



Employer Superannuation Service

Reference Guide



For further information about these ratings and awards, go to www.heronpartners.com.au.

Date prepared: 19 February 2021

This Reference Guide is issued by the Trustee.

Trustee: Equity Trustees Superannuation Limited
Address: Level 1, 575 Bourke Street, Melbourne, VIC, 3001.
Phone: (03) 8623 5000, Fax: (03) 8623 5200.

Fund: AMG Super
ABN 30 099 320 583RSE Registration No. R1001006

Contact details: Freedom of Choice Client Services
Address: PO Box 3528, Tingalpa DC QLD 4173
Phone: 1800 806 013 Fax (07) 3899 7299
Email: enquiries@freedomofchoice.com.au;
Website: www.freedomofchoice.com.au

Unique Superannuation Identifier: FOC0001AU

The information in this document forms part of the Product Disclosure Statement of the Freedom of Choice Employer Superannuation Service dated 19 February 2021.

Introduction

This Reference Guide ('Guide') is issued by Equity Trustees Superannuation Limited ABN 50 055 641 757, AFSL 229757, RSE License L0001458 ('the Trustee') as Trustee of AMG Super ABN 30 099 320 583, RSE Registration No R1001006 ('the Fund') of which the Freedom of Choice Employer Superannuation Service ('the Service') is a part.

The Freedom of Choice Employer Superannuation Service Product Disclosure Statement ('PDS') is made up of the documents listed below:

- » The Freedom of Choice Employer Superannuation Service PDS;
- » The Freedom of Choice Employer Superannuation Service Reference Guide (this Guide);
- » The Freedom of Choice Insurance Guide (Insurance Guide); and
- » Employer Plan Additional Information Schedule, if applicable to you.

This Guide, the PDS, the Insurance Guide and (if applicable) Employer Plan Additional Information Schedule contain some general information about the Service and are not intended to be relied on for the purpose of making an investment decision or other decisions pertinent to your investment in the Fund. It has been prepared without taking account of the objectives, financial situation and needs of any particular person. You should also consider obtaining professional advice before making decisions regarding your investment in the Fund, to determine if they are appropriate to your needs. Please read the PDS available at www.freedomofchoice.com.au or contact the Client Services for a copy.

Acclaim Management Group Limited (ABN 52 091 082 058) ('Acclaim') is the Administrator and Promoter of the Service.

All investments in the Service are held in the name of the Trustee.

TAG Asset Consulting Group Pty Ltd trading as Atchison Consultants (ABN 58 097 703 047) (AFSL No 230846) acts as asset consultant to the Service.

Insurance cover available through the Service is provided under a group insurance policy taken out by the Trustee with Hannover Life Re of Australasia Limited (ABN 37 062 395 484). Alternative insurance may also be available.

The Trustee does not guarantee the payment of an insured benefit or the performance of the Insurer. Neither the Trustee, the Fund, the Administrator, any appointed investment managers, nor any related entity guarantee the performance of the Service, nor any return of capital.

Monies invested in the Service do not represent investments in, or liabilities of, the Trustee or any related entity. You should be aware that investments in the Service carry risks, including possible delays in repayment and loss of income and principal invested. An outline of some of the risks is contained in the PDS and this Guide.

How to get up to date information

The information in this Guide is up-to-date at the date it was prepared. Some of the information in this Guide may change from time to time and may not be up-to-date at the time you receive it. If a change is made to information that is not materially adverse information, the Guide may not be updated. Instead, any updated information will be published on the Freedom of Choice website www.freedomofchoice.com.au or you may obtain a paper or electronic copy free of charge by calling Client Services on 1800 806 013.

Client Services

Member, Employer and Adviser administration enquiries

PO Box 3528
Tingalpa DC QLD 4173

Phone: 1800 806 013 Australia-wide
Fax: (07) 3899 7299

Website

www.freedomofchoice.com.au

Email address

enquiries@freedomofchoice.com.au

Contents

About the Freedom of Choice Employer Superannuation Service	4
The Service at a glance	5
Making contributions	6
Accessing super benefits	7
Risks of super	8
Some investment fundamentals	9
Your investment options	11
How your account works	16
Fees and costs	19
Defined fees	21
Additional explanation of fees and costs	23
Taxation	25
General information	27

About the Freedom of Choice Employer Superannuation Service

The Freedom of Choice Employer Superannuation Service is for employees enrolled in the Service by their employer. It is a comprehensive employer super package to help meet the savings, investment and insurance needs of employees.

An employer can participate in (contribute to) the Service where two or more employees are to be enrolled and offers employers a convenient service while assisting them to meet their super obligations.

The Service offers value to employers and employees by:

- » Accepting various types of contributions allowing for more effective remuneration packaging;
- » Providing a range of investment options to help employees prepare for retirement; and
- » Providing a range of insurance options for death, total and permanent disability, and income protection to allow employees to choose the most suitable cover.

Your super is extremely important and may be your main source of income when you retire. The earlier you begin thinking about your super as a way to prepare for your future, the easier it becomes to understand. The Trustee encourages you to take an interest in your super by:

- » Talking to a licensed financial adviser;
- » Reading about the investment options available to you;
- » Considering the tax advantages of investing in a super fund; and
- » Making the most of the services we provide to make preparing for your future easier.

The Service provides you with the administrative and support services that you need to make investing for retirement simple.

A range of benefits

Our members enjoy:

- » Access to Binding Death Benefit Nominations;
- » Access to a range of managed investment schemes covering a broad range of investment sectors such as Australian shares, international shares, property, fixed interest and cash;
- » Access to a selection of managed investment schemes with diversified multi-sector managed portfolios catering for conservative, balanced, growth and aggressive investment profiles;
- » A selection of securities listed on the Australian Securities Exchange ('ASX');
- » Access to a selection of Term Deposits;
- » No investment switching fees with access to an online investment switching facility (however, buy-sell spreads or transaction costs may apply, depending on the investment);
- » Flexibility to transfer existing investments into your account, subject to approval;
- » Access to voluntary insurance options for: Death cover (including terminal illness cover), Total and Permanent Disablement (TPD) cover and Income Protection (IP) cover. Automatic Death and TPD cover is provided to eligible members;
- » Online account access;
- » Access to an account-based and transition to retirement pension product, providing flexible income streams during and leading up to retirement;
- » The ability to transfer between superannuation and pension accounts without selling down any investments and without any Capital Gains Tax ('CGT') liability being realised;
- » A personal super plan if a member leaves their employer prior to retirement;
- » Efficient and friendly client service;
- » Access to an automatic rebalancing facility for managed funds investments to help keep portfolios on track;
- » A Cash Sweep facility that automatically invests surplus cash holdings according to a member's investment strategy in May and November;
- » Consolidated regular reporting for investments; and
- » Flexible payment options and a regular contribution facility if you are making personal contributions.

Our employers enjoy:

- » Employer online access; and
- » Access to a Clearing House facility with the ability to pay contributions to Freedom of Choice and any other superannuation fund nominated by an employee. The Clearing House facility is a financial product, known as SuperChoice, offered by SuperChoice Services Pty limited, ACN 124 852 320. The PDS for the SuperChoice, available from www.freedomofchoice.com.au/employers, should be considered before deciding whether to acquire or continue to hold this financial product.

The Service at a glance

Key features	
Who can invest?	Individuals under 75 years and employed or self-employed full-time or part-time.
Minimum initial contribution/transfer in	Not applicable
Minimum additional contributions	No minimum
Minimum Regular Investment Plan	\$200 per month
Types of contributions accepted	<p>Concessional contributions including:</p> <ul style="list-style-type: none"> » Compulsory employer contributions (e.g. Superannuation Guarantee ('SG') contributions) » Voluntary employer contributions over and above compulsory contributions (e.g. salary sacrifice contributions) » Personal contributions for which you claim a tax deduction <p>Non-concessional contributions including:</p> <ul style="list-style-type: none"> » Personal contributions from your after-tax salary, which are not claimed as a tax deduction » Spouse contributions made to your account in the Service.
Rollovers or transfers into the Service	» Available
Contribution payment options	<ul style="list-style-type: none"> » BPAY; » Direct credit; » EFT; » Clearing House facilities (employers only) <p>Note: Employer contributions must be made in accordance with 'Super Stream' requirements, where applicable. For more information, go the ATO website.</p>
Automatic Rebalancing	Available (managed funds only)
Cash Sweep	Available
Access to benefits	<p>Unrestricted non-preserved benefits can be withdrawn at any time.</p> <p>All other benefits are subject to regulatory restrictions.</p>
Minimum withdrawals or transfers	<p>There is no minimum withdrawal or transfer, however when a partial withdrawal is requested, a minimum balance must be maintained. For members with insurance cover, this minimum balance is \$5,000 and for members without insurance cover, the minimum balance is \$2,500. Withdrawals are subject to government preservation requirements.</p>
Investment options	<ul style="list-style-type: none"> » AMG MySuper (the Service's MySuper default option) » Managed funds (diversified pre-set multi-sector options and single sector options) » Direct Choice (ASX 300 listed securities including approved ETFs); and » Term Deposits
Minimum investment amounts	<ul style="list-style-type: none"> » \$200 per Managed fund investment (certain underlying funds may have higher minimum investment requirements); and » \$1,000 per share trade (minimum parcel size requirements may also apply).
Minimum Cash Account requirement	1% of your account balance, plus three months of insurance premiums (where applicable) must be maintained at all times in a 'Cash Account' which forms part of your account balance in the Service
Member communications	<ul style="list-style-type: none"> » Annual Member Benefit Statement » Annual Trustee Report » Online member access » Change of investment and member details confirmations
Insurance options	<ul style="list-style-type: none"> » Death cover (including terminal illness cover); » Total and Permanent Disablement (TPD) cover; and » Income Protection (IP) cover. <p>(You may be eligible for automatic cover – refer to the <i>Insurance Guide</i>)</p>
Related accounts (fee aggregation)	Available
Death Benefit nominations	<ul style="list-style-type: none"> » Non-binding; and » Binding (Lapsing & Non-lapsing)
Adviser authority	Available

Making contributions

Your employer is generally required to make certain minimum contributions towards super on your behalf (known as the Superannuation Guarantee or SG contributions). This minimum amount is a percentage of your ordinary time earnings (broadly, salary and/or wages including most allowances). The current contribution percentage is 9.5% of ordinary time earnings (up to a maximum amount of earnings, referred to as the maximum contribution base, which is indexed each year).

In addition to SG contributions, you may choose to make personal contributions or arrange with your employer to forego part of your salary or wages in return for additional contributions to your super fund, known as 'salary sacrifice'.

Types of contributions accepted

The Service can accept the following types of contributions or amounts for a member:

- » Concessional contributions (before-tax) including:
 - Compulsory employer contributions (e.g. SG contribution);
 - Additional employer contributions over and above compulsory contributions;
 - Salary sacrifice contributions; and
 - After-tax personal contributions for which you claim a tax deduction; and
- » Non-concessional contributions (after-tax)
 - After-tax personal contributions for which you do not claim a tax deduction; and
 - Spouse contributions made to your account in the Service; and
- » Transfers or rollovers from other super funds; and
- » Government contributions.

Contributions can be made by you or on your behalf at any time via BPay®, direct debit or Electronic Funds Transfer ('EFT') and can also be made on a regular basis through the Regular Investment Plan (see the 'Regular Investment Plan' section of this Guide). Contributions by employers must be made in accordance with Super Stream requirements.

Limit on contributions

Any person under age 67 may contribute to superannuation.

If you are aged 67 to 74, you need to have worked at least 40 hours within 30 consecutive days in a financial year to make contributions unless the contributions are 'downsizer contributions' (see below). This is referred to as a 'work test'. Exceptions from the work test are available depending on your circumstances. For example, if you have a 'total superannuation balance' (i.e. in summary your total superannuation savings including superannuation pensions, in all funds you participate in) of less than \$300,000 at the end of the previous financial year and you meet other conditions, the work test won't apply. For further information about any work test exceptions that are available, contact the Fund Administrator.

Spouse contributions cannot be made to your account if you are age 75 or over.

If you are aged 75 or over, only mandated employer contributions and downsizer contributions (where eligible)

can be made. Mandated employer contributions refers to SG contributions, and contributions your employer is required to make under an Award or collective agreement.

If you are 65 years old or older and meet the eligibility requirements, you may be able to choose to make a downsizer contribution into your superannuation of up to \$300,000 from the proceeds of selling your primary residence. Go to the Australian Taxation Office ('ATO') website for more information about this.

Contributions can't be accepted for a member (or from their spouse) if we don't hold the member's tax file number.

Current legislation places annual limits by financial year on the amount of concessional and non-concessional contributions (as described previously) per person that may be made into superannuation. If you contribute more than these caps, you may pay additional tax.

Concessional contributions are limited to a contribution cap, which is determined each financial year. To review previous contribution caps and the current contribution caps, please refer to the Australian Taxation Office (ATO) website.

You can carry forward unused portions of your concessional contributions cap over rolling five year periods. However, you will only be able to carry forward your unused concessional contributions cap if your total superannuation balance at 30 June of the previous financial year is less than \$500,000.

Any concessional contributions made in excess of the concessional contribution limit will attract additional tax and, if retained in the Fund, count towards your non-concessional contributions cap. There are also tax consequences for exceeding your non-concessional contributions cap. Further information about these caps or limits is in the 'Taxation' section of this Guide.

The Trustee recommends that you consult your financial adviser to understand how the limits on contributions may affect you.

For more information on the current contribution limits, please refer to the Australian Taxation Office ('ATO') website www.ato.gov.au.

Transfer in of existing super benefits

You can request the transfer of other super benefits into your account. Transferring existing super benefits allows you to consolidate your super savings providing easier administration and reporting of your benefits.

Please note: You may incur fees or lose benefits (e.g. insurance cover) if you transfer benefits from your other fund (contact your other fund for more information).

To request a transfer of your existing super benefits into the Service you can complete a Super Consolidation Form, which can be found at www.freedomofchoice.com.au. You may also be required to obtain and complete a form from the fund from which you are transferring.

For more information on consolidating your superannuation, please visit the Freedom of Choice website at www.freedomofchoice.com.au or phone 1800 806 013.

Enrolment into the Service

If you have been automatically enrolled by your employer, you can advise Freedom of Choice of your account preferences by completing the *Change of Member Details Form*. This form can be found at www.freedomofchoice.com.au.

On joining the Service you will be part of a plan related to your employer's employees (employer plan), and an account in the Service will be opened for you (which is a 'sub-account' of your employer plan) in which your super benefits are recorded.

Accessing super benefits

Super is a long-term investment and the Government has placed restrictions on when you can gain access to benefits. In general, benefits cannot be withdrawn and paid until you have reached age 65, or have reached the preservation age and have retired. However, you can transfer these benefits to another complying super fund on request to the Trustee.

Benefits classified as unrestricted non-preserved can be withdrawn at any time.

All contributions made, and investment income and gains earned, after 1 July 1999 are classified as preserved benefits (except non-preserved benefits that existed as at 30 June 1999) and are subject to withdrawal restrictions.

Preservation age

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 1 July 1964 or after	60

Speak to your financial adviser if you require further information about restricted non-preserved and unrestricted non-preserved benefits.

Members' benefits

Your benefit in the Service comprises contributions, any transfers or rollovers, investment earnings and the proceeds from any insurance claims for and on your behalf, less government charges and taxes, any insurance premiums, and fees and other costs as described in the 'Fees and Costs' section of this Guide and the PDS.

If you are an Australian or New Zealand citizen or permanent resident of Australia, you may access your preserved super benefit in certain circumstances, known as a 'conditions of release', including the following:

- » reaching age 65;
- » reaching age 60 and leaving the service of your employer;
- » permanently retiring on, or after, attaining the preservation age applicable to you;
- » attaining the preservation age applicable to you, provided the benefit is received as a complying non-commutable income stream (or transition to retirement pension);
- » death (benefits will normally be paid to one or more of

- your dependants and/or legal personal representative);
- » severe financial hardship (subject to the satisfaction of the Trustee and up to a maximum of \$10,000 gross in a 12 month period);
- » compassionate grounds as approved by the relevant Government agency;
- » if the Trustee is satisfied that you are permanently incapacitated;
- » if the Trustee is satisfied that you are suffering a 'terminal medical condition' as defined in superannuation law (Note: this definition is different to the definition for insured 'terminal illness' benefits, therefore you should take care when claiming your accumulated super savings in your account in the Service that you are not endangering any insurance cover for terminal illness you may have); or
- » on complying with any other condition of release specified in superannuation law.

The conditions of release for temporary residents are different. For further information, visit the Freedom of Choice website at www.freedomofchoice.com.au or phone 1800 806 013.

Members can apply to withdraw a limited amount of voluntary contributions made to superannuation after 1 July 2017 (and associated earnings), for a deposit on their first home, if eligible. This is referred to as the 'First Home Super Saver Scheme'. For more information about this, go to the ATO website.

Retirement benefits are normally paid as a lump sum. However, you have the option of transferring all or part of your benefit to the Freedom of Choice Personal Retirement Service where regular income payments will be made from a pension account. You should consider the current PDS for the Freedom of Choice Personal Superannuation Service & Personal Retirement Service, available from the Freedom of Choice website www.freedomofchoice.com.au before making any decision about the Freedom of Choice pension products.

Upon termination of employment you will automatically transfer to the Freedom of Choice Personal Superannuation Service, subject to meeting minimum balance requirement of \$2,500 (see the Eligible Rollover Funds in the 'General Information' section of this Guide for more information). Members will remain subject to the same fees and costs upon transfer to the personal superannuation product with the exception of insurance costs. Please refer to the Insurance Guide and Personal Superannuation Service PDS available from your adviser or from www.freedomofchoice.com.au. You also have the option of transferring your benefits to another complying super fund or retirement product that complies with Commonwealth Government regulations at any time.

You may be automatically entitled to Death Only, Death and TPD or Income Protection insurance cover, if eligible, or apply for cover (refer to the Insurance Guide).

In the event of an acceptance of a claim, the proceeds of any insurance cover will be paid into your account.

The payment of benefits is subject to the Trust Deed governing the Fund and superannuation law.

This information is current as at the date of this Guide. Please note that legislation may change in the future.

Risks of super

What risks can affect your investments?

You should carefully consider the various types of risks which have the potential to influence the performance of your investment. The impact of these risks will vary depending on the asset classes in which you invest. The level of risk will also depend on the extent to which you diversify your investments amongst these asset classes. Please refer to further information later in this document, including a description of the asset classes and the risk profile of each investment option.

This is a guide only. It does not take into account your personal circumstances. You should consult an appropriately qualified adviser for advice about how these risks impact you having regard to your personal situation. You should also consider the risks information in disclosure documents available in respect of the Fund's investment choices.

The main factors which may impact the performance of the Fund, the Service or its investment options include but are not limited to the following:

Investment risk

The value of investments can rise and fall or investment returns can fluctuate. Falls in the value of your investment mainly occur when underlying investments that you have invested in experience a fall in the value of the assets. Changes in the value of investments and/or investment return volatility depends on the nature of the underlying investments. Investment risk differs for each of the investment options according to the asset allocations used in those options and the level of diversification in assets.

Other factors that can affect the value of investments include the economic environment, changes in laws and government policy, changes to interest rates, currency fluctuations (relevant to overseas investments) and investment decisions made by fund managers.

Fund or operational risk

When you invest in a superannuation fund, you also rely on the quality of the personnel (including any appointed service providers) and systems utilised to manage its investments. If key personnel or service providers leave or there is a significant failure in administrative systems, your investment may be materially affected.

Insurance risks

If insurance cover has been taken out through the Fund, there are a number of risks to be aware of. If your account balance is insufficient to meet the premiums, or your account is inactive (i.e. no amount is received by the Trustee for you) for 16 continuous months, your cover may cease. Cover also ceases in other circumstances. If full disclosure is not made to the Insurer that would be relevant to the Insurer's decision whether to accept the risk of insurance, the Insurer may void the contract.

Market risk

Investment returns are influenced by the performance of the market as a whole. This means that your investments can be affected by things like interest rates, investor sentiment and global events, depending on which markets or assets classes you invest in. This is relevant to all investment options available through the Service.

Security specific risk

Within each asset class, individual securities like shares or bonds can be affected by risks that are specific to that security. For example, the value of a company's shares can be influenced by changes in company management, its business environment or profitability. These can also impact on the company's ability to repay its debt. This is relevant to all investments which involve investment in securities.

Currency risk

Investment in global markets (e.g. international shares) gives rise to foreign currency exposure. This means that the value of these investments will vary depending on changes in the exchange rate. Currency hedging is a currency management strategy that involves reducing or removing the impact of currency movements on the value of the investment. Because different options have different currency risk management strategies, you should consult your financial adviser on the best approach for you. Currency risk is relevant to all investment options which involve investment in international or overseas assets. This is relevant to the AMG MySuper option and options with overseas exposure.

Derivatives risk

Derivatives are contracts between two parties that usually derive their value from the price of a physical asset or market index. They can be used to manage certain risks in investment portfolios, however they can also increase other risks in a portfolio or expose a portfolio to additional risks. Risks include: the possibility that the derivative position is difficult or costly to reverse; that there is an adverse movement in the asset or index underlying the derivative; or that the parties do not perform their obligations under the contract. Investment managers may use derivatives to:

- » Protect against changes in the market value of existing investments;
- » Achieve a desired investment position without buying or selling the underlying asset;
- » Gear a portfolio;
- » Manage actual or anticipated interest rate and credit risk;
- » Alter the risk profile of the portfolio or the various investment positions.

As a financial instrument, derivatives are valued regularly and movements in the value of the underlying asset or index should be reflected in the value of the derivative. The investment options may use derivatives such as futures, options, forward currency contracts and swaps, depending on the strategy of the investment option.

The Trustee does not intend to invest directly in any futures, options or other derivative investments. However, the Fund's investment managers may use such futures and options strategies from time to time for limited purposes as stated above. This is relevant to the AMG MySuper option and may be relevant to managed funds investing in shares.

Management risk

The AMG MySuper option and each Managed fund investment option has an investment manager(s) to manage the underlying assets of the option. There is a risk that an investment manager will not perform to expectation or that its operations will be disrupted due to systems failure or loss of key staff.

Gearing risk

Some of the investment options use gearing. Gearing means the option borrows so that it can invest more to increase potential gains. Gearing also increases losses (if any) and variability in the value of the portfolio. This relates to some of the Managed funds available through Freedom of Choice.

Information risk

You may not always have the most current or updated product disclosure information for a Managed fund investment option at the time that further monies are paid into the Fund for investment in the investment option. More generally, we may not always be able to contact you about changes affecting your super because your contact details are incorrect or become out of date.

Other risks

When assessing potential investment options, past investment performance is not a reliable indicator of future performance. The investment returns of this product are not guaranteed and you may get back less than the amount that you have invested. This may occur whether you leave the Fund or withdraw money from any one or more investment options.

The Trustee cannot eliminate all risks associated with your investment, the Service or the Fund. However, it manages the impact of any risks by having risk management and compliance arrangements in place in accordance with legislative requirements. The Trustee also has a risk management strategy to help manage investment and other risks.

The above section provides a general outline of the risks that may potentially impact your investment. It is not an exhaustive list and does not take into account your personal circumstances. You can help manage investment risks by taking an active role in choosing a suitable investment option for your personal circumstances and employing diversification of investments relevant to your needs. Refer to further information below about how you can help manage risks when making an investment choice.

Some investment fundamentals

Before you start investing there are some basic questions you should ask yourself:

- » What types of investments are there? (Asset classes)
- » For how long will I be investing? (Time frame)
- » Will I accept fluctuations in the value of my investments? (Attitude to risk)
- » What do I want from my investments? (Objectives)

Once you have the answers to these questions you can begin developing an investment strategy and choose the investment options that are best for you.

If you are unsure about any of these questions, the Trustee strongly recommends that you seek advice from a licensed financial adviser who can help you through this process.

Asset classes

The term 'asset class' is used to describe the type of

investment. Generally speaking there are four main asset classes – shares, property, fixed interest and cash. These assets can then be broken down into subclasses. For instance, property can be broken down into listed property and direct property; shares into Australian shares and international shares; and so on.

Shares

Shares (also known as equities) describe the unit of ownership in a company and are usually bought or sold on a stock exchange. In Australia, shares are often classified into either Australian shares (shares that are traded on the Australian Securities Exchange ('ASX')) or international shares (shares that are traded on international stock exchanges throughout the world). Shares can be owned by individuals, other companies, managed funds or super funds.

Returns from shares generally include capital growth (an increase in the value of the shares) or loss (a decrease in the value of shares). Depending on the share, some of the return may also be in the form of income through share dividends where a portion of the company's profits are paid to shareholders.

Shares traditionally carry more risk than other asset classes because they can experience significant changes in value. Share prices fluctuate in value in response to many factors, including company profits and performance, inflation, interest rates, exchange rates, political and economic factors.

Property

Property is an investment in real estate including buildings and/or land. The main types of property are residential (houses), commercial (office buildings), retail (shopping centres) and industrial (factories). Investing in property can be done directly (where the investor holds the title) or through property trusts.

Due to the nature and size of commercial, retail and industrial properties it is difficult for the average investor to invest directly in these assets. Instead, they may invest through property trusts which pool investors' money together, making it possible to own a small part of the property or group of properties. The composition of property trusts can also vary. Some trusts invest in other property trusts listed on the ASX, while other trusts hold property directly, or a combination of both.

Similar to residential properties, property trusts usually earn income in the form of rent. A property trust may increase or decrease in value over the long-term as the values of the properties owned by the trust change. A property trust may also invest in a number of different properties to create diversification.

Historically, property investments are less volatile than shares. However, property investment returns will still vary as returns rely on general economic conditions and factors unique to property, such as location and quality of tenants.

Fixed interest

Investing in fixed interest securities (also known as bonds) is in essence lending money to government or business at a fixed interest rate for a specified length of time. The borrower pays a fixed rate of interest for the agreed term, after which the loan is paid back in full (on maturity).

Before maturity, a bond's capital value can fluctuate due to interest rate movements or changes in the credit-worthiness of the borrower. Generally, when interest rates increase, the value of a bond falls because the interest rate that the borrower has

agreed to pay up front is less than the current market interest rate. Conversely, when interest rates fall, the value of a bond increases.

Bonds have traditionally offered more security and less volatility (over the short-term) than shares or property. However, the returns over the long-term have historically been lower than shares and property investments.

Cash

Cash generally refers to investments in bank bills and similar securities which have a short investment timeframe. Cash investments generally provide a stable return with a low potential for capital loss, which in turn results in low levels of investment returns. However small negative returns can be experienced in a very low interest rate environment.

How have the asset classes performed?

It is widely accepted that investment markets are inherently uncertain. Over the short-term, it is almost impossible to predict with confidence which asset class will be the best performing.

However, over the long-term, the more volatile asset classes like shares and property have generally outperformed the less volatile asset classes such as fixed interest and cash.

Investment time frame

When investing it is important to consider for how long you wish to invest, as this may help determine the chance of a negative return, and therefore determine the level of exposure to the different asset classes with which you are comfortable.

If you are investing for a relatively short period of time, say less than three years, then the likelihood of a negative return (getting back less than what you originally invested) from shares is relatively high. Cash and fixed interest investments offer the least chance of losing part of your original investment.

If you are investing for a long period of time, say eight years or more, then based on historical performance the likelihood of a negative return from shares and property over the period is reduced. Shares and property investments generally provide better returns over long periods of time compared with cash and fixed interest.

The table below shows the suggested minimum period for holding an investment in the various asset classes.

Asset class	Time frame
Cash	0-3 years
Fixed Interest	2-4 years
Property	More than 5 years
Shares	More than 5 years

Attitude to investment risk

Risk is the likelihood of an investment performing lower than expected or providing a negative return. If there is a high chance of negative returns (loss of capital), the investment is considered high risk. Conversely, if there is a low chance of negative return, this is considered low risk.

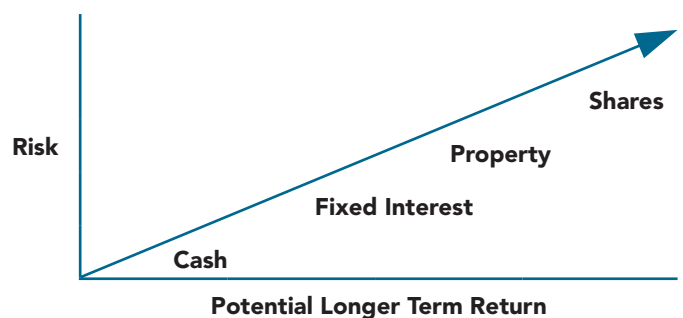
Risk, however, can be linked to time frame. Share investments for example are considered high risk. However, the level of risk (or the chance of a negative return) decreases the longer the period of investment. A share investment over one year would be considered very high risk compared to a share investment

over ten years, which may be considered a moderate risk.

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.

The diagram below illustrates the general risk/return relationship for each of the main asset classes.



How do you minimise risk without sacrificing returns?

There are two main strategies employed to reduce risk and optimise returns:

- » Invest according to time frame – choose investments that closely match your investment time frame.
- » Diversify your investments – spread your investment over a number of asset classes and investment managers.

Diversification

Diversification is the process of spreading investments across different asset classes and different investment managers.

Why is diversification important?

As mentioned earlier, different asset classes perform differently and have different levels of risk. Diversification seeks to reduce the level of risk in a portfolio by limiting the influence of any single asset class has on returns.

It is also important to diversify investment manager styles as investment managers are not all the same. Some investment manager styles are conservative while others are more aggressive. As a result, they may perform differently depending on market conditions. It is therefore important to diversify investments by asset class and investment style to help manage investment risk.

There are a number of investment options that are specifically designed to offer a diversified portfolio, commonly known as 'diversified' or 'balanced' funds. A key benefit of these fund types is that some or all of the diversification work is done for you.

Your investment options

Freedom of Choice provides you with a wide range of investment options from which to choose. This allows you, in consultation with your financial adviser, to select investments to meet your risk/return objectives.

With one single account, you have access to over 190 different investment choices managed by leading Australian and international fund managers, plus the ability to construct a personal share portfolio made up of the top 300 companies and approved Exchange Traded Funds (ETFs) listed on the ASX.

Freedom of Choice offers three separate investment approaches. You can choose from:

- » Managed funds
- » Direct Choice
- » Term Deposits

Managed funds

Today's financial world presents investors with thousands of investment choices. Attempting to select which options are appropriate for you can be daunting, confusing and time-consuming, even for experienced investors.

Freedom of Choice simplifies the selection process for you by providing you with the ability to choose from managed funds that fall within the following five ready-made diversified investment categories:

- » Diversified Defensive

- » Diversified Conservative
- » Diversified Balanced
- » Diversified Growth
- » Diversified Aggressive

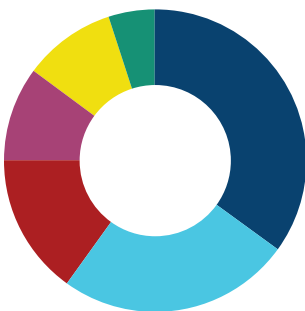
Or from more than 100 single sector managed fund options.

Selecting from the diversified investment categories will help you take the guesswork out of selecting your investment. By utilising one of these categories, or a combination of these categories, you can add a further level of diversification to your investments by gaining exposure to a variety of investment managers and styles as well as assets within each underlying fund.

Within each of these categories you have the option of selecting a 'fund of funds', a stand-alone fund, or a combination of both. A 'fund of funds' is where an investment manager has invested in other managed funds that match their investment strategy to form their own unique fund. Your financial adviser will be able to provide you with a detailed summary of each fund available from Freedom of Choice. Alternatively, you can read more about each fund available through Freedom of Choice at www.freedomofchoice.com.au/investments/managed-funds

Freedom of Choice also offers a MySuper option, AMG MySuper. It is suitable for members who want a simple low cost diversified investment strategy with a focus on capital growth and moderate income. Investment details for AMG MySuper are shown in the Freedom of Choice Employer Superannuation Service PDS.

Investment details for AMG MySuper option

Description of option	A single diversified portfolio of cash, listed property, fixed interest securities, Australian and International shares.												
Suitable for	Members seeking a diversified investment over a broad range of asset classes, in order to achieve a diversified capital growth-based return with moderate income.												
Strategic Asset Allocation (neutral position)¹	 <table><tr><td>Australian Shares</td><td>35%</td></tr><tr><td>International Shares</td><td>25%</td></tr><tr><td>Listed Property Securities</td><td>10%</td></tr><tr><td>Australian Fixed Interest</td><td>10%</td></tr><tr><td>International Fixed Interest</td><td>15%</td></tr><tr><td>Cash</td><td>5%</td></tr></table>	Australian Shares	35%	International Shares	25%	Listed Property Securities	10%	Australian Fixed Interest	10%	International Fixed Interest	15%	Cash	5%
Australian Shares	35%												
International Shares	25%												
Listed Property Securities	10%												
Australian Fixed Interest	10%												
International Fixed Interest	15%												
Cash	5%												
Investment return objective²	To achieve returns (net of fees and taxes on investments) that exceed movements in the Consumer Price Index (CPI) by at least 2.50% over rolling 10 year periods												
Minimum suggested timeframe	4 to less than 6 years												
Risk Level³	High (Risk Band 6). Probability of negative returns is 4 to less than 6 years in 20 years												

¹ The "neutral" position is the option's benchmark and the mix is varied around the benchmark according to the Trustee's views of the relative risks and returns of each asset sector.

² The investment return objective is formulated in accordance with legislative requirements for the return target in the AMG MySuper product dashboard available from www.freedomofchoice.com.au. The return target, risk and other information in the product dashboard may differ, from time to time, from information shown in this PDS for AMG MySuper.

³ The risk level is based on a Standard Risk Measure developed by superannuation industry associations. Details of how the Standard Risk Measure works can be found below.

AMG MySuper

AMG MySuper is the default investment option designed for members who have not chosen an investment option. MySuper is required to satisfy government legislation to offer a simple low cost investment option for members who haven't exercised choice.

Is the AMG MySuper option suitable for you?

On or after joining the Fund, if you make no investment choice, your account will be invested in the AMG MySuper option. This option is designed to be suitable for the typical risk profile of the majority of members. But the option may not be suitable for you. The Trustee strongly recommends that you seek advice from a financial adviser who can help you through this process. Your financial adviser can help you determine the right investment strategy to match your tolerance for risk, investment goals and time frame. It is recommended that you regularly review your investment strategy with your financial adviser to accommodate changes in your circumstances or market conditions over time.

Standard Risk Measure

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

The investment menu

The managed funds available through Freedom of Choice can be classified into various investment categories shown below. The following table provides a general indication of the structure of the various investment categories including the indicative objectives, indicative investment strategy, indicative asset allocations and suggested investment time frames for a particular category. A full list of the investment options (including underlying managed funds) available is provided in the *Freedom of Choice Investment Choice Form* on our website www.freedomofchoice.com.au.

The structure of each underlying fund within each category may differ from what is described in the table. For detailed information on each of the underlying funds, please refer to that fund's disclosure document which is available from your financial adviser or our website www.freedomofchoice.com.au. For information about the risks associated with individual managed funds, refer to the fund's disclosure document.

Investment category	Indicative Objective	Indicative strategy	Indicative asset allocation	Suggested time frame
Diversified Funds				
Defensive	Generally, to provide a stable income stream and some capital growth with low volatility.	Defensive funds predominantly invest in a diversified portfolio of cash and fixed interest, with a small exposure to shares and property.	85% – Cash & fixed interest 15% – Shares & property	3-5 years
Conservative	Generally, to provide a stable income stream and some capital growth with low to moderate volatility.	Conservative funds predominantly invest in a diversified portfolio of cash and fixed interest, with a moderate exposure to shares and property.	70% – Cash & fixed interest 30% – Shares & property	3-5 years
Balanced	Generally, to provide a combination of income and capital growth over the longer term with moderate volatility.	Balanced funds generally aim to invest in a mix of income assets (cash and fixed interest) and growth assets (shares and property).	50% – Cash & fixed interest 50% – Shares & property	3-5 years
Growth	Generally, to provide moderate to high capital growth over the longer term with some income.	Growth funds predominantly invest in a diversified portfolio of growth assets, with a small exposure to income assets.	30% – Cash & fixed interest 70% – Shares & property	More than 5 years
Aggressive	Generally, to provide capital growth over the longer term.	Aggressive funds predominantly invest in a portfolio of Australian and international shares with little or no exposure to income assets.	10% – Cash & fixed interest 90% – Australian shares & international shares	More than 5 years
Sector Funds				
Cash/Interest Bearing	Generally, to provide a level of return commensurate with cash rates and a high level of capital security.	Cash/Interest bearing funds invest in cash deposits and short-term securities to achieve capital stability.	100% – Cash & fixed interest	0-2 years
Mortgages	Generally, to provide a level of return above cash rates.	Mortgage funds invest in mortgages and fixed interest securities to achieve an income stream coupled with capital stability.	85% – Mortgage & fixed interest 15% – Cash	2-4 years
Australian Fixed Interest	Generally, to provide higher income returns than cash over time with low to moderate volatility.	Australian fixed interest funds generally invest in a diversified portfolio of Australian fixed interest securities with a moderate level of cash for liquidity. These securities may include Government, semi-Government and corporate bonds.	10% – Cash 90% – Australian fixed interest	2-4 years
International Fixed Interest	Generally, to provide higher income returns than cash over time with low to moderate volatility.	International fixed interest funds generally invest in a diversified portfolio of fixed interest securities from around the world with a moderate level of cash for liquidity. These securities may include International Government, semi-Government and corporate bonds.	10% – Cash 90% – International fixed interest	2-4 years

Investment category	Indicative Objective	Indicative strategy	Indicative asset allocation	Suggested time frame
Australian Shares	Generally, to provide strong capital growth over the long-term through investments in Australian shares.	Australian share funds generally invest in a portfolio of Australian companies listed on the ASX. Australian share funds can be diversified across the different sectors in the market or they can focus on particular sectors (e.g. Industrials or Resources).	5% – Cash 95% – Australian shares	More than 5 years
Australian Share – Small Companies	Generally, to provide strong capital growth over the long-term through investments in smaller Australian companies with significant growth potential.	Australian small company share funds generally invest in a portfolio of small Australian companies listed on the ASX.	5% – Cash 95% – Australian shares	More than 5 years
International Shares	Generally, to provide strong capital growth over the long-term through investments in international shares.	International share funds generally invest in a diversified portfolio of companies listed on international stock exchanges.	5% – Cash 95% – International shares	More than 5 years
Alternative Assets	Generally, to provide a combination of income and capital growth over the long term with moderate to high volatility.	Alternative assets generally include commodities, private equity, infrastructure, hedge funds, and other investments that are not directly comparable or have a low correlation with traditional asset classes.	5% – Cash 95% – Alternative assets	More than 5 years
Property Securities	Generally, to provide a combination of capital growth and income over the long-term through investments in property trusts.	Property securities funds generally invest in a portfolio of property trusts listed on the ASX.	5% – Cash 95% – Listed property securities	3-5 years
Direct Property	Generally, to provide some income with some capital growth over the longer term through investment in direct property.	Direct property fund strategies vary from fund to fund. Generally, these funds invest in direct property assets primarily to achieve the stated investment objective.	10% – Cash & fixed interest 90% – Direct property and property securities	More than 5 years

Direct Choice

In addition to managed fund investments you can also invest in listed securities. Direct Choice allows you to construct your own portfolio of ASX 300 listed securities including approved ETFs. Further information about the listed securities available is provided on the Investments page of our website www.freedomofchoice.com.au/employer-service/investments/.

Term Deposits

A selection of Term Deposit products with terms ranging from 30 days to 60 months, are available at competitive rates. For the most up to date rates for Term Deposits, please visit www.freedomofchoice.com.au/investments or call Client Services on 1800 806 013.

Which investment option is most suitable for you?

The Trustee strongly recommends that you seek advice from a financial adviser who can help you through the process of selecting your investment options. Your financial adviser can help you determine the right investment strategy to match your tolerance to risk, investment goals and timeframe. It is recommended that you regularly review your investment strategy with your financial adviser to accommodate changes in your circumstances or market conditions over time.

Minimum investments into underlying managed funds, shares and term deposits

The minimum investment into any of the underlying Managed fund options is \$200.

Certain funds may have higher minimum investment requirements, in which case contributions will be invested into your Cash Account until such time as minimum levels are achieved. Details of underlying funds' minimum investment requirements can be found in the relevant funds' disclosure documents.

The minimum investment into any one listed share is \$1,000. Please note minimum parcel size requirements may also apply.

For the most up to date minimums for Term Deposits, please visit www.freedomofchoice.com.au or call Client Services on 1800 806 013.

Additional investment information

Freedom of Choice will invest contributions (less any fees, costs or taxes) in accordance with your investment strategy (subject to the minimum investment levels described above), or the default AMG MySuper option if you do not select your own investment strategy. The Trustee recommends that you make this choice in consultation with your financial adviser.

Underlying investments are registered in the name of the Trustee or a custodian appointed by the Trustee. This means

that you are not entitled to individually instruct the Trustee in relation to corporate actions or vote at unit/shareholder meetings of the underlying investments.

You can switch between the available strategies at any time, subject to minimum investment requirements and any restrictions placed by an underlying fund, where applicable. Freedom of Choice will be unable to complete the required purchase until proceeds of the sale are received and confirmed. This process will generally take up to ten Brisbane business days* depending on the nature of the investment being sold.

* A Brisbane business day means any day excluding a Saturday or Sunday in which Australian banks are open for business in Brisbane.

From time to time investment options may be withdrawn or their composition varied. Should you have any money in an investment option that has been removed from our investment menu, you will be notified in writing and advised to select an alternative option and update your investment strategy for future contributions.

If you do not select an alternative option within the specified timeframe, the investment will be redeemed and placed in the Freedom of Choice Cash Account, or another investment option as determined by the Trustee (depending on the circumstances) and notified to you.

In addition, if you do not provide an updated investment strategy for future contributions, they will remain in the Cash Account until you make another investment selection.

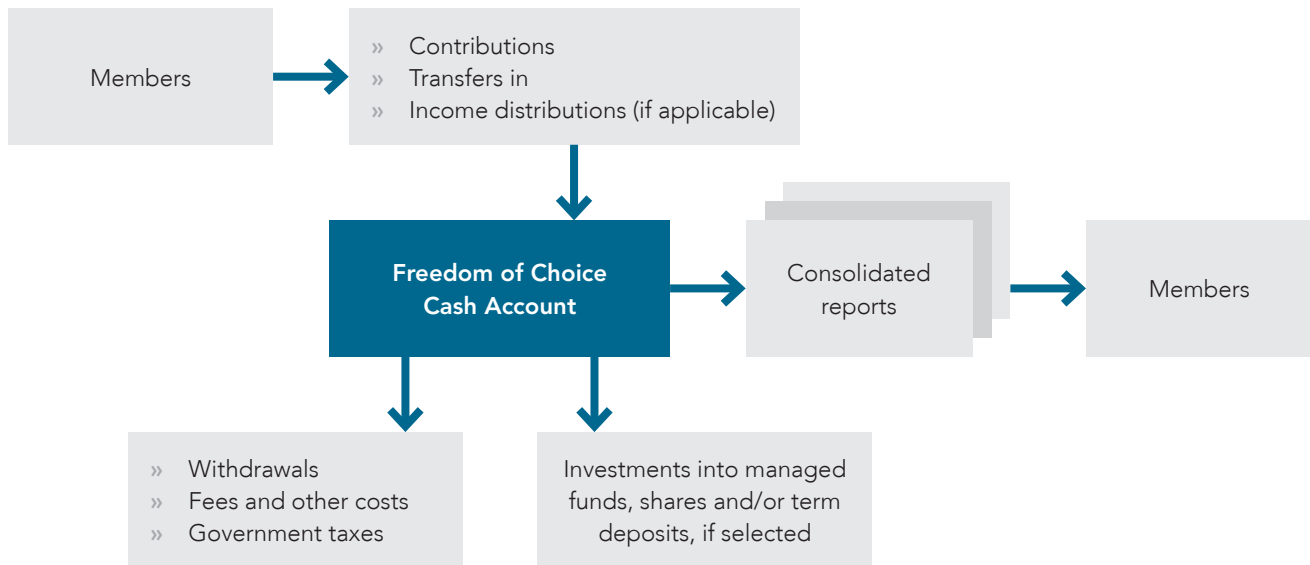
Labour standards or environmental, social or ethical considerations

The Trustee does not itself take into account labour standards or environmental, social or ethical considerations in the selection, retention or realisation of investments for the Fund. However, the Trustee does have an overall policy of always acting legally, acting in the best interests of members, and dealing with parties who, to the best of our knowledge, are reputable organisations.

The managed funds available for selection via Freedom of Choice include funds where the manager may take into account labour standards or environmental, social or ethical considerations in the managed fund's investment decisions (referred to as 'socially responsible investing'). Information about this is included in the PDS for relevant underlying funds, available from your financial adviser or our website www.freedomofchoice.com.au.

While the Trustee may make available (for selection by members) managed funds that provide access to 'socially responsible investing', this is to enable members to take into account labour standards or environmental, social or ethical considerations when making their investment selections.

How your account works



Each member account in the Service will comprise a Cash Account and, if applicable, the underlying investments selected. This may be referred to as your portfolio. Contributions will initially be placed in the Cash Account prior to being invested.

Cash Account

The Cash Account is central to all investments and transactions made within your account. All money contributed and withdrawn from your account, including investment placements, withdrawals, fees and other costs (including insurance premiums and associated insurance administration fees) and any income distributions (refer diagram above) pass through the Cash Account.

The Cash Account is invested in an interest bearing account through the Fund's custodian that provides a return to members. You are required to maintain 1% of your member account balance in the Cash Account. In addition, if you have insurance cover, three months' worth of insurance premiums must also be maintained in the Cash Account.

It may be necessary on occasion to sell down investments or make further deposits into the Cash Account if its value falls below the minimum level. Should the Cash Account fall below the minimum level, any managed investments you are invested in will be sold down from the most liquid investment held at the time of sale, followed by any shares you are invested in from largest holding to smallest holding.

Selecting your investment strategy

If you do not select your own investment strategy from the range of options available, your account will be invested into the default investment option, AMG MySuper. To change your investment strategy you will need to complete an *Investment Switch Form* or access your account online and complete your investment switch.

Switching

You can switch between investments or sell down investments at any time (subject to any restrictions imposed by an underlying fund, where applicable).

Investment transactions

Managed Fund transactions

Transaction instructions are generally placed with fund managers daily. The time it takes to finalise these transactions can vary depending on a number of factors, including:

- » The fund managers' procedures (including any withdrawal restrictions imposed by the fund managers) which the Trustee cannot control; and
- » Prevailing market conditions.

Direct Choice share transactions

If you choose to make share purchases or sales for your account, you can choose the maximum buy or minimum sell price. The price(s) you choose will be valid for five working days only. Should your request not be satisfied within five days, your request will be treated as having expired.

Share transactions will be placed into the market as soon as practicable, provided all relevant information required to process the transactions has been received. Depending upon the volume of transactions and the method of communication with Freedom of Choice the following service standards will apply:

- » Trades received prior to 11am – will be requested by 12pm;
- » Trades received prior to 3pm – will be requested by 4pm; and
- » Trades received after 3pm – if it is not possible to request the trades by 4pm, they will be requested by 12pm the following business day.

Income and dividend distributions

Income and dividend distributions from your investments (if applicable) will be automatically credited to your Cash Account. Income reinvestment plans are not available.

You may wish to regularly review your Cash Account balance to ensure that the appropriate balance is maintained, with any excess funds invested according to your strategy.

Cash Sweep facility

Freedom of Choice provides an automatic Cash Sweep facility that invests your surplus cash holdings (amounts 2% above

the minimum holding requirement for the Cash Account) once each half year (currently May and November each year), in accordance with your most recently lodged *Investment Choice Form*. To take advantage of this facility you will need to complete an *Investment Choice Form*.

Should your investment strategy include an investment that is closed or not available, you will be asked to complete a new *Investment Choice Form*. This Cash Sweep facility and the investment of funds are subject to the minimum investment requirements as set out in the '[Minimum investments](#)' section of this Guide. If a new investment strategy is not provided within the specified time, the Cash Sweep facility will cease.

If you do not use this facility, any proceeds from income distributions and dividends will be held in your Cash Account, in which case the Trustee recommends that you review your Cash Account balance with your financial adviser regularly.

Regular Investment Plan

The Regular Investment Plan provides a convenient way for you to make regular personal contributions. The minimum regular investment amount is \$200 per month and can be made monthly, quarterly, half-yearly or annually.

The investment amount will be automatically drawn from a bank, building society or credit union account, normally on the 15th day of the month.

Contributions (other than contributions invested in AMG MySuper) made will be held in the Cash Account until the minimum investment levels are met and investments can be made, where applicable. Refer to the '[Minimum investments](#)' section of this Guide for further information on minimum investments.

Bank transaction fees and government charges may be applied by your bank, building society or credit union ('bank'). If sufficient funds have not been maintained to cover the regular contribution, bank dishonour fees may also apply.

Participation in the Regular Investment Plan will automatically cease if two consecutive payments fail or on the closure of your nominated bank account. Contributions made under the Regular Investment Plan are made on the terms and conditions set out in the Guide at the time the contributions are made. We are entitled to terminate the Regular Investment Plan, or to change the conditions of the Regular Investment Plan by providing you with prior written notice.

Transfer of existing investments

Subject to the approval of the Trustee and any criteria established by the Trustee from time to time to ensure compliance with relevant superannuation legislation, the following may be permitted:

- » In specie contributions to your account via the transfer of managed funds and shares held by a member to the Fund; or
- » In specie transfers of shares from an account in another superannuation fund to your account.

In specie contributions are subject to contribution rules and limits for taxation purposes in the same way as ordinary contributions. Any investments to be transferred in must fall within the list of investments offered through Freedom of Choice at the time of transfer and will be held by or on behalf of the Trustee for you. To request a transfer of investments into your account, you will need to complete an *Australian Standard*

Transfer Form available from www.freedomofchoice.com.au.

For more information contact Client Services on 1800 806 013. We also recommend you speak to an appropriately licensed financial adviser about this.

Withdrawals

Transfers out and, subject to preservation rules, withdrawals will be met from the Cash Account, unless you are invested in AMG MySuper (in which case transfers and withdrawals will be processed by redeeming your investment in AMG MySuper as necessary). Where there are insufficient funds to meet the transfer or withdrawal request, specific instructions on the investments to be sold will be required.

If you are invested in more than one investment option, you can nominate the order of priority for any investments to be sold on the *Investment Choice Form*. If you have not provided instructions at the time of the request, and you have not nominated a sell order priority, any managed investments you are invested in will be sold from the most liquid investment held at the time of sale, followed by shares you are invested in from largest holding to smallest holding.

Payment of withdrawals from investment options you have selected is usually made after all monies from the settlement of sales (where applicable) have been completed.

If a withdrawal or transfer request causes your account balance to fall below \$2,500 then the request may be treated as a full withdrawal (subject to the preservation rules) or transfer. Members with insurance cover must maintain a minimum account balance of \$5,000.

Subject to the approval of the Trustee and any criteria established by the Trustee from time to time to ensure compliance with relevant superannuation legislation, you may be permitted to make an in specie transfers of shares or managed funds from your account into an account in another superannuation fund.

To request a transfer of investments from account, you will need to complete an *Australian Standard Transfer Form* available from www.freedomofchoice.com.au.

For more information contact Client Services on 1800 806 013. We also recommend you speak to an appropriately licensed financial adviser about this.

Adviser authority

You can authorise your financial adviser to transact on your account on your behalf. By giving your financial adviser authority, the Trustee of the Fund will accept instructions via email or fax from your adviser as if you had issued those instructions yourself.

The authority allows your adviser to instruct on investment switches, investment placements, investment re weightings, share purchases and sales, and partial withdrawals to your nominated bank account.

This authority does not allow the adviser to instruct with regard to account name changes, full withdrawals or transfers to other service providers, or changing your nominated bank account or address details. Please note that your nominated bank account and address details can only be changed by written authorisation from you personally.

If you would like to take advantage of this facility, please complete an *Adviser Authority Form*. Your authorisation will

remain in force until the Trustee receives written revocation of the authority from you.

Fax and email instructions

The Trustee may accept transaction requests (including withdrawals) either by facsimile or email, provided the following conditions are met:

The facility must be requested in writing and must be signed by the signatory to the account.

- » Faxed instructions must be legible
- » Instructions must bear the account holder's member number
- » The account holder must sign the faxed instructions
- » Emailed instructions must be received from an email address previously provided to Freedom of Choice in writing or via online member access
- » In the case of an investment switch, the amount to be switched must be clearly stated.

Unless all the above conditions are satisfied, the Trustee is not liable for, and you indemnify the Trustee in respect of, all claims arising from the fax or email instruction facility.

Automatic rebalancing (managed investments only)

An important part of managing a diversified portfolio is to regularly monitor your investments and investment strategy. This is important because different investments may perform differently and the proportion of each investment over your total investment may change over time. If left unchecked, a portfolio that commenced with two investments split 50/50 could change to 60/40 if one investment performs better than the other. The impact will of course vary depending on the composition of your portfolio.

To ensure your portfolio remains in line with your investment strategy, Freedom of Choice offers an automatic rebalancing facility. You can choose to have your portfolio of managed funds (if you are invested in more than one managed fund) rebalanced annually (currently on 15th May each year) by completing the appropriate section of the Investment Choice Form.

If you select the automatic rebalancing facility your portfolio will be reviewed on the given date and compared to the latest investment strategy that you have provided on an approved Investment Choice Form. Where any of the investment allocations differ to your investment strategy, investments that are over your requested allocation will be sold and investments that are under your requested allocation will be bought. When the process is complete, your portfolio will match your latest investment strategy as closely as possible.

To use the automatic rebalancing facility, you must provide Freedom of Choice with an investment strategy that applies to both your existing account balance and your future contributions.

This facility will be unavailable or cancelled if:

- » You nominate an investment strategy for contributions that differs from the investment strategy for your account balance
- » You make a specific investment placement or redemption without updating your investment strategy
- » There are pending investments which have not been finalised at the time the rebalancing process has commenced.

Reporting

You and your financial adviser (if applicable) will be provided with the following statements and reports:

Annual Member Benefit Statement

This statement is provided annually and includes a summary of transactions, your benefit details and insurance details where applicable. The statement covers the whole financial year and will be provided after 30 June each year.

Annual Trustee Report

This report provides information on the management and financial condition of the Fund (including the Service) and on the investment performance of selected investments.

Portfolio Valuation Report

This report is provided with the Annual Member Benefit Statement. It provides information on your account's investment holdings in the Service.

Freedom of Choice web service

The Freedom of Choice website www.freedomofchoice.com.au provides you and your financial adviser with access to the latest information on the Service and the investments it offers.

By accessing the Freedom of Choice website you can obtain:

- » performance details on each of the investment options offered;
- » full details of the Service;
- » the latest disclosure documents on each of the managed funds offered through Freedom of Choice;
- » Freedom of Choice brochures and forms online; and
- » any changes to the information contained within the PDS, this Guide and the Insurance Guide which is not materially adverse information.

FOC Online provides you and your financial adviser with access to your account quickly and easily. The system has been developed as a means to provide fast, secure and cost effective services to you.

FOC Online is available 24 hours a day, 7 days a week and operates in real time mode which means you will have the most up to date information all of the time.

The service is accessed by visiting www.freedomofchoice.com.au.

Members are able to:

- » Advise changes to your personal details;
- » View your beneficiary details;
- » View your benefit statements;
- » View your portfolio valuations;
- » View your investment strategy; and
- » Advise changes to your investment strategy.

Fees and costs

Consumer Advisory Warning

Did you know?

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

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

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

You or your employer, as applicable, may be able to negotiate to pay lower fees. Ask the fund or your financial adviser.

To find out more

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

You or your employer cannot negotiate to pay lower fees.

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

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

Taxes, insurance fees and other costs relating to insurance are set out in another part of this document and in the Insurance Guide (and Employer Plan Additional Information Schedule, where applicable).

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

The fees and costs for AMG MySuper are set out in the Freedom of Choice Employer Superannuation Service PDS.

The fees and other costs for other investment options are set out below. Information about buy/sell costs and other fees and costs applicable to each managed fund available through the Service can be found in each of the underlying funds' disclosure documents which are available from your financial adviser or our website www.freedomofchoice.com.au.

Freedom of Choice Employer Superannuation Service (all investment options other than AMG MySuper)

Type of fee	Amount	How and when paid								
Investment fee ¹	Nil, however indirect investment costs may apply	Not applicable								
Administration fee ¹	<div><div>\$100.00 p.a.</div><div>PLUS (for investment options other than AMG MySuper)</div><table><tr><th>Member account balance</th><th>Fee % p.a.</th></tr><tr><td>First \$250,000</td><td>0.79</td></tr><tr><td>Next \$250,000</td><td>0.71</td></tr><tr><td>Amounts over \$500,000</td><td>0.10</td></tr></table></div>	Member account balance	Fee % p.a.	First \$250,000	0.79	Next \$250,000	0.71	Amounts over \$500,000	0.10	<div>The flat dollar administration fee is deducted from member accounts monthly in arrears (at the end of each month) and on a pro-rata basis upon exit from the Fund.</div> <div>The percentage administration fee is calculated using the member's average daily balance invested in investment options other than AMG MySuper and is deducted from their account at the end of each month or on a pro-rata basis upon exit.</div>
Member account balance	Fee % p.a.									
First \$250,000	0.79									
Next \$250,000	0.71									
Amounts over \$500,000	0.10									
Buy/sell spread	<div>(Managed funds only)</div> <div>Nil (however Managed Funds may have their own buy/sell spreads)</div>	Included in the managed fund's unit price and applied to your buy or sell transaction(s) as applicable.								
Switching fee	Nil (however other fees and costs may apply when you change your investments, depending on the investment option)	Not applicable								
Advice fees relating to all members investing in a MySuper, Personal Super or Pension product or investment option.	Nil (however, personal advice fees may apply)	Not applicable								
Other fees and costs ²	Various	Deducted from your account balance, where applicable								
Indirect cost ratio ¹	<div>(Managed funds only)</div> <div>Not applicable (however the managed funds may have their own fees and costs)</div>	Not applicable								

¹ If your account balance for a product offered by the Fund is less than \$6,000 at the end of the financial year, the total combined amount of administration fees, investment fees and indirect costs charged to you is capped at 3% of the account balance. Any amount charged in excess of that cap must be refunded.

² Other fees may apply, including activity fees (for example, fees for share brokerage or other transaction fees), advice fees for personal advice payable to your financial adviser or insurance fees. Please refer to the 'Additional Explanation of Fees and Other Costs' and 'Defined fees' section of this Guide.

Example of Annual Fees and Costs

This table gives an example of how the fees and costs for a balanced investment option for this superannuation product can affect your superannuation investment over a 1 year period. You should use this table to compare this superannuation product with other superannuation products.

EXAMPLE FOR VANGUARD GROWTH INDEX FUND ¹		BALANCE OF \$50,000
Investment fees	Nil	For every \$50,000 you have in the investment option, you will be charged \$0 each year
PLUS Administration fees	\$100 (\$8.33 per month)	And, you will be charged \$100 per year in administration fees regardless of your balance
	Plus 0.79%	Plus \$395 per year in administration fees based on a percentage of your balance
PLUS Indirect costs for the investment option	Nil, however estimated costs of 0.29% apply in the Vanguard Growth Index Fund	And, indirect costs of \$145 each year will be deducted in the Vanguard Growth Index Fund
EQUALS Cost of investment option		If your balance was \$50,000, then for that year you will be charged fees of \$640.00² for the investment option

¹ This example assumes a member is only invested in the Vanguard Growth Index Fund. For an example of annual fees and costs for members investing in the Fund's MySuper product, AMG MySuper, please refer to the PDS.

² Additional fees may apply including but not limited to a buy/sell spread which is reflected in the Vanguard Growth Index Fund unit price.

When considering an investment in a Managed fund, Direct Choice of Term Deposit option, you should consider the fees and costs applied in the investments available via these options as they are additional to fees and costs shown in this Guide (as set out in the disclosure documents for the underlying investments available through these options, available from your financial adviser or at www.freedomofchoice.com.au). The above example for the Vanguard Growth Index Fund shows the estimated annual costs charged in or through the Vanguard Growth Index Fund based on information in the product disclosure statement for the Vanguard Growth Index Fund at the date of preparation of this document.

Defined fees

Below are the definitions of the types of fees and costs that may apply to your superannuation. Not all the defined fees are relevant to the Service. The 'Defined fees' can also be found at www.freedomofchoice.com.au/prescribed-information.

Type of fee or cost	Definitions
Activity fees	<p>A fee is an <i>activity fee</i> if:</p> <ul style="list-style-type: none"> » the fee relates to costs incurred by the trustee of the superannuation entity that are directly related to an activity of the trustee: <ul style="list-style-type: none"> – that is engaged in at the request, or with the consent, of a member; or – that relates to a member and is required by law; and » those costs are not otherwise charged as an administration fee, an investment fee, a buy sell spread, a switching fee, an advice fee or an insurance fee.
Administration fees	<p>An <i>administration fee</i> is a fee that relates to the administration or operation of the superannuation entity and includes costs that relate to the administration or operation, other than:</p> <ul style="list-style-type: none"> » borrowing costs; and » 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 » costs that are otherwise charged as an investment fee, a buy- sell spread, a switching fee, an activity fee, an advice fee or an insurance fee.
Advice fees	<p>A fee is an <i>advice fee</i> if:</p> <ul style="list-style-type: none"> » the fee relates directly to costs incurred by the trustee of a superannuation entity because of the provision of financial product advice to a member by: <ul style="list-style-type: none"> – a trustee of the entity; or – another person acting as an employee of, or under an arrangement with, a trustee of the entity; and » those costs are not otherwise charged as an administration fee, an investment fee, a switching fee, an activity fee or an insurance fee.
Buy-sell spreads	<p>A <i>buy-sell spread</i> is a fee to recover transaction costs incurred by the trustee of a superannuation entity in relation to the sale and purchase of assets of the entity.</p>
Exit fees	<p>An <i>exit fee</i> is a fee, other than a buy-sell spread, that relates to the disposal of all or part of members' interests in a superannuation entity.</p>
Indirect cost ratio	<p>The <i>indirect cost ratio</i> ('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.</p> <p>Note: A fee deducted from a member's account or paid out of the superannuation entity is not an indirect cost.</p>
Insurance fees	<p>A fee is an <i>insurance fee</i> if:</p> <ul style="list-style-type: none"> » the fee relates directly to either or both of the following: <ul style="list-style-type: none"> – insurance premiums paid by the trustee of a superannuation entity in relation to a member or members of the entity; – costs incurred by the trustee of a superannuation entity in relation to the provision of insurance for a member or members of the entity; and » the fee does not relate to any part of a premium paid or cost incurred in relation to a life policy or a contract of insurance that relates to a benefit to the member that is based on the performance of an investment rather than the realisation of a risk; and » the premiums and costs to which the fee relates are not otherwise charged as an administration fee, an investment fee, a switching fee, an activity fee or an advice fee.

Investment fees	<p>An <i>investment fee</i> is a fee that relates to the investment of the assets of a superannuation entity and includes:</p> <ul style="list-style-type: none"> » fees in payment for the exercise of care and expertise in the investment of those assets (including performance fees) » costs that relate to the investment of assets of the entity, other than: <ul style="list-style-type: none"> – borrowing costs; and – relate to the investment of assets of the entity; and 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 – costs that are otherwise charged as an administration fee, a buy-sell spread, a switching fee, an activity fee, an advice fee or an insurance fee.
Switching fees	<p>In the case of a MySuper product: A <i>switching fee</i> for 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 class of beneficial interest in the entity to another.</p> <p>In the case of a superannuation product that is not a MySuper product: A <i>switching fee</i> for a superannuation product is a fee to recover the costs of switching all or part of a member's interest in a superannuation entity from one investment option or product to another.</p>

Additional explanation of fees and costs

Activity fees

An activity fee is a fee for a particular service that you may choose to use and does not form part of the ongoing administration cost. Currently, the Trustee charges an activity fee for the below services:

Fees relating to splitting or flagging a benefit under Family Law Act

The following fees will be charged in relation to processing requests for information under the Family Law Act and splitting and flagging of benefits in the event of marriage breakdown or breakdown of other relationships recognised under the Family Law Act (breakdown):

Request	Fee
Processing an application for information	\$50
Processing payment splits	\$100
Placing a payment flag on a benefit	\$100
Lifting a payment flag on a benefit	\$50

With the exception of the fee for processing an application for information (which will be requested to be paid by cheque), the parties to the breakdown will be able to pay these fees either by cheque or by deduction from their benefit at the time of processing the request.

For further information regarding splitting of superannuation benefits upon breakdown contact Client Services on **1800 806 013**.

Note: Under Federal Government legislation, splitting of superannuation benefits may also occur under the Family Law Act in the case of de-facto relationships (including same sex partners).

The Trustee recommends that you seek advice from a suitably qualified legal adviser.

Transaction fees

Transaction fees are deducted from your Cash Account for the following activities:

Term Deposits

A fee of \$22 will apply for the establishment of a Term Deposit per transaction. This fee is deducted from your Cash Account at the end of the month in which the transaction is processed.

In-specie transfers

To transfer a managed fund or share directly into Freedom of Choice, a fee \$30 per transaction will apply. To transfer a managed fund or share out of Freedom of Choice, a fee of \$100 per transaction will apply. This fee is deducted from your Cash Account at the end of the month in which the transaction is processed or upon exit.

Other incidental fees and costs

Incidental costs such as bank dishonour and bank transaction fees, taxes and any other charges resulting from you transacting on your account will be directly deducted from your Cash Account.

Brokerage costs

When shares are purchased or sold, additional costs, such as brokerage will be incurred. The cost per transaction will depend on the amount being bought or sold, subject to a minimum brokerage cost per transaction (currently \$24.95 for amounts up to \$18,750 and 0.133% for amounts over \$18,750). Brokerage costs are an additional cost to members and are deducted from the purchase or sale price at the time of transaction settlement.

Operational Risk Financial Reserve ('ORFR')

The Trustee maintains an operational risk financial reserve ("ORFR") in response to the operational risk financial requirements under superannuation laws and APRA standards. The reserve is operated in accordance with the Trustee's Operational Risk Financial Requirement Strategy. The purpose is to provide funding for incidents where losses may arise from operational risk relating to the Fund. The level of reserve is determined by the Trustee based on an assessment of the risks faced by the Fund.

The Operational Risk Financial Reserve (ORFR) may be replenished from expense reserves in the Fund from time to time. The Trustee also reserves the right to deduct a one off fee of up to 0.10% of your account balance to fund any additional ORFR requirement should it be necessary. You will receive prior notice if this is to occur.

From time to time, this can change and can be subject to review as the Fund's asset size increases.

Indirect cost ratio

Indirect cost ratio for investment options other than AMG MySuper

An indirect cost ratio ('ICR') is the underlying cost of an investment option that is a managed fund, expressed as a percentage in proportion of the fund's average net asset value through a year.

Indirect costs vary between individual managers and investment products, and can vary without notice according to the relevant manager's current PDS. An ICR is not deducted from your account and is reflected in the gross returns received by the Fund from a managed fund.

You should refer to the relevant managed fund's disclosure document, which is available from your financial adviser or www.freedomofchoice.com.au for further information about fees and costs that may apply to underlying investments.

Indirect cost ratio for AMG MySuper

The indirect cost ratio for AMG MySuper is an estimate based on information provided by underlying investment managers and financial data relating to their investments for the year ending 30 June 2020. Indirect cost ratios can vary from year to year.

Transactional and operational costs for AMG MySuper

Transactional and operational costs are costs associated with the buying and selling of underlying investments and are defined (under relevant regulations) to include buy-sell spreads, brokerage, settlement costs (including related custody costs), clearing costs and stamp duty of investment transactions (depending on the nature of the underlying investments or

assets) but do not include (in the case of superannuation funds) certain costs associated with over-the-counter derivative financial products and borrowing costs. There are no transactional and operational costs paid out of the Fund's assets, any such costs are incurred outside the Fund.

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

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

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

The estimate of transactional and operational costs for the AMG MySuper option is 0.04% based on information provided by underlying investment managers for the year ending 30 June 2020.

While these costs are an additional cost to the Trustee an investor in the investments utilised in the AMG MySuper option, they are reflected in (and recovered through) the calculation of unit prices for the AMG MySuper option. This means they do not constitute (for members) additional charge to the fees and costs already shown in the PDS as applicable to AMG MySuper.

Performance related fees

For some of the investment options offered through Freedom of Choice, the costs charged outside the Fund may include performance related fees payable to investment managers if their investment performance exceeds a benchmark. Performance related fees are deducted from investment earnings before the unit price for relevant underlying funds is determined. These fees are not a direct charge to your account. The underlying disclosure documents of those investment options will include an estimate of performance related fees and information about how performance related fees are calculated.

These documents are available from your financial adviser or from www.freedomofchoice.com.au.

There are no performance related fees in respect of the AMG MySuper option.

Buy/sell spread

Some managed funds may have what is known as a buy/sell spread, which represents the difference between the application and redemption price of units in the underlying managed fund.

This spread usually represents the additional cost to members of buying and selling the underlying assets within the managed fund and is not payable to the Trustee. Generally, buy-sell spreads for the underlying funds range from an estimated 0% up to 0.55%.

You should refer to the relevant managed fund's disclosure document, which is available from your financial adviser or from www.freedomofchoice.com.au for further information about fees and costs that may apply to underlying investments.

The buy-sell spread for the AMG MySuper option is +0.09% / -0.10%.

Investment report charge

Issuers of certain Term Deposits, or of other investment products, may require reports providing an analysis of the amounts invested in their products through the Service. The charge for the provision of such reports may be met by direct payment by the product issuer, or may be offset against the returns of the applicable underlying products. Should the latter apply, you will be informed of the indirect cost to your account.

Insurance fees

Insurance fees are the cost of your insurance cover and are made up of insurance premiums which include an Insurance Administration fee, payable to the Fund Administrator, plus Stamp Duty as relevant. Please refer to the Freedom of Choice Insurance Guide (and, where applicable, the Employer Plan Additional Information Schedule provided to you) for further information.

Advice fees

Members may nominate an adviser. You may agree for your adviser to receive payment ('remuneration') for adviser services relating to your account or superannuation. Any adviser remuneration will only be payable from your account in the Fund where there is a written agreement between you and your adviser, you agree to both the amount of the fee and its deduction from your account and any other terms and conditions (as stipulated by or on behalf of the Trustee from time to time in Fund forms or other documentation to your and/or your adviser) relating to the payment of remuneration to your adviser are met.

When you authorise the Trustee to deduct any agreed adviser remuneration from your account, you authorise the Trustee to deduct the amount (as outlined below) and pay it to the adviser's principal (that is, the Australian financial services licence holder that the adviser represents – referred to as their 'Dealer Group'), for passing on to the adviser as the Dealer Group determines. If you agree to the deduction of adviser remuneration from your account and have more than one account in the Fund (for example, an accumulation account and a pension account, the deduction will be apportioned (and deducted) across all your accounts, unless you provide other written instructions to the Trustee.

Your adviser's remuneration, which is described below, is not included in the fees and costs shown in the fee table on page 20.

The remuneration is negotiable between you and your adviser. The type of remuneration that may be paid to your adviser is outlined below. You may agree to more than one type of adviser remuneration.

One-off flat fee remuneration

A one-off (dollar based) service fee may be payable by way of a deduction from your account for services provided to you as agreed with your adviser. The amount of this fee is determined

by agreement with your adviser, if you authorise the Trustee to do so, and will be deducted from your account after your authorisation is received or when the funds are available in your account, usually on the last day of the month.

Ongoing flat fee remuneration

An on-going fixed (dollar based) service fee not exceeding 2.2% per annum of your account balance may be payable for services provided to you as agreed with your adviser. The amount of this fee is determined by agreement with your adviser and, if you authorise the Trustee to do so, will be deducted from your account monthly in arrears based on the account balance on the last day of the month.

Ongoing asset based remuneration

An ongoing (percentage based) service fee of up to 2.2% per annum of assets under management may be payable for services provided to you as agreed with your adviser. The amount of this fee is determined by agreement with your adviser and, if you authorise the Trustee to do so, will be deducted from your account monthly in arrears based on the account balance on the last day of the month.

Insurance cover remuneration

If you have insurance cover, an ongoing (percentage based) service fee of up to 33% of insurance premiums per annum may be payable for services provided to you as agreed with your adviser. This service fee is not included in your insurance fees detailed in the Freedom of Choice Insurance Guide (and, where applicable, the Employer Plan Additional Information Schedule provided to you). The fee is calculated separately and, if you authorise the Trustee to do so, will be deducted from your account balance monthly in arrears on the last day of the month. **Note:** Information about advice fees should be stated in your Statement of Advice provided to you by your adviser.

Government taxes and charges

All fees and charges are inclusive of the impact of any Goods and Services Tax ('GST') and net of any Reduced Input Tax Credits ('RITCs') available, unless otherwise specified. Applicable government taxes and charges will be deducted directly from your account and any credits will be refunded to your account. These transactions will be noted in your Annual Member Benefit Statement. Where the Fund receives a tax deduction for any fee or other cost, such as an insurance premium, the tax deduction is credited back to your account. Please refer to the 'Taxation' section of this Guide for further information.

Related Accounts

You can link your Related Accounts and reduce the amount you pay in administration fees across the different products in the Freedom of Choice division of the Fund, for example, Employer Superannuation Service and Personal Retirement Service. Also, the Freedom of Choice Portfolio Service which is a non-superannuation product issued by Acclaim Management Group Limited ABN 52 091 082 058 AFS Licence No. 305604 is considered a Related Account for this purpose. A maximum of six accounts may be linked.

Accounts that qualify as being a Related Account include:

- » Your own
- » Your immediate family (spouse, partner, parents, children)
- » Companies, trusts and self-managed super funds where all

shareholders or all beneficiaries qualify as being related.

Related Account pricing

The account balance is aggregated for the first and subsequent Related Accounts up to a maximum of six accounts. The tiered administration fee is then applied across the aggregated account balance and applied proportionately to each account on a monthly basis as per the Guide. Please complete the Related Accounts Application Form to be eligible.

Alteration to fees and other costs

All fees and costs can increase or decrease without member consent. Updates for changes will be provided on the Freedom of Choice website www.freedomofchoice.com.au or by notification to members in writing, depending on the nature of the change. For changes to fees and costs that are not estimates, members will be notified in writing at least 30 days before any material increase. Changes to Freedom of Choice's fees and costs that are estimates will not be notified in writing as they are subject to fluctuations.

The fees and costs (including investment management costs) of the underlying investments may vary at the discretion of the underlying fund managers. These fees and costs are disclosed in the PDS of each managed fund, which can be found at www.freedomofchoice.com.au. Freedom of Choice will not provide prior notice of variations to managed fund fees and costs.

Taxation

The taxation matters described in this Guide are general statements only relating to some key taxation issues. Each individual's circumstances may differ. The Trustee recommends that individuals seek professional advice from a taxation adviser to fully understand the taxation rules applying to their personal circumstances.

Tax on contributions

Generally speaking, tax is payable on contributions where those amounts were not previously subject to personal tax or where the amounts contributed exceed the limits imposed by legislation.

There are two broad categories of contributions which have different limits and tax payable:

- » Concessional contributions (generally before-tax)
- » Non-concessional contributions (generally after-tax)

These categories and the government imposed limits are described in the 'Making contributions' section of this Guide.

Concessional contributions

Concessional contributions (including any untaxed portion of the taxable component included in amounts rolled over into the Fund) are usually subject to contributions tax of 15% which is deducted from your account at the time the contribution is made. For people who earn over \$250,000 (including any salary sacrifice contributions) in a financial year, concessional contributions are taxed at 30% (on the amount of concessional contributions above the threshold).

There is a limit on the amount of concessional contributions that will be subject to tax at 15%. Any concessional contributions over these limits will be subject to additional tax. Certain restrictions

apply to individuals who are under the age of 18 years.

Please note: The limit is assessed on all concessional contributions to all funds you are in.

Non-concessional contributions

Non-concessional contributions within the limits are generally not subject to tax payable by the super fund.

However, there is a limit on the amount of non-concessional contributions that will be subject to 0% tax. Any non-concessional contributions over the limit will be subject to additional tax.

Please note: The limit is assessed on your non-concessional contributions to all funds you are in.

Tax deduction for contributions

Employers can generally claim a full tax deduction for their concessional contributions.

The ability for members to claim a tax deduction on personal contributions is no longer limited to self-employed or substantially self-employed persons. This means that individuals that make after-tax personal contributions may claim a deduction for these contributions. There is no limit on the amount of deduction that can be claimed.

To obtain the deduction, a *Notice of intent to claim or vary a deduction for personal super contribution form* ('Deduction Notice') must be submitted to the Fund by the earlier of:

- » the time of lodgement of the person's tax return, or
- » the end of the financial year following the year the contribution was made.

The Deduction Notice is available from the ATO website www.ato.gov.au.

In order to include the deduction in your tax return, the Deduction Notice must be acknowledged by the Trustee. The Trustee can refuse to acknowledge a Deduction Notice in certain circumstances (for example, the person's account balance does not contain sufficient monies to meet the tax applicable to deductible contributions or you have left the Fund). You should obtain your own taxation advice about making tax deductible contributions.

Please note: Obtaining a tax deduction for personal contributions means that the contribution will be treated as a concessional contribution, rather than a non-concessional contribution. The amount of concessional contributions that can be made without attracting additional tax is subject to a much lower limit than for non-concessional contributions.

Exceeding the limits

The Australian Taxation Office ('ATO') determines on an annual basis whether an individual has exceeded the relevant limits. Additional tax will be levied on you by the ATO, where either the limit on concessional contributions or the limit on non-concessional contributions is exceeded, and may be payable from your account in the Fund if you do not withdraw the excess contributions from the Fund (where permissible).

In some circumstances additional tax relating to contributions in excess of relevant limits must be paid by you personally (including if you withdraw excess contributions).

For more information on the current contribution limits and taxes, please refer to the ATO website www.ato.gov.au.

Tax File Number contribution rules

Although it is optional to declare your Tax File Number ('TFN') to the Fund, it is in your best interest to ensure the Fund has your TFN. If the Fund does not have your TFN:

- » The Fund cannot accept any member contributions on your behalf
- » All concessional contributions made on your behalf will be taxed at the highest marginal rate (plus the Medicare Levy) and deducted from your account.

Employers are generally required to provide your TFN to the fund into which the employer is making or has made contributions on your behalf.

You should ensure the Fund holds your TFN to avoid any adverse or other tax consequences. To provide your TFN, contact Client Services.

Government co-contribution

The Government co-contribution applies to non-concessional contributions made by low and middle income earners.

The Government co-contribution partially matches eligible personal non-concessional contributions made by qualifying low and middle income earners, up to a specified amount. The Government co-contribution is paid annually to qualifying low and middle-income earners' superannuation funds.

The Government co-contribution (the amount contributed by the Government) does not count towards either your concessional or non-concessional contribution caps.

Refer to www.ato.gov.au to determine eligibility criteria for the Government co-contribution (including income thresholds and the available co-contribution amount) applicable from year to year.

Low Income Superannuation Tax Offset

Low income earners may receive an offset of up to \$500 p.a. which is referred to as a 'Low Income Superannuation Tax Offset' (LISTO). The effect of the LISTO payment is to offset tax paid on concessional contributions. The amount of the offset is paid into the superannuation accounts of eligible members by the Tax Office.

Spouse contribution tax offset

A contributing spouse can claim an 18% tax offset on eligible spouse contributions of up to \$3,000, made on behalf of a low-income or non-working spouse. That is, a tax offset of up to \$540 per annum can be claimed.

The full offset can be claimed where the recipient spouse's assessable income, reportable fringe benefits and reportable employer superannuation contributions is less than \$37,000.

The offset reduces to zero where the recipient spouse's assessable income is \$40,000 or more. Spouse contributions will count towards the recipient's non-concessional contributions cap. For further information including eligibility criteria for claiming the tax offset, go to www.ato.gov.au.

Tax on earnings

Being a complying super fund, any investment earnings made by the Fund will be taxed at the concessional rate of 15%.

Where the Fund has net capital gains which relate to assets

held for at least 12 months, the maximum tax rate on those gains will generally be 10%. Where the assets have been held for less than 12 months, the maximum tax rate is 15%.

The tax payable may be reduced by imputation credits attached to franked dividends received by the Fund and foreign tax credits. The Fund may also receive a refund of any excess imputation credits over its tax payable.

Special rules apply to the taxation of the Fund's income/capital gains when it is paying normal account-based pensions.

Tax on lump sum withdrawals

When super benefits are taken in cash, the amount of tax payable depends upon the age of the member and the components of a member's lump sum benefit payment.

The following table summarises the main tax rates that apply in relation to lump sum benefits (assuming the Fund holds your TFN and special levies don't apply).

Age / status	Lump sum
Age 60 or more	Tax-free Benefit does not have to be included in income tax return.
Between preservation age and age 60	Tax-free component – no tax payable. Taxable component below the low rate cap amount* – no tax payable. Taxable component above the low rate cap amount* – taxed at 15% plus Medicare Levy
Less than preservation age and age 60	Tax-free component – no tax payable. Taxable component is taxed at 20% plus Medicare Levy.

* The low rate cap amount is \$215,000 for 2020/2021 and may be indexed thereafter in line with Average Weekly Ordinary Time Earnings ('AWOTE') in \$5,000 increments.

Tax-free component

The component will be tax-free when you receive your benefit irrespective of your age. For most individuals, the major part of this is likely to be any after-tax contributions they have made to their super after 30 June 1983.

There may be other amounts that you are entitled to that will form part of the tax-free component. For example, if any part of your benefit included a pre-1 July 1983 component amount crystallised as at 1 July 2007, that amount will form part of your tax-free component.

The taxable component

The tax payable on a lump sum taxable component will depend on your age and the amount you withdraw. For current tax rates, please refer to the ATO website www.ato.gov.au.

It should be noted that special taxation rules apply to any untaxed benefits (including a limit on the concessional tax treatment) received by an individual.

You will only be able to withdraw lump sum amounts from your benefit in equal portion of tax-free and taxable components.

Special rules apply to Departing Australia Superannuation Payments, death benefits and benefits paid to a member suffering a terminal medical condition.

Tax on benefits paid in the event of your death

All lump sum death benefits paid to a person who qualifies as a dependant for tax purposes will be tax-free.

Lump sums paid to beneficiaries who do not qualify as a dependant for tax purposes (for example, adult children) will be taxed with reference to the tax components referred to in the table. No tax is payable on the tax-free component. The taxable component will be taxed at 15% plus Medicare Levy irrespective of the recipient's age. If a member's death benefit includes insurance proceeds, a portion of the taxable component may include an untaxed element which will be taxed at higher rates.

You should consult your taxation adviser for advice in respect of this issue.

Tax will also not be deducted on death benefits that are paid to a deceased's estate. Any tax liability that is incurred by the estate will be the responsibility of the executor or trustee of the estate.

Taxation in relation to terminal illness benefits

Tax does not apply to lump sums paid to individuals diagnosed with a terminal medical condition (as defined in Government legislation).

Where you are diagnosed with a terminal medical condition, you can apply to the Fund to access your lump sum benefit tax-free, regardless of your age. You should note that eligibility for an insured terminal illness benefit may be different. If you claim your accumulated super savings on the basis of satisfying the definition of 'terminal medical condition' in Government legislation, before insurance eligibility criteria is met, you should note that your insurance cover (and potential claim for insured benefits) may be affected or cease.

Tax on Income Protection benefits

Where an individual receives an Income Protection benefit from the Fund, such proceeds will be regarded as ordinary income and taxed at the individual's marginal tax rate plus Medicare Levy.

Goods and Services Tax

Contributions paid by you in respect of super contributions are not subject to GST.

The Fund may be entitled to claim input tax credits, including reduced input tax credits, in respect of the GST included in our fees and other Fund expenses.

General information

Super and Family Law

Super can be divided or 'split' between spouses in the event of marriage or de facto relationship breakdown, by agreement or by court order. This is a binding trustee obligation. We may be required under the Family Law Act to provide certain information about your super benefits to 'eligible' persons (as defined in the Family Law Act). The Family Law Act requires us to provide information to an 'eligible person' without notifying the relevant member that the request for information has been made. We are also prohibited from providing either the member or

non-member spouse's address details to the other party.

As the Family Law Act provisions regarding the splitting of super benefits are highly complex, we recommend that you seek financial and legal advice with respect to your own particular circumstances.

Cooling off period

Upon opening an employer plan, employers have a period of 14 days ('cooling off period') during which they can cancel their plan. The 14 day period starts on the earlier of the date the employer receives their Plan Confirmation Schedule or 5 days after the plan commencement date.

Should an employer wish to cancel their plan during this period without having to pay any charges, they must write to Freedom of Choice prior to the expiration of this period (refer to the back cover of this Guide for contact details).

If the employer cancels their plan during the cooling off period, any contributions received will be rolled-over to a super fund of the employer's choice. The amount will be adjusted to take into account any increase or decrease in the value of investments and the tax payable on behalf of the Fund for any employer contributions received as a result of the employer opening a plan. As a result, the amount rolled-over may be less than that invested.

A cooling off period is not available for members enrolled into the Service by their employer.

Payment of death benefits

You have the option to nominate one or more of your dependant(s)* and/or your legal personal representative to receive your benefits in the event of your death. There are three types of nominations you can choose:

- » A lapsing binding nomination
- » A non lapsing binding nomination
- » A non-binding nomination.

Choosing the most appropriate option will depend on your personal circumstances. It is recommended that you seek advice from a licensed financial adviser before making a selection.

Regardless of the option chosen, the Trustee must generally ensure that the benefits are paid to your legal personal representative and/or dependant(s) as defined in the Fund's Trust Deed and applicable superannuation law.

* For super purposes, a 'dependant' is:

- » Your spouse, including de facto and same sex partners
- » Your children of any age, including an adopted child, a step-child, a child of your spouse, and a child born by artificial procedures during a relationship with you
- » Any person who is partially or wholly financially dependent on you at the date of your death
- » Any person with whom you have an 'interdependency relationship' at the date of your death – this is a relationship between two people if they live together in a close personal relationship and one or each of them provides the other with financial and domestic support, and personal care (or in some circumstances where they do not live together only because either or both of them suffer from a disability).

Binding nomination

You have the option to make a Binding Nomination using a Binding Nomination of Beneficiary form available from www.freedomofchoice.com.au.

There are two types of Binding Nominations available:

- » Non-lapsing Binding Nomination: means the nomination will not expire and will remain valid on your account until you notify us otherwise. If you wish to make a non-lapsing binding nomination or change an existing nomination you will need to complete a Binding Nomination of Beneficiary form available from www.freedomofchoice.com.au. You should refer to section 6 of this form for important information about binding nomination of beneficiaries.
- » Lapsing Binding Nomination: means the nomination expires three years after the date on which you sign and date the 'Binding Nomination of Beneficiaries Form'. If you do not make another nomination at that time, your binding nomination will no longer be valid and the Trustee will have discretion to decide to whom the benefit is paid.

Binding death benefit nominations provide greater certainty on who receives your benefit when you die. A valid and effective binding nomination at the date of your death requires the Trustee to pay your benefit to your nominated dependant(s) and/or your legal personal representative.

For your binding nomination to be valid and effective, it must:

- » Be made to the Trustee in writing in the prescribed manner
- » Be in the favour of one or more dependant(s) and/or your legal personal representative
- » Clearly set out the proportion of benefit to be paid to each nominee and the sum of the nominees' proportions must add up to 100%
- » Have not expired (i.e. be not more than three years old)
- » Be fully completed, signed and dated by you in the presence of two witnesses who are at least 18 years of age and who are not nominated to receive the benefit;
- » Contain a signed witness declaration stating that you (the member) signed the nomination in their presence
- » Be received by the Trustee before your death.

In addition to the above, it is important to note that for the nomination to be valid and effective at the time of your death any person you nominate as a dependant must still qualify as your dependant at that time, and if you nominate your legal personal representative there must be an executor of your Will or administrator of your estate.

If the nomination is no longer valid and effective (for example, it has expired), the Trustee will have the discretion to determine to whom your death benefit is paid as if a non-binding nomination has been made.

If you make a lapsing binding nomination it will be valid for a maximum of three years from the date you sign it. It is your responsibility to update your nomination regularly (at least every three years) to ensure that it remains valid. You can make, alter, or revoke your nomination at any time by advising the Trustee in writing on a *Binding Nomination of Beneficiary Form*, signed also by two adult witnesses.

The nominated beneficiaries will appear on your Annual Member Benefit Statement as a reminder of your nomination. An invalid or expired nomination will be treated as a non-binding nomination.

If you nominate your legal personal representative as your beneficiary, you must make sure you have a valid and up to date Will. You should note that by directing payment to your legal personal representative, you may be exposing the benefit to claims by creditors of your estate.

If there is no dependant or legal personal representative, the Trustee is required to pay the benefit to another appropriate person (e.g. a parent).

Non-binding nomination

Instead of binding nominations, you can choose to provide the Trustee with a non-binding nomination. This means you can nominate one or more preferred dependant(s) and/or legal personal representative to assist the Trustee in making a benefit payment decision should a claim be made. Under this option, the Trustee will have absolute discretion as to which of your dependant(s)/legal personal representative any death benefit shall be paid. You can change your nominated dependant(s) at any time by completing the appropriate form.

No nomination

If you do not choose to make a nomination, the Trustee will, in its absolute discretion, pay your benefit on your death to one or more of your dependant(s) and/or legal personal representative.

Payment of Unclaimed and other super money to the Australian Taxation Office

Under Federal Government (Unclaimed Money) legislation, there are a number of circumstances in which superannuation must be paid to the Australian Taxation Office including:

- » inactive benefits of an uncontactable member who has reached age 65;
- » certain benefits of 'lost members' if they are either uncontactable or inactive (as defined in regulations). In summary, the following accounts of 'lost' members must be paid to the Australian Taxation Office:
 - account balances of less than \$6,000 (or such other threshold determined by the Government from time to time); or
 - accounts which have been inactive for a period of 12 months and there are insufficient records to ever identify the owner of the account.
- » amounts relating to a superannuation account that is deemed to be 'inactive low-balance account'. A member's account is considered an inactive low-balance account when the following criteria are met:
 - the account balance is less than \$6,000 (at the relevant date)
 - we have not received an amount (such as a rollover from another fund or a contribution) for the member within the last 16 months
 - we are not owed an amount in respect of the account in the last 16 months
 - the member has no insurance cover and has not satisfied a relevant condition of release
 - the member has not changed their investment options or insurance in the last 16 months
 - the member has not made or amended a binding death benefit nomination in the last 16 months, and
 - the member has not made a written declaration to the Australian Taxation Office in the last 16 months that they don't want their super to be transferred to the

Australian Taxation Office. Contact us if you would like to make this declaration.

- a former temporary resident's superannuation benefit where it has been at least six months since they have departed Australia and their visa has lapsed.

Superannuation funds must report and pay amounts that meet relevant criteria in the Federal Government (Unclaimed Money) legislation as at particular dates (twice yearly). We must pay these amounts to the Australian Taxation Office when required, even if you are contactable (i.e. even though you are not a lost member).

The Australian Taxation Office will try to reunite your super money with an active account you hold elsewhere or you can contact the Australian Taxation Office to find any ATO-held super that belongs to you and nominate that it be paid or transferred to another fund (subject to preservation rules). Further information about money payable to the Australian Taxation Office under Federal Government (Unclaimed Money) legislation can be obtained from the Australian Taxation Office website (www.ato.gov.au).

Dispute resolution

Freedom of Choice have established a formal procedure for members who wish to complain about the operation or management of the Service.

All complaints (except for privacy complaints) can be addressed to:

**The Administration Manager
Freedom of Choice
Level 9, 324 Queen Street
Brisbane QLD 4000**

You can also lodge a complaint with the Australian Financial Complaints Authority ('AFCA'). AFCA provides fair and independent financial services complaint resolution that is free to consumers. AFCA's contact details are:

Australian Financial Complaints Authority
GPO Box 3, Melbourne VIC 300
Phone: 1800 931 678
Email: info@afca.org.au
Online: www.afca.org.au

For privacy complaints please refer to page 30.

The Trust Deed

The Fund is regulated by the Trust Deed of AMG Super dated 12 May 2000 as amended from time to time. The Trustee must operate Freedom of Choice in accordance with the Trust Deed and the law relating to superannuation.

The Trust Deed cannot be amended if the amendment would reduce members' entitlements.

The Trust Deed is available for inspection at the Trustee's registered office at Level 1, 575 Bourke Street Melbourne, Victoria during normal business hours and is also available at www.freedomofchoice.com.au/prescribed-information.

Trustee's indemnity

The Trust Deed permits the Trustee and its directors to be indemnified out of Fund assets for any liabilities that they incur in their capacity as Trustee of the Fund.

The Trustee is covered by a professional indemnity insurance policy held by EQT Holdings Limited ('EQT Group').

Members' entitlements are determined in accordance with the provisions of the Trust Deed.

Related party transactions

All transactions, including with related parties, are conducted on normal commercial terms and conditions and on an arm's length basis.

Entities of the EQT Group may provide other services to the Fund for which fees are charged at a commercial rate.

Privacy

The Fund is subject to a Privacy Statement to protect your personal information.

Your right to privacy

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

Privacy Policies

The Trustee's privacy policy can be found at www.eqt.com.au/global/privacystatement.

The Fund Administrator's privacy policy is available at www.freedomofchoice.com.au/privacy/.

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

Privacy Officer, Equity Trustees
PO Box 3528, Tingalpa DC QLD 4173
Ph: 1800 806 013
Email: enquiries@freedomofchoice.com.au

Use and Disclosure

The information that you provide may be disclosed to certain organisations to which we have outsourced functions, or which provide advice to us and/or to Government bodies, including but not limited to organisations involved in providing, administration and custody services for the Fund, the Fund's insurers, accountants, auditors, legal advisers, and/or those that provide mailing and/or printing services.

In the event that you make a claim for a disablement benefit, the insurer may be required to disclose information about you to doctors and other experts for the purposes of assessing your claim.

The ATO, APRA, ASIC, AUSTRAC, Centrelink and/or other government or regulatory bodies.

Those where you have consented to the disclosure and/or as required by law.

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

Collection of Tax File Number ('TFN')

We are authorised by law to collect your TFN under the Superannuation (Industry) Supervision Act 1993 (Cth). Your TFN will only be used for legal purposes including calculating the tax on payments, providing information to the ATO transferring or rolling over your benefits to another superannuation fund and for identifying or finding your superannuation benefits where other information is insufficient.

You do not have to supply your TFN but if you do not, your benefits may be subject to tax at the highest marginal rate on withdrawal plus the Medicare Levy.

Direct Marketing

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

Privacy Officer, Equity Trustees
PO Box 3528, Tingalpa DC QLD 4173
Ph: 1800 806 013
Email: enquiries@freedomofchoice.com.au

Customer identification

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



