – All accounts:</p> <p>A tiered percentage fee of up to 0.697% pa based on the total value of all holdings across your entire investment portfolio (excluding ASX listed securities), as follows (up to \$6.97 per \$1,000):</p> <ul style="list-style-type: none"> • Up to \$100,000: 0.697% pa • \$100,001 - \$250,000: 0.595% pa • \$250,001 - \$500,000: 0.420% pa • \$500,001 - 1,000,000: 0.318% pa • \$1,000,001 - \$2,000,000: 0.185% pa • Above \$2,000,001: 0.082% pa <p>PLUS</p> <p>Administration Fee – Model Portfolios Only:</p> <p>There is an additional administration fee of 0.132% pa (\$1.32 per \$1,000) payable on any part of your portfolio invested in accordance with a Model Portfolio</p> <p>PLUS</p>	<p>Deducted from your Cash Account monthly in arrears, based on the average daily value of your investment portfolio over that month.</p> <p>Deducted from your Cash Account monthly in arrears, based on the average daily value of investments held in accordance with the Model Portfolio over that month.</p>



	<p><i>Administration Fee – ASX-Listed Securities Only:</i></p> <p>There is an additional administration fee of 0.3895% pa (\$3.90 per \$1,000) based on the total value of any ASX-Listed Securities in your portfolio.</p> <p>PLUS</p>	Deducted from your Cash Account monthly in arrears, based on the average daily value of your ASX-Listed Securities holdings over that month.
	<p><i>Administration Fee - International Listed Securities Only:</i></p> <p>There is an additional administration fee of 0.15% pa (\$1.50 per \$1,000) based on the total value of any International Listed Securities in your portfolio.</p> <p>PLUS</p> <p><i>Expense recovery:</i></p> <p>A dollar based fee of up to \$100 pa (this is an estimated fee).</p> <p>PLUS</p> <p>An Operational Risk Reserve Levy of up to 0.05% p.a.*</p>	<p>Deducted from your Cash Account monthly in arrears, based on the average daily value of your International Listed Securities holding (in AUD) over that month.</p> <p>Deducted from your Cash Account annually in arrears as at 30 June.</p> <p>Deducted from your Cash Account quarterly.</p>
<i>Buy-sell spread</i>	Nil	No investment costs are deducted directly from your Cash Account. Rather, they are taken into account by the Fund Manager prior to calculating the Managed Fund's unit price.
<i>Switching fee</i>	<p>\$20.50 for each sale or purchase order for a managed fund.</p> <p>A flat dollar fee of \$20.00 (Term Deposits only) for each time you open or renew a Term Deposit.</p>	<p>Deducted from your Cash Account at the time your buy or sell order is settled.</p> <p>Deducted from your Cash Account at the time of the transaction.</p>
<i>Exit fee</i>	Nil	Not applicable
<i>Advice fee</i> relating to all members investing in a particular investment option	Nil. There are no advice fees that apply to all members.	Adviser fees are negotiated between you and your Financial Adviser. Please see information about Adviser fees in the "Additional Explanation of Fees and Costs" section below for more information.
<i>Other fees and costs</i> ²		
<i>Indirect cost ratio</i>	<p>Investment options</p> <p>n/a</p> <p>Cash Administration Fee</p> <p>Estimated to be between 0.50% and 1.30% p.a.</p>	<p>n/a</p> <p>The Cash Administration Fee is the amount the Responsible Entity earns for the administration of your Cash Account. The Cash Administration Fee is deducted from the interest rate earned on your Cash Account and is not directly deducted from your account.</p>

1. The Model Portfolio Manager may be your Financial Adviser, an Australian Financial Services Licensee that your Adviser represents or a related entity. Any such fee that is payable to one of these parties remunerates or is used to remunerate a person in connection with financial product advice that you receive from your Financial Adviser. Model Portfolio Manager fees are only payable with your consent. You can withdraw your consent at any time by notifying your Financial Adviser or the Promoter. If you withdraw your consent, Model Portfolio management and other services connected with a Model Portfolio will cease to apply to your investment portfolio.

2. For information about other fees and costs, refer to the "Additional Explanation of Fees and Costs" section below.

* Quarterly levies may be applied as required in order to maintain the ORR at the target amount. For further information on the ORR see the "Risk Reserve Levy" in the below section.

Additional explanation of fees and costs

Fees and costs relating to underlying investments

Certain underlying investments that you can access through the Plan (for example managed funds, Exchange Traded Funds (ETFs), Exchange Traded products (ETPs) and Listed Investment Companies (LICs) also charge fees (including, in some cases, performance-based fees). These can vary widely, and range from 0.30% to 4% pa. These fees are paid out of the assets of each underlying investment for information on these costs.

Performance Fees

Certain Managed Funds will charge performance-based fees when the investment return generated by the Managed Fund exceeds a specified benchmark or certain specified criteria. There are no performance fees charged by the Trustee or the Plan. Please refer to the relevant Product Disclosure Statement for the Managed Fund(s) in which you wish to invest for information about whether performance fees apply and how they are calculated including (where applicable) the performance fee percentage and performance benchmark or criteria. The amount of the performance fees that may apply in future is not known as this depends on the actual performance achieved by the investments and the methodology used to calculate performance fees.

The performance fee is deducted from your investment returns and not deducted from your Cash Account. It does not form part of your administration or investment fee.

Administration Fees

Administration Fee

The Administration Fee is calculated daily and comprises the following:

- a tiered percentage across the total value of your investment portfolio (excluding ASX listed securities), based on close-of-day prices or balances for your underlying investments. This fee is deducted monthly (in arrears) from your Cash Account. This fee is for administrative services provided by the Plan's service providers and includes remuneration payable to the Trustee. Under the Trust Deed, the Trustee can charge up to a maximum of 1% of the Plan's gross assets, however, it does not intend to charge this maximum amount. In the event that the Administration Fee collected from member accounts is not sufficient to meet the Trustee's remuneration, the Promoter will meet any shortfall.
- a flat rate of 0.132% pa across the total value of any Model Portfolio you invest in, deducted monthly (in arrears) from your Cash Account.
- a flat rate of 0.3895% pa (\$3.90 per \$1,000) based on the total value of any ASX-Listed Securities in your portfolio. This fee is for administrative services provided by the Plan's service providers and includes the remuneration payable to the Trustee. This is deducted monthly (in arrears) from your Cash Account.
- a flat rate of 0.15% pa based on the total value of any International Listed Securities in your portfolio. This fee is for the administration of your International Listed Securities and is deducted monthly (in arrears) from your Cash Account.

Expense recovery

The expense recovery is an allowance for costs relating to annual audit, legal fees, regulatory fees and other expenses relating to the Plan's operations from year to year. The expense recovery may also be used to maintain the Operational Risk Reserve at the target amount. These expenses are apportioned between you and other members of this product. In the usual course, the expense recovery may be up to \$100 p.a. and is deducted from your Cash Account annually (in arrears). Expense recovery fees may change from year to year depending on actual expenses incurred or payable by the Plan. If actual expenses are higher than \$100 p.a. for any reason, they will be passed on to members and members will be notified in advance. Under the Trust Deed, the Trustee and its directors can be indemnified (out of Plan assets) from and against any liabilities and expenses incurred in its capacity as Trustee of the Plan. This indemnity extends to the Trustee's remuneration. Any such liabilities, expenses or remuneration may form part of the expense recoveries.

Risk Reserve Levy

Superannuation funds are required to build financial resources in order to ensure there are adequate financial resources in the event of a loss arising from an operational risk event. This is commonly done by creating an operational risk reserve (ORR) for this purpose. The Trustee may levy member accounts quarterly up to a maximum of 0.05% pa of member balances in order to maintain the ORR at the target amount.

Switching Fee

There is a \$20.50 Managed Funds Transaction Fee charged for each Managed Fund transaction you make deducted from your Cash Account as and when transactions settle.

There is a flat dollar fee of \$20.00 for each time you open or renew a Term Deposit. This is deducted from your Cash Account at the time of the transaction.

Activity Fees

Family Law

The Family Law Act enables super investments to be divided between parties in the certain circumstances. The Trustee may be obliged to provide information to other parties and manage your Superannuation Account in line with Court orders. Fees may be charged for doing this and include the following:

- A charge of \$110 applies for providing information on a Member's Account in response to a valid request made in accordance with Family Law requirements. It is payable by the person requesting the information.
- A charge of \$55 applies for the placing or lifting of a payment flag. It is deducted from your Superannuation Account balance when the service is provided.
- A charge of \$55 applies for splitting an Superannuation Account. It is deducted from your Superannuation Account balance when the service is provided.

Please note that the cost of any legal advice required in order to implement Family Law orders will be met by the member.

Adviser fees

Adviser Service Fees: Service fees are payable to your Financial Adviser in relation to the financial services provided by your Financial Adviser, in addition to any other fees and costs that may be payable in relation to your investment. The following Adviser Fees may be payable:

TYPE OF FEES	AMOUNT	HOW AND WHEN PAID
<i>Initial Advice Fee</i>	A flat dollar fee or percentage based fee on the amount deposited to start your Superannuation Account. This fee is negotiated between you and your Financial Adviser, and is capped at no more than 5.5% of the amount deposited.	Deducted from the amount deposited to your account. It does not apply to regular, ongoing contributions.
<i>Adviser Service Fee – Ongoing Fee</i>	<p>You and your Financial Adviser may also negotiate an Ongoing Adviser Fee either as:</p> <ul style="list-style-type: none"> • a flat dollar annual amount, calculated on a pro-rata basis based on the number of days in the month to which the fee applies. or • an annual percentage of assets charge, calculated on the average daily balance of your Superannuation Account each calendar month. <p>This Ongoing Adviser Fee is capped at 2.2% per annum of the value of your Superannuation Account (\$22 per \$1,000).</p>	Deducted from your Cash Account monthly in arrears.

Transactional and Operational Costs

Transactional and operational costs associated with the buying and selling of underlying investments include:

- *Buy/sell spread:* When you purchase or sell units in a Managed Fund, the fund manager will usually charge a transaction cost or a buy/sell spread, reflected in the difference between the application and withdrawal price of units at the time of the transaction (it is generally less than 0.75%). Please refer to the relevant Product Disclosure Statement for the Managed Fund for the transaction fees for each specific Managed Fund in which you invest.
- *Brokerage costs Australian Listed Securities:* When you acquire or sell listed securities, brokerage will be charged at the rate negotiated between your Financial Adviser and the relevant broker. For information about the rate of brokerage, please contact your Financial Adviser. Your Financial Adviser may only deal with brokers who have entered into an agreement with the Trustee of the Plan. This fee will generally be in the range of 0.11% to 0.75% with a minimum amount of between \$19.80 and \$55.00 and added to the purchase or deducted from the sale amounts of each transaction.
- *Brokerage costs International Listed Securities:* When you acquire or sell international listed securities, you will be charged Foreign Exchange Conversion, custody settlement and brokerage fees. Foreign Exchange conversion will be charged at 1.00% per transaction amount, custody settlement fees will be charged at \$35AUD per transaction and brokerage will be charged as agreed with your Financial Adviser but generally in the range of 0.20% to 2.0% per transaction amount.
- *Model Portfolios:* *Changes in Model Portfolios* (whether initiated by you, your Financial Adviser or by the relevant Model Portfolio Manager) will lead to various trades of securities, and therefore brokerage. Such brokerage should be lower than if you held the securities directly, as trades are first netted between investors transacting in such securities, and only post-netted trades are sent to market. Brokerage is shared across all investors whose accounts participated in each particular trade.

These are an additional cost to you that is deducted from your investment return (i.e. they do not form part of the Administration fee or Investment fee deducted from your account) and are not paid to the Trustee.

In addition to the buy-sell spreads outlined above, other transactional and operational costs associated with the buying and selling of underlying investments include:

- An Office of State Revenue in-specie online processing fee of \$4.84 per transfer (does not apply to listed shares) as applicable from time to time.
- A fee per in-specie transfer of managed funds (i.e. in or out of your portfolio), described in the Powerwrap Superannuation and Pension Approved Products List (currently \$38.50).
- Stamp Duty on investment transactions as applicable from time to time (depending on the State or Territory).

These fees are deducted from your Cash Account if and when they are incurred.

Scheme Fees

Investments may be made via the Powerwrap Investment Account, a registered Managed Investment Scheme ("Scheme") of which Powerwrap Limited is the Responsible Entity. The fees and costs of investing via the Scheme have been taken into account in the calculation of fees and costs shown in this PDS. In exceptional circumstances the Scheme may incur abnormal expenses, such as the cost of investor meetings and legal costs for complying with any regulatory changes or of any proceedings involving the Scheme, which may be passed on to investors. The Responsible Entity anticipates that the events that give rise to such expenses will rarely occur. Information on the Scheme is available in the Scheme's Product Disclosure Statement, available from your Financial Adviser and from www.powerwrap.com.au.

Government taxes and charges

Government taxes and charges (such as stamp duty and GST) will be deducted from your Cash Account or benefit as applicable. The benefit of any tax deductions received by the Plan in respect of fees or costs is passed on to members by a reduction in the recoverable expenses applicable to the product. Taxation may also apply to moneys deposited into or withdrawn from the Plan (refer to the Taxation section of this PDS for more information).

Changes to fees

The Trustee can change fees at any time without your consent. Before any fees are increased, you will generally be given at least 30 days notice. Fees that are not set by or with the agreement of the Trustee (for example, underlying investment management fees) may change from time to time, depending on the actual experience of the product. In some circumstances abnormal expenses may arise in the Plan or underlying investments which can be indemnified out of the Plan or underlying funds or products (including the Scheme), resulting in higher expense recoveries.

Example of annual fees and costs for the Vanguard Growth Index Fund

This table below gives an example of how the fees and costs for the Vanguard Growth Index Fund for this superannuation product can affect your investment over a one-year period. You should use this table to compare this superannuation product with other superannuation products.

EXAMPLE: the Vanguard Growth Index Fund		BALANCE OF \$50,000
Investment fees	Nil.	For every \$50,000 you have in the superannuation product you will be charged \$0 each year.
PLUS Administration fees	0.697% pa (tiered administration fee) + up to .05% pa** (Operational Risk Reserve (ORR) levy) + up to \$100 pa	And , you will be charged \$466.53 in administration fees
PLUS Indirect costs for the superannuation product	1.30% (Cash Administration Fee)	And , indirect costs of \$13.00 ¹ each year will be deducted from your investment
EQUALS cost of superannuation product		If your balance was \$50,000, then for that year you will be charged fees of \$479.53 for the superannuation product.*

1. This example assumes \$49,000 is invested in the Vanguard Growth Index Fund and \$1,000 is held in the cash account to maintain an assumed minimum cash account balance of 2%. Indirect costs are incurred in relation to amounts held in the cash account. For more information, refer to 'Indirect cost ratio' in the Fees and Other Costs table.

Note: * Additional fees may apply. **And**, if you leave the pension entity, you may be charged an exit fees of **\$0** and a **buy/sell spread** which also applies whenever you make a contribution, exit, rollover or investment switch. The **buy/sell spread** for exiting is **0%** (this will equal to **\$0** for every \$50,000 you withdraw).

** Quarterly levies may be applied as required in order to maintain the ORR at the target amount.



Important note: The fees and costs information in the fee table and the example of annual fees and costs above relate to the Plan. It therefore relates to access through the Plan to the Vanguard Growth Index Fund and not costs within that investment. Additional costs may be charged by the responsible entity of the Vanguard Growth Index Fund and the issuers of other investments that you choose to invest in through the Plan. For more information on these costs contact your adviser and refer to the underlying disclosure document.

The table below sets out examples of typical transaction costs that you might incur for transactions in various asset –classes other than managed funds (please note other fees and transaction costs might apply).

Asset type	Cost
ASX Listed securities	If you were to invest in an ASX listed security (for example BHP) you will be charged brokerage at a rate agreed between you and your Financial Adviser within the limits described in the Approved Products List.
International Listed Securities	If you were to invest in an International listed security (for example Google) you will be charged Foreign conversion and brokerage at a rate agreed between you and your Financial Adviser within the limits described in the Approved Product List.
Model Portfolios	If you were to invest in a model portfolio you will be charged a Model Manager fee by the Model Portfolio Manager. This fee is outlined in the Approved Products List. If the model portfolio comprises assets such as managed funds and Exchange Traded Funds, there will be additional cost associated with these. Information on these will be contained in the disclosure documentation for these assets provided to you by your Financial Adviser.

Defined fees

Activity fees

A fee is an **activity fee** if:

- (a) the fee relates to costs incurred by the trustee of the superannuation entity that are directly related to an activity of the trustee:
 - (i) that is engaged in at the request, or with the consent, of a member; or
 - (ii) that relates to a member and is required by law; and
- (b) those costs are not otherwise charged as an administration fee, an investment fee, a buy-sell spread, a switching fee, an exit fee, an advice fee or an insurance fee.

Administration fees

An **administration fee** is a fee that relates to the administration or operation of the superannuation entity and includes costs that relate to that administration or operation, other than:

- (a) borrowing costs; and
- (b) indirect costs that are not paid out of the superannuation entity that the trustee has elected in writing will be treated as indirect costs and not fees, incurred by the trustee of the entity or in an interposed vehicle or derivative financial product; and
- (c) costs that are otherwise charged as an investment fee, a buy-sell spread, a switching fee, an exit fee, an activity fee, an advice fee or an insurance fee.

Advice fees

A fee is an **advice fee** if:

- (a) 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:
 - (i) a trustee of the entity; or
 - (ii) another person acting as an employee of, or under an arrangement with, the trustee of the entity; and
- (b) those costs are not otherwise charged as an administration fee, an investment fee, a switching fee, an exit fee, an activity fee or an insurance fee.

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.

Exit fees

An **exit fee** is a fee to recover the costs of disposing of all or part of members' interests in the superannuation entity.

Indirect cost ratio

The **indirect cost ratio (ICR)**, for a MySuper product or an investment option offered by a superannuation entity, is the ratio of the total of the indirect costs for the MySuper product or investment option, to the total average net assets of the superannuation entity attributed to the MySuper product or investment option.

Note: A dollar-based fee deducted directly from a member's account is not included in the indirect cost ratio.

Investment fees

An **investment fee** is a fee that relates to the investment of the assets of a superannuation entity and includes:

- (a) fees in payment for the exercise of care and expertise in the investment of those assets (including performance fees); and
- (b) costs that relate to the investment of assets of the entity, other than:
 - (i) borrowing costs; and
 - (ii) indirect costs that are not paid out of the superannuation entity that the trustee has elected in writing will be treated as indirect costs and not fees, incurred by the trustee of the entity or in an interposed vehicle or derivative financial product; and
 - (iii) costs that are not otherwise charged as an administration fee, a buy-sell spread, a switching fee, an exit fee, an activity fee, an advice fee or an insurance fee.

Switching fees

A **switching fee** for superannuation products other than a MySuper product, 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.



TAXATION

The taxation issues described in this section are general statements only based on laws as at the date of this PDS and are subject to change. Your individual circumstances may differ. You should consider seeking professional advice from your Financial Adviser to fully understand the taxation rules applying to your personal circumstances. Further information about tax, including any updated information, is available at www.ato.gov.au. Updated information may also be available from www.powerwrap.com.au or on request free of charge.

Tax File Number ('TFN')

Under the *Superannuation Industry (Supervision) Act 1993*, the Trustee is authorised to collect your TFN, which will only be used for lawful purposes including:

- calculating and deducting tax on your pension payments (if applicable), and
- providing information to the Commissioner of Taxation (including for the purpose of confirming your TFN).

The Trustee may disclose your TFN to another superannuation provider, where your benefits are being transferred, unless you request the Trustee in writing that your TFN not be disclosed to any other superannuation provider.

You are not obliged by law to provide your TFN. However, you can only participate in this product if you have provided your TFN and without it, we will not be able to accept all types of contributions, the tax on contributions may increase, it makes it harder to trace different superannuation accounts in your name and you may pay higher tax on your pension payments and the taxable portion of any commutations that you may make.

The lawful purposes for which the Trustee can use your TFN, and the consequences of not providing your TFN, may change in the future as a result of legislative change.

Tax on starting a Pension Account

Generally, there is no tax payable when starting your Pension Account (however, if the amount transferred in comes from a superannuation fund which has not been subject to tax – typically Government-related retirement schemes – then the untaxed element of the taxable component will be subject to tax).

Importantly, if an amount is contributed towards the purchase of the pension (but is not rolled over from another superannuation account you have) any concessional contributions (see below) may be subject to contributions tax of up to 15% (and potentially an additional 15% if you are a high income earner) and any contributions made are also subject to contribution caps (see 'Warning' below). If the 15% contributions tax applies, the tax amount would be deducted from the holding account before your pension is commenced. If the additional 15% high income earner tax applied in respect of a concessional contribution, that is a personal tax liability. Also, additional tax relating to excess contributions would also be a personal tax liability.

Warning:

Where you choose to make contributions as part of your initial purchase price to commence a pension, you should be aware that superannuation contribution cap limits will apply

The Federal Government sets limits (or caps) on the amount of contributions you can make each financial year. There are concessional contribution limits and non-concessional contribution limits.

Broadly, concessional contributions are contributions made from pre-tax money and include employer contributions, salary sacrificed contributions and tax deductible personal contributions. Non-concessional contributions are made from after-tax money and include contributions made from your after-tax money (eg. savings).

Additional tax may be payable if you exceed these limits (tax up to 47% could apply on contributions if one cap is exceeded and up to 95% if both caps are exceeded).

If the non-concessional contributions cap is exceeded, an amount of the excess non-concessional contributions tax will need to be released from your superannuation.

The Federal Government may also impose additional or different taxation arrangements on superannuation members from time to time. You should obtain advice about taxation tailored to your personal circumstances. For more detailed general information (including information about the contribution cap limits) go to www.ato.gov.au.

Tax on investment earnings

Investment earnings in your Account Based Pension are tax-free. The Government has passed legislative amendments, effective from 1 July 2017, to remove the tax exempt status of earnings on Transition to Retirement Pensions, whereby such earnings will be taxed at the same rate as superannuation funds in the accumulation phase, at a rate of up to 15%. For more information, go to www.ato.gov.au.

Tax on benefits paid to you as a pension

Age 60 and over

Both your pension payments and any commutations you make are tax-free from age 60.

Age 55 to 59

Pension payments and any commutations you make before age 60 will consist of two components:

- a tax-free component, and
- a taxable component (equal to the total benefit less the tax-free component).

Pension payments

The table below outlines the tax treatment of pension payments received before age 60:

Component	Tax withheld
Tax-free	Nil
Taxable	<ul style="list-style-type: none"> • Preservation age to 59: Taxable at your marginal tax rate less a 15% pension offset. • Under preservation age: Taxable at your marginal tax rate (plus Medicare Levy) and no pension offset.

The Plan deducts tax on a Pay As You Go (PAYG) basis. You will be sent a payment summary in July each year for the tax deducted.

Commutations

The table below outlines the tax treatment of any commutations you make before age 60:

Component	Tax withheld
Tax-free	Nil
Taxable	<ul style="list-style-type: none"> • Preservation age to 59: up to a Government threshold* is nil and the balance is taxed up to a maximum rate of 15% (plus Medicare Levy). • Under preservation age: Taxed up to a maximum rate of 20% (plus Medicare Levy).

* The threshold for the 2017/2018 financial year is \$200,000 and is indexed to Average Weekly Ordinary Time Earnings (AWOTE), but will only increase in \$5,000 increments. Refer to www.ato.gov.au for the threshold applicable to each year or speak to your Financial Adviser.

Note: If you are able to access your benefit as a lump sum due to a terminal medical condition, your benefit will be tax-free. Different rates apply to 'untaxed' benefits.

Tax on death benefits paid to beneficiaries as a lump sum

The tax treatment of death benefits varies depending on who receives your benefit (i.e. your spouse, other dependents or your estate) and whether it is paid as a lump sum or as a pension.

Generally, if the benefit is paid as a lump sum to a 'tax dependant' beneficiary, the benefit will be tax-free. A 'tax dependant' beneficiary includes:

- your spouse (which may include a qualifying de facto partner of the same or opposite sex)
- a former spouse or de facto spouse
- your children or children of your spouse under 18 years of age
- any person who was financially dependent on you at the time of death, or
- any person who had an interdependency relationship with you at the time of death.

For benefits paid to non-tax dependants, the taxed element of the taxable component of the lump sum death benefit will usually be taxed at a rate not exceeding 15%* plus the Medicare Levy. The untaxed element of the taxable component of the lump sum death benefit will be taxed at a rate not exceeding 30%* plus the Medicare Levy. The tax payable may be higher if the recipient does not provide his or her Tax File Number.

Tax on death benefits paid to dependants as an income stream

The taxation of a death benefit paid as a pension will depend on your age and the age of the dependant. If at the time of death you are over age 60, payments to the dependant will be tax-free. If at the time of death you and the dependant beneficiary are under age 60 years, the taxable component of the pension will be taxed at the dependant's marginal tax rate* (less a 15% tax offset) unless, or until, the dependant is age 60 years or over, in which case it will be tax-free. Note, lower or no tax offsets apply to an untaxed element of the taxable component.

It is important to note that for a child to receive your pension in this way, they must satisfy one of these requirements:

- be aged under 18 years
- be financially dependent and aged under 25 years, or
- have a disability as defined under the Disability Services Act.

If your beneficiary is not a dependant, or is a child and doesn't meet one of the requirements outlined above, your pension will be paid to them as a lump sum. They cannot receive it in regular income stream payments.

Goods and Services Tax ('GST')

The Plan's operating costs are subject to GST but it is entitled to recover a percentage of the GST charged as a Reduced Input Tax Credit (RITC) on some of the operating costs. This means that the actual cost to the Plan is reduced.

ADDITIONAL INFORMATION

About the Trustee and other service providers

Diversa Trustees Limited (ABN 49 006 421 638) is the Trustee of the Plan. The Trustee is covered by a professional indemnity insurance policy.

The Trustee is not a direct stakeholder in any other parties associated with the Plan (for example, Member Administrator or Investment Administrator).

Powerwrap Limited (ABN 67 129 756 850) is the Promoter and Investment Administrator of the Plan. Powerwrap Limited also provides investment consulting services to the Plan.

DIY Master Pty Ltd (ABN 41 123 035 245) is the Member Administrator of the Plan. Services provided include member record keeping, carrying out the annual review as at 30 June each year, preparing and arranging the issue of annual statements, and preparing annual returns.

Each of the above named parties receives fees for services rendered to the Plan.

Neither the Trustee, any of its related entities or their respective employees, Investment Administrator, Promoter, Member Administrator, investment managers, or any other entity associated with the management or promotion of the Plan:

- guarantee the capital invested by you or the performance of the specific investments available or your benefits generally, and
- endorse warrant or accept any responsibility for any of the services provided by your Financial Adviser.

Trust Deed

The Plan is governed by a trust deed dated 1 July 2010 as amended from time to time ("Trust Deed"). In the event of any conflict between the terms of this PDS and the Trust Deed and relevant law, the provisions of the Trust Deed and relevant law will prevail. The Trust Deed indemnifies the Trustee and its directors from and against any liabilities incurred in its capacity as Trustee of the Plan.

The Trustee reserves the right to amend the terms and conditions of the Plan in accordance with the provisions of the Trust Deed and relevant law. Members' entitlements are determined in accordance with the provisions of the Trust Deed. The Trust Deed cannot be amended if the amendment would reduce members' entitlements.

A copy of the Trust Deed is available from the Investment Administrator upon request.

How Investments are held

The Powerwrap Master Plan invests in the Powerwrap Managed Investment Scheme and the Trustee of the Powerwrap Master Plan holds an interest in the Managed Investment Scheme. Whilst you are the beneficial owner of these assets, they are held on your behalf and not directly in your own name. This means:

- you will not receive any holder-specific communications regarding your investment holdings, and
- you will not have the benefit of any 'cooling-off' period that applies to underlying financial products, for example, individual managed funds or term deposits, in which you may invest.

Regular reporting

Regular and timely communication is essential for you to keep updated on your Pension Account investments. In most circumstances, you can find most information you need online or by speaking with your Financial Adviser.

Other information you will be provided with includes:

- Member information provided to you by 31 December each year in an annual Member Statement (as at 30 June) detailing the balance of your Pension Account and a summary of transactions that have taken place during the period.
- Plan information provided or made available (at www.powerwrap.com.au) to you annually in the form of an Annual Report providing you with information on the management and financial condition of the Plan and the performance of investments within the Plan as relevant to you.

The information may be provided to you electronically (for example, by email) where permitted by law.



Information which may be requested

Superannuation law specifies certain information that you may request.

The Trustee will make available all information it reasonably believes you would need to make an informed assessment of the management and financial situation of the Plan. Please note, the provision certain information may be subject to charges.

Additional information you may request includes a copy of the latest audited annual Plan accounts as well as provisions in the Trust Deed that apply to you or your benefits. Copies of the Annual Report are also available from www.diymaster.com.au or upon request. You may also request information about the Plan that has previously been made generally available to the public which may reasonably influence your decision as to whether to join the Plan and it is reasonably practical to provide this information to you.

Transfers to an Eligible Rollover Fund

Subject to obligations on the Trustee to pay certain lost accounts to the Australian Taxation Office (ATO) as outlined below, if:

- you joined the Plan more than 12 months ago, but in the last 12 months there have been no contributions or rollovers credited to your Cash Account), or
- two items of written communication from the Plan have been sent to your last known address and have been returned unclaimed, the Trustee may transfer your benefit to an Eligible Rollover Fund (ERF).

Your benefit may also be transferred to an ERF if, after you cancel the appointment of your Financial Adviser without notifying the Trustee of a replacement Financial Adviser, payment instructions are sought from you but are not provided within 30 days of being requested.

The Plan's nominated ERF is:

The Super Money Eligible Rollover Fund (SMERF)
PO Box 1282, Albury NSW 2640
Telephone: 1800 114 380

The Trustee of the Plan is also the trustee of SMERF and receives remuneration in this capacity.

If you would like further information about the SMERF, please refer to the contact details outlined above.

The ERF has different investments, fees and costs. The ERF does not provide insurance cover and any cover you had in the Plan will cease on transfer of your benefits to the ERF. You may apply to the ERF for payment of your benefit at any time.

Payments of unclaimed monies to the ATO

There are certain circumstances in which the Trustee is required to pay superannuation benefits to the Australian Taxation Office (ATO) as unclaimed money. These circumstances include if you reach your government pension age and we lose contact with you for five years; if you have a lost account of less than a prescribed threshold; or if you have a lost account that has been inactive for a period of 12 months. Superannuation benefits of temporary residents who have left Australia may also be treated as unclaimed money. Unclaimed monies can be claimed directly from the ATO. For more details, go to: www.ato.gov.au/super or telephone 131020.

Privacy

In this section, 'we' means Diversa Trustees) Limited ABN 49 006 421 638 ('the Trustee') and DIY Master Pty Ltd ABN 41 123 035 245 ('the Administrator').

Why do we collect your personal information?

We collect your personal information for the following reasons, to:

- Administer products and services and manage our relationship with you, including to establish and maintain member records, and provide regular statements, reports and communications;
- Provide products and services to you;
- Process transactions, applications, claims, requests and queries in relation to our products and services;
- Identify you in accordance with the Anti-Money Laundering & Counter Terrorism Financing Act and to protect against fraud;
- Let you know about other products or services that we may offer or that the Plan's promoter may offer; and
- comply with applicable laws and regulations.

If we do not collect your personal information, we may not be able to process your applications, provide you with services relating to the Plan or administer your interest in the Plan.

Who do we disclose your personal information to?

We may disclose your personal information to third parties including:

- Outsourced service providers including an administrator or promoter of the Plan;
- Mail houses and printing companies;
- Specialist service providers, such as actuaries, auditors and lawyers;
- Custodians and brokers;
- Insurance providers;
- Your financial adviser, your attorney appointed under a power of attorney, or your appointed representative;
- Other consultants; and
- Government authorities as required or desirable in administering and conducting the business of the Plan, including in complying with relevant regulatory or legal requirements. It is possible that this may also include a Government authority that is overseas.

Personal information will only be disclosed to third parties other than those listed above if you have consented, if you would reasonably expect us to disclose information of that kind to those third parties, if we are authorised or required to do so by law or it is necessary to assist with law enforcement.

Are we likely to disclose your personal information to a recipient who is overseas?

In some circumstances, your personal information may be disclosed to our service providers or other third parties in jurisdictions overseas including the United Kingdom.

Privacy Policies

The Privacy Policies of the Trustee and the Administrator set out how you can access and correct information we hold about you, how you can complain about a breach of your privacy rights and how your complaint will be handled. The Trustee's privacy policy can be found at www.diversa.com.au/trustee. The Administrator's privacy policy can be found at www.diymaster.com.au.

If you have any queries or complaints about your privacy please contact:

- Privacy Officer, Diversa Trustees Limited, GPO Box 3001 Melbourne, VIC 3001.
- Privacy Officer, DIY Master Pty Ltd, PO Box 7540 GCMC QLD 9726 Email privacy@diymaster.com.au

Certain information must be made available on request under superannuation law and there will be no charge for access to this information. The Trustee will inform you of any charges (such as photocopying costs) before providing the requested information. If the information held by the Trustee is inaccurate, incomplete or not up to date, a member may request the Trustee to correct the information. There are some circumstances in which the Trustee is entitled to deny access to information. These include where the information is used in a confidential or commercially sensitive decision-making process, where the privacy of others may be breached if the information is accessed or where the law requires or authorises access to be denied. The Trustee will advise if any of these circumstances apply.



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

As part of the Trustee's obligations under AML/CTF laws, it may require you to prove your identity prior to you being able to open a Pension Account or paying a benefit.. Identification and verification requirements may also be applied by the Trustee in relation to the administration of benefits generally under the Plan. You will be notified of any requirements when applicable. If you do not comply with these requirements, the consequences could include the delayed payment of benefits. Under the AML/CTF laws, the Trustee also has reporting obligations (including reporting suspicious transactions) to AUSTRAC, the government body responsible for the AML/CTF laws.

Complaints resolution

The Trustee has an established procedure for dealing with enquiries and complaints. Under these arrangements, you may enquire or complain about the operation or management of the Plan as it relates to you and have your enquiry or complaint dealt with within 90 days of receipt. Complaints should be made in writing to:

The Complaints Resolution Officer
Powerwrap Limited
PO Box 16071
COLLINS STREET WEST VIC 8007

If you are not satisfied with the Trustee's handling of your complaint or its decision, or the complaint is not dealt with within 90 days, you may contact the Superannuation Complaints Tribunal (SCT). The SCT is an independent body set up by the Federal Government to assist members or beneficiaries to resolve certain types of complaints with trustees. The contact details for the SCT are:

Superannuation Complaints Tribunal
Locked Bag 3060
Melbourne VIC 3001
Phone: 1300 884 114

CORPORATE DIRECTORY

Trustee and Issuer

Diversa Trustees Limited
ABN 49 006 421 638
AFSL 235153
RSE Licence No L0000635
GPO Box 3001, Melbourne VIC 3001
Phone: (03) 9616 8600

Investment Administrator & Promoter

Powerwrap Limited
ABN 67 129 756 850
AFSL 329829
Level 7, 356 Collins Street
Melbourne VIC 3000
Phone: (03) 8681 4600 (8:00 AM to 6:00 PM
Monday to Friday)
Fax: (03) 8681 4699
Email: clientservices@powerwrap.com.au
Web: www.powerwrap.com.au

Member Administrator

DIY Master Pty Ltd
ABN 41 123 035 245
AFSL 312431
PO Box 7540
GCMC QLD 9726
Contact
Phone: (07) 5555 5656
Fax: (07) 5574 1311
Web: www.diymaster.com.au



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