

Important things to know about Choice Income

Product Disclosure Statement

Combined Financial Services Guide and Product Disclosure Statement 25 September 2019

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26/50 Lonsdale St, MELBOURNE VIC 3000

What's in this guide

This guide tells you everything you need to know about Choice Income. It doesn't include details about transition to retirement (TTR). For those details, please refer to the *TTR Income Product Disclosure Statement* at australiansuper.com/TTRGuide

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About this Product Disclosure Statement

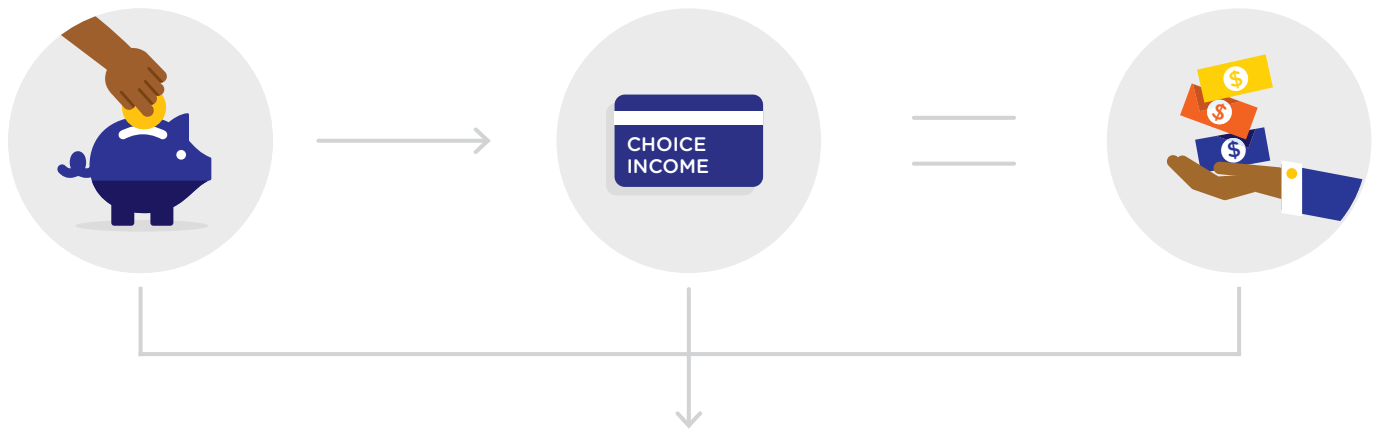
This Product Disclosure Statement (PDS) is a summary of significant information and contains a number of references to important information. You should consider this information before making a decision about the product. This information is current at the date of publication, but may change frequently. You should check the website for current information. A paper copy of the changes is available on request at no extra charge. The information provided in the PDS is general information only and doesn't take into account your personal objectives, situation or needs. You should obtain financial advice tailored to your personal circumstances.

1. The basics

The benefits of Choice Income

We want you to enjoy your retirement, not worry about where your money will come from. That's why we created our low-cost account based pension, to help you control how long your savings last.

Keeping your money invested in a Choice Income account offers a range of benefits:



Benefits:

- ✓ your investment earnings are tax-free
- ✓ your payments are generally tax-free from age 60
- ✓ turn your super into a regular income
- ✓ continue to grow your savings, because the money in your account stays invested
- ✓ sweeten your retirement with a Balance Booster (if you're eligible)
- ✓ access additional money whenever you need it
- ✓ top up your Government Age Pension (if you receive it).

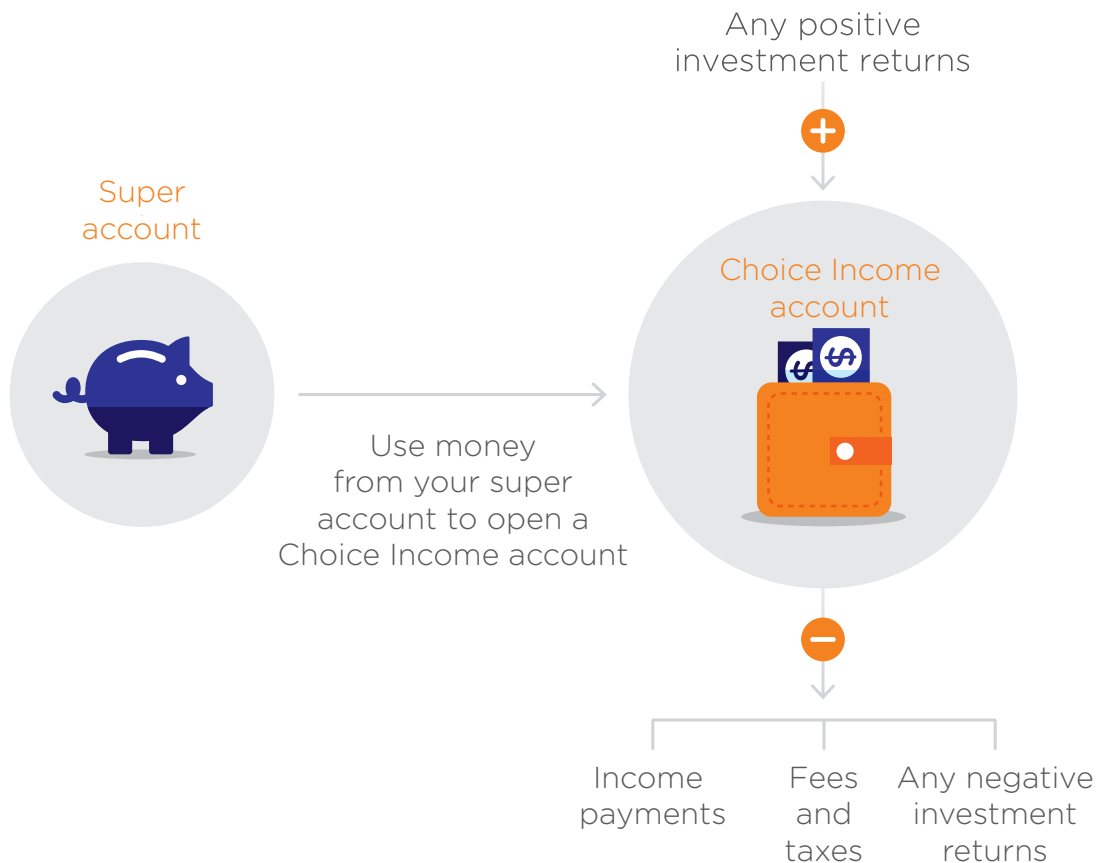
Find out more about Choice Income at australiansuper.com/ChoiceIncome



How Choice Income works

Your Choice Income account will give you a regular income and you can set it up in a way that suits you.

But your money isn't locked away. You can withdraw extra money to pay for bills, holidays or other big ticket items.



When you can start

You can open an account when:

- › you reach your preservation age and have permanently retired
- › you've changed jobs on or after turning 60, or
- › you've turned 65 (even if you're still working).

You may also be able to open an account if you're over 18 and can access an 'unrestricted non-preserved' component of your super or if you can access your super because you are totally and permanently disabled. Call **1300 300 273** or visit australiansuper.com/AccessSuper for more information about these situations.

Accessing your super: your preservation age

If you were born...	You can access your super at...
Before 1 July 1960	55
1 July 1960 – 30 June 1961	56
1 July 1961 – 30 June 1962	57
1 July 1962 – 30 June 1963	58
1 July 1963 – 30 June 1964	59
1 July 1964 or after	60

To open a Choice Income account you need to be an Australian citizen/permanent resident, a New Zealand citizen or hold an eligible retirement visa.

How much you need to open a Choice Income account

You need to have a minimum balance of \$50,000.

Combine your super before you open your account

Once you've opened a Choice Income account, you can't add more money to it.

It may be a good idea to combine your retirement savings into an AustralianSuper super account beforehand, so you have all your money in one place.

This will ensure that your funds are earning any potential investment returns while your new Choice Income account is being set up. This includes super from other funds and any lost super you may have found.

If you have more than one super fund you're transferring from to start your Choice Income account, your funds will only be invested once all of your money is received. Because we need to invest your money at the same time, there will be no investment earnings until all your rollovers are received.

How much you can transfer into a Choice Income account

The Government limits how much of your super you can transfer into a retirement income account (like Choice Income). This limit is known as the 'transfer balance cap'. The cap:

- › is \$1.6 million for each individual
- › includes the total amount transferred from any superannuation account to any of your retirement income accounts (and your AustralianSuper Balance Booster, if you receive one), and
- › is managed by the Australian Taxation Office (ATO), so it includes money across any superannuation fund, including defined benefit schemes.

If you need to know about the status of your personal transfer cap, you can check your MyGov account or contact the ATO directly. AustralianSuper is not able to provide this information.

You will need to reduce the amount you have in your retirement account(s) if you exceed the cap, by either withdrawing the excess amount or transferring it back into a super account. The ATO will send a notice to you and to the fund with instructions and we will also write to you about your options. If you don't taken any action or we don't hear from you the excess amount will be transferred automatically to either your AustralianSuper super account or if you don't have one a new account will be created for you.

You may incur tax penalties on your excess amount and any earnings that are returned to a super account will be taxed.

Keeping your insurance

If you want to keep your insurance cover, you'll need to maintain a super account. There are two things to remember:

- › you'll need to have enough money in your super account to pay for it, and
- › if you don't receive money (any type of contribution) into your super account for 16 months, your cover will stop – unless you extend it. To be eligible to extend your cover you'll need to have at least \$1,000 in your account.

Insurance cover can stop for many reasons. For a list of events that may make cover stop, read the *When cover stops* section in our *Insurance in your super* guide at australiansuper.com/InsuranceGuide

Balance Booster

Balance Booster – another great reason for you to stay invested with AustralianSuper.

What is Balance Booster?

When you move your AustralianSuper super account or TTR Income account to a Choice Income account, you could be eligible to receive an additional credit to your account balance – a Balance Booster.

How does it work?

Balance Booster is actually a tax saving. If you meet the eligibility requirements we'll pass this tax saving on to you.

When you have a super account or TTR Income account, AustralianSuper sets money aside to pay for future capital gains tax when investment assets are sold.

When you move from a super or TTR Income account to a Choice Income account (account based pension), your balance is transferred to a tax free environment. Assets sold in retirement phase are not taxed, so the amount set aside in your superannuation or TTR Income to cover a future capital gains tax liability can be passed to you as a credit – your Balance Booster payment.

Who is eligible for the Balance Booster?

You may be eligible for a Balance Booster payment if:

- › you move your existing AustralianSuper super account or TTR Income account to a Choice Income account, and
- › you've been a super or TTR Income member for a full calendar month or more, and



**Super account or
TTR Income account**



**Choice Income
account**



**Full calendar
month or more**

- › you're invested in one of these investment options:



High Growth



Balanced



**Socially
Aware**



Indexed Diversified



**Conservative
Balanced**



Stable



Australian Shares



**International
Shares**



Property





You don't need to apply for a Balance Booster – it is automatically assessed when you move to a Choice Income account. Payments are credited the day your Choice Income account is opened.

The Balance Booster will be different for each investment option and will reduce to zero for an investment option that is in a loss position. The accrued amount may also reduce to zero after switches between options. If you are invested in more than one investment option and only one is in a loss position, you could still be eligible for the other investment options that are in a gain position. There is also a clawback provision (see page 10 for more details).

The Balance Booster is currently zero for the Cash and Diversified Fixed Interest options. If you are invested in the Member Direct investment option, this part of your balance will not receive the Balance Booster as it is eligible for the Seamless Transfer to Choice Income, which adjusts for your move from Super to tax-free environment in Pension. In addition, the Balance Booster will be calculated for your other investments as they transfer to Choice Income.

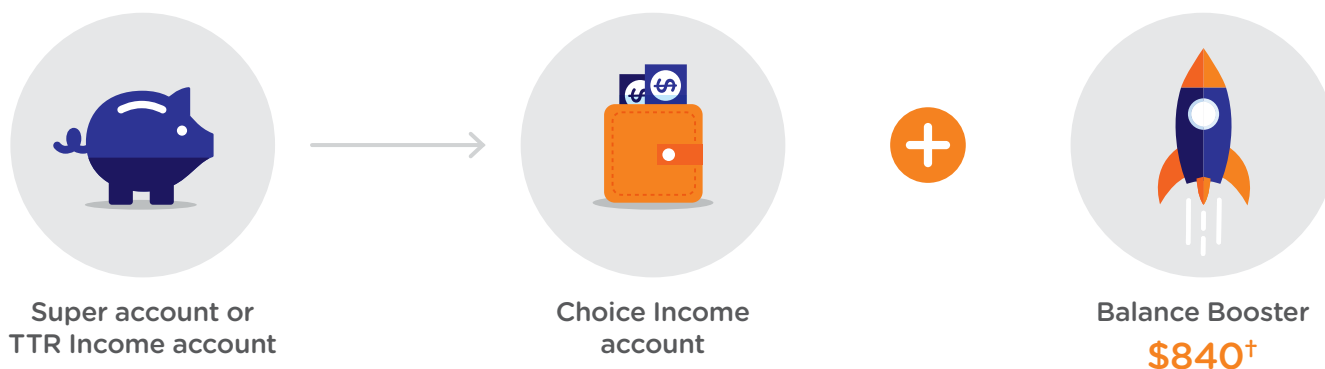
How is the Balance Booster calculated?

The amount of the Balance Booster payment will vary based on your investment circumstances, and in some circumstances could be zero*. The Balance Booster is calculated monthly and is based on several factors, including:

-  AustralianSuper's tax position over time,
-  your balance history over time,
-  your chosen investment option/s, their performance and tax position, and
-  how long you've been invested in the investment option/s, and timing of any switches between options.

Boosting members' balances

In the last financial year 2018/2019 we paid over \$4.9 million to more than 5,800 members who opened a Choice Income account. The average Balance Booster paid to these members was over \$840[†].



* In some situations, although the eligibility criteria may be satisfied, the Balance Booster will reduce to zero depending on market performance, but it will never be negative.

[†] Based on the Balance Boosters paid up to 30 June 2019. The value of the Balance Booster will vary based on your investment circumstances. Depending on market performance, the Balance Booster may reduce to zero, but it will never be negative.

What can affect the value of my Balance Booster payment?

How much Balance Booster payment you receive depends in part on how long you have invested in an option in your super or TTR Income account. This investment time period may impact the capital gains made and also the money set aside for applicable capital gains tax.

Staying in your chosen investment option for longer will mean your Balance Booster has a better opportunity to accrue. Some investment options may offer a greater chance to accrue a Balance Booster than others, so speak with your financial adviser to weigh up all the factors.

You or your financial adviser may decide that you should invest in a different option.

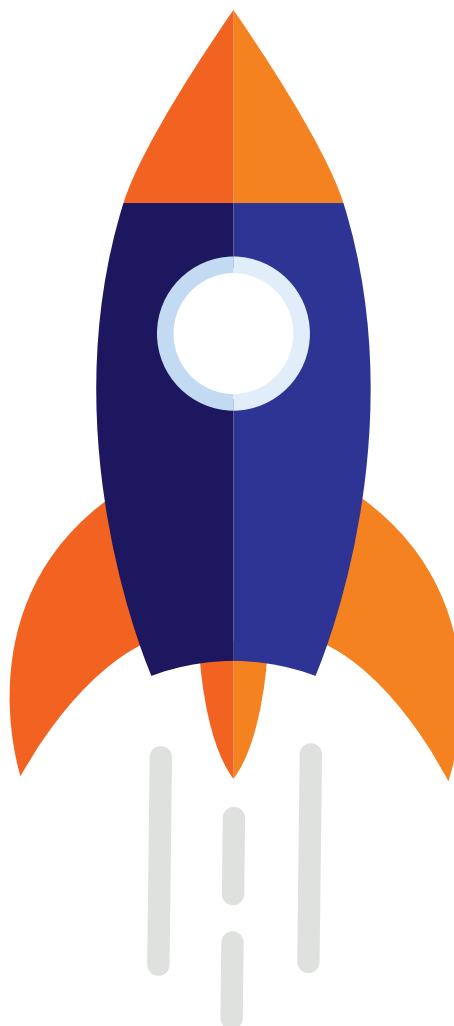
When you change investment options prior to moving to Choice Income, your accrued Balance Booster amount may be reduced to zero. This is because some of the money that was set aside, is now used to pay the applicable capital gains tax for the assets sold during the switch.

In some cases the benefit of switching before moving to Choice Income might be in your best interest, despite a reduction in the Balance Booster.

Once you've moved to Choice Income, if you withdraw 50% (or more) of your starting account balance within the first financial year there will be a clawback of the entire Balance Booster. The 50% withdrawal threshold could be made up of any combination of income payments, additional withdrawals and rollovers to a super account or to another superannuation fund.

Will my Balance Booster be counted towards the \$1.6 million cap?

Yes, your Balance Booster will count toward the \$1.6 million cap (see page 7). You'll need to make sure that the amount you transfer to your Choice Income account, plus your Balance Booster and any other money you hold in other retirement income accounts doesn't exceed the cap.



You can also find information about Balance Booster at australiansuper.com/BalanceBooster
If you have questions, please call us on **1300 300 273** between 8am–8pm AEST/AEDT weekdays.





Setting up with Smart Default

Smart Default is an easy way you can set up your account. Leave the decisions to us now, but change them later if you need to.

Smart Default will turn your super into an income that may last up to 20 years or more. Your payments and investment options are modelled and managed by a trusted team of investment experts.

Setting up with Smart Default means your payment and investment options are pre-selected:

- › you're invested in 12% Cash and 88% Balanced
- › you get paid every two weeks
- › you receive 6% of your account balance each year*.

How your account balance will be invested

Smart Default uses a 12% Cash and 88% Balanced initial portfolio investment strategy.

- › The Cash component is designed to help you settle into retirement and cover your income needs and any unexpected expenses for the first two years.
- › The Balanced option invests in a wide range of assets, which could help your money last right through your retirement.

Your income will be drawn from your Cash option first, until the balance in Cash reaches \$0. Your income is then taken from your Balanced option.

How much income you receive

With Smart Default, you'll initially receive 6% of your balance each year as income*. As you get older, this amount will increase to meet the minimum payment limits set by the Government.

Your age	Minimum % of your balance you'll receive each year
Under 80	6%
80 to 84	7%
85 to 89	9%
90 to 94	11%
95 and over	14%

How often you get paid

You'll receive your payments every two weeks.

Change your mind any time

After you've set up your account, you can make changes at any time.

For information about the AustralianSuper Balanced and Cash investment options, see page 20 and 23.

We compare the performance of our investment options against industry and market benchmarks so you can track how your Choice Income account is performing. View our latest performance figures at australiansuper.com/RetirementPerformance



* A higher percentage will apply if you are over age 80.

Choosing your own options

Setting up with Smart Default means you leave the decisions to the experts. But you also have the option to choose your own investment and payment options.

Before you make your investment and payment choices

Your payment and investment choices will affect how long your retirement savings last.

When setting up your account consider:

- › how much money you'll need each year
- › if you'll receive money from a source other than your Choice Income account (like the Government Age Pension)
- › how long you think you'll need your retirement savings to last. With current life expectancies, and depending on when you retire, your retirement income may need to last you 20 years or longer.

Your investment options

You can make the same investment choices that are available to all members of AustralianSuper.

Information about PreMixed, DIY Mix and Member Direct options are shown on pages 20–21, 22–23 and 24 respectively. Please consider your income needs, investment goals and the risk profile of each option before making your choice.

Your payment options

Selecting your payment options is more than just choosing how much you'll receive.

You'll need to choose how often you receive income payments and how much those payments will be. You can set the payments as a fixed amount, or the minimum percentage of your account balance.

The choices you make will have a big impact on how long your savings will last, so it's important to think about your long-term needs. Remember, you can always make extra withdrawals if you need a bit more money to help pay for something out of the ordinary.

Some conditions apply:

- › You must be paid at least once a year, or you can choose to be paid every two weeks, once a month, once every three months or twice a year.
- › You must be paid a minimum percentage of your account balance each year (see page 38).

For a detailed explanation of your payment options, see page 38.

For detailed information about investment options, see pages 15–27.



2. Getting down to the details

Investment risks, options and policies

Understanding your investment risks

All investments have risks, which can affect your retirement income in different ways.

Volatility of the investment market isn't the only risk that applies to your retirement income.

Type of risk	What is it?
Adequacy	The risk that your super savings won't provide enough retirement income for as long as you'll need it.
Agency	The risk that the third parties who manage investments and administration for AustralianSuper do not perform as expected.
Credit or counterparty	The risk that the issuer of a security (like a bond) doesn't pay back the money borrowed when it's due.
Currency	Movements in exchange rates can affect the value of your investments. For example, an increase in the Australian dollar compared to other currencies can reduce the returns of international share investments. A drop in the value of the Australian dollar can improve returns.
Drawdown (retirement income payment amount)	When your retirement income payments are much higher than your investment returns and you start to draw large amounts of your savings to provide your income payments. This could have a significant impact on how long your retirement savings last.
Inflation	<p>Inflation is the rate at which the general level of prices for goods and services rises and the value of currency falls.</p> <p>Inflation risk is when your investment returns don't grow above inflation to meet your long-term income requirements.</p>
Interest rate	Interest rate movements can affect your investment returns. While lower interest rates are usually good for the economy, they can lead to low returns for investors relying on cash-based investments for income.
Liquidity	The risk that your investment can't be sold at the right time or when you need your money. For example, if your funds are invested in a term deposit.
Longevity	The risk that you'll outlive your retirement savings.
Market timing	<p>The risk that you buy or sell your investments at the wrong time.</p> <p>For example, if prices are low when you sell, you may lose savings. If you wait until prices pick up before you buy, it might take longer for the value of your savings to grow. This can be a risk when switching investment options.</p>
Policy or legislative	The risk that changes to super legislation, retirement income account rules or industry regulations will affect your investment.
Sequencing	Sequencing risk relates to the order and timing of your investment returns. Experiencing negative returns when you're early in retirement can significantly impact how long your retirement savings last. You may not have as much time to recover from market downturns and you won't be getting ongoing super contributions to help offset this risk.
Volatility or market risk	<p>Market ups and downs can cause the value of your investment to rise and fall. This is something you may want to avoid if drawing income over a short-term timeframe.</p> <p>Volatility is sometimes measured by how often you can expect to receive a negative annual return within a particular period of time.</p>

Risk levels

Our investment options are split into short, medium and long-term risk levels.

- › **Short-term risk** is the risk that your retirement savings will be reduced by the ups and downs, or volatility, of the investment market.
- › **Medium-term risk** balances two risks. The first is that your retirement savings will be reduced by volatility and the second is that your savings will not keep up with inflation.
- › **Long-term risk** is the risk that your retirement savings will not grow to meet the wage inflation rate.

For more information about risk levels, see *Understanding your investment risks* on page 15.

Inflation

Inflation reduces the value of money over time. This means the money you've saved now will be worth less in the future.

Inflation is something you need to think about when choosing how much you'll be paid and your investment options. Inflation can increase your daily living costs, so your income payments may need to increase from year to year.

Consumer Price Index

Consumer Price Index (CPI) is an index used to measure the price of selected goods and services regularly purchased by ordinary Australian households. This index is used to measure inflation.

Risks and your investment timeframe

When selecting your investments, it's important to consider options that address both short and long-term income needs. This may mean choosing more than one investment option.

A shorter investment timeframe of up to five years means you should focus on protecting your savings as you'll access them sooner. An investment option with a lower chance of negative returns may be more appropriate. Over the short term, a big risk is that market ups and downs may reduce your account balance, which will reduce the length of time you can receive an income.

A longer investment timeframe means you'll have more time to grow your retirement savings. Investing your retirement savings in a mix of options may be a solution. Money you need to access within one to five years could be invested into lower risk options. Investing the rest of your savings into an option or options that will grow your savings above inflation so you can draw an income for longer is also very important.

How your income affects your investment timeframe

How much you withdraw as a regular income from your account can also impact your investment timeframe, which you'll need to consider when making an investment choice. Withdrawing a higher income will reduce your savings more quickly and therefore reduce your investment timeframe, while taking a lower amount will increase it.

Investment switching

You can change how you invest your Choice Income account up to once a day (except weekends and national public holidays*). There are no fees to change your investments.

If you make a request before 4pm AEST/AEDT weekdays, your account will be invested in your new investment choice the next business day. Your new investment choice will show in your account the following business day. Requests received on or after 4pm AEST/AEDT weekdays, or on weekends or public holidays, will take an extra business day.

Make your choice online:

- › Log into your online account at australiansuper.com/login
- › Log into your account on our mobile app. Learn more at australiansuper.com/MobileApp
- › If you can't make your choice online, call us on **1300 300 273** 8am–8pm AEST/AEDT weekdays.

* Plus Queen's birthday (all states, except Queensland and Western Australia).

The risk levels correspond with the Standard Risk Measure, which is used across the super industry to help members compare the risk levels of investment options. The Standard Risk Measure classifies investment options according to their expected likelihood of negative returns in a given time frame.



Asset classes

Asset classes are the building blocks of your investment. Some investment options invest in one asset class, while others include a mix. We invest in the following asset classes:



Cash

Money market securities such as bank bills and short-term bonds that are held with banks, the Australian Government and some companies.



Private equity

Investment in companies that aren't listed on a stock exchange. Can include Australian and international companies across a wide range of industries.



Credit

Debt securities, leases, royalties, hybrids and loans issued by both investment grade and high yield companies and other entities, such as, government agencies, special purpose vehicles (SPV) and emerging market governments. Returns are mainly driven by the credit quality of the underlying issuer of the debt. Credit is a subset of the fixed income asset and in our portfolios is managed separately from the sovereign investment grade portfolio.



Shares (stocks, securities, equities)

Part of a company that you can typically buy and sell on a stock exchange. You can access large and small companies across a range of industries both domestic and overseas.



Direct Property

Direct holdings in residential, retail, industrial or commercial real estate.



Fixed interest (bonds)

Loans, bonds and securitised debt issued by governments, private companies and banks that pay regular interest income over a set term. The principal amount lent is repaid when the security matures. These securities in the fixed income portfolio are generally investment grade quality, although we may invest a portion of the portfolio in higher yielding debt. Interest rate risk is viewed as the most significant risk for this portfolio.



Other assets

Investments that represent unique opportunities or strategies. Examples may include strategic equity holdings, commodities, royalties, leases and other alternative approaches.



Infrastructure

Assets that provide essential public facilities and services such as roads, airports, seaports and power supply and generation in Australia and overseas.

Crediting rate

AustralianSuper declares a daily 'crediting rate' (also known as an investment return) for each investment option except Member Direct. The crediting rate can be positive or negative depending on investment markets. Returns from your chosen investment option/s are determined daily and applied to your account either annually at 30 June, or earlier if you switch investment options or close your account. The amount allocated is the actual investment return earned during the period that your money was invested in the investment option/s, less any investment fees. For more information see australiansuper.com/CreditingRates

Understanding your investment options

On the next few pages you'll find more detail about each investment option. To help you understand what makes up each investment option, we've put together the example below.

A short summary about what the option's invested in and what it was designed to achieve.

Balanced

Invests in a wide range of assets. Designed to have medium to long-term growth with possible short-term fluctuations.

Investment aims

- › To beat CPI by more than 4% pa over the medium to longer term.
- › To beat the median balanced fund over the medium to longer term.

Minimum investment timeframe:

At least 10 years.

Risk level for the time invested

Short-term	Medium-term	Long-term
High	Medium	Low

Risk of negative return:

About 5 in every 20 years



- Australian shares 22% (10–45%)
- International shares 33% (10–45%)
- Direct property 7% (0–30%)
- Infrastructure 13% (0–30%)
- Private equity 5% (0–10%)
- Credit 5% (0–20%)
- Fixed interest 12% (0–25%)
- Cash 3% (0–20%)
- Other assets 0% (0–5%)

The goals set up for each option, often comparing their performance to the CPI (Consumer Price index), which is the official measure of inflation.

The risk profile of each option will vary depending on how long your money will stay in it.

If you can't keep your money invested for at least this long, this option probably isn't for you.

How often this option is likely to go backwards in a 20-year period.

The chart shows the combination of asset classes that typically make up each option.

Short-term

If you plan to invest for under 5 years

Investments may be reduced by market volatility and not have time to recover.

Medium-term

If you plan to invest for 5–20 years

Investments may be reduced by market volatility and/or your savings might not keep up with inflation.

Long-term

If you plan to invest for over 20 years

Your savings may not keep up with wage inflation.

For further information, read our *Investment Guide* at australiansuper.com/InvestmentGuide

The percentages for each asset class are the strategic asset allocations with the range shown in brackets.

For our PreMixed options, we work out what the different mix of asset classes will be for each option. The asset allocation ranges are the minimum and maximum amounts we can invest in each asset class. Each year we set a percentage we might invest in each asset class as a guide – this is called the strategic asset allocation. During the year we can move towards or away from this percentage based on our outlook for the economy and investment markets.



Your PreMixed investment options

Choose the mix that best suits you and leave the rest to us.

With our PreMixed options, we've done the diversification for you. These options are made up of more than one asset class and with different levels of risk and expected return.

High Growth

Invests in a wide range of assets with a focus on Australian and international shares. Designed to have strong long-term returns with possible fluctuations in the short term.

Investment aims

- › To beat CPI by more than 4.5% pa over the medium to longer term.
- › To beat the median growth fund over the medium to longer term.

Minimum investment timeframe:

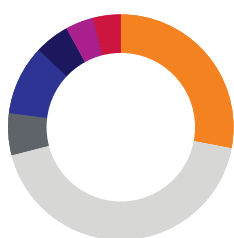
At least 12 years.

Risk level for the time invested

Short-term	Medium-term	Long-term
High	Medium	Low to medium

Risk of negative return:

About 5 in every 20 years.



- Australian shares 28% (20–50%)
- International shares 43% (20–50%)
- Direct property 6% (0–30%)
- Infrastructure 10% (0–30%)
- Private equity 5% (0–10%)
- Credit 4% (0–20%)
- Fixed interest 0% (0–20%)
- Cash 4% (0–15%)
- Other assets 0% (0–5%)

Balanced

Invests in a wide range of assets. Designed to have medium to long-term growth with possible short-term fluctuations. This is our default option if you don't make an investment choice when you join.

Investment aims

- › To beat CPI by more than 4% pa over the medium to longer term.
- › To beat the median balanced fund over the medium to longer term.

Minimum investment timeframe:

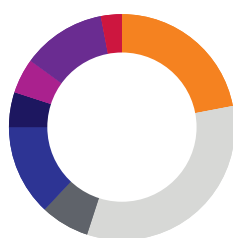
At least 10 years.

Risk level for the time invested

Short-term	Medium-term	Long-term
High	Medium	Low

Risk of negative return:

About 5 in every 20 years.



- Australian shares 22% (10–45%)
- International shares 33% (10–45%)
- Direct property 7% (0–30%)
- Infrastructure 13% (0–30%)
- Private equity 5% (0–10%)
- Credit 5% (0–20%)
- Fixed interest 12% (0–25%)
- Cash 3% (0–20%)
- Other assets 0% (0–5%)

Socially Aware*

Selects share and fixed interest investments using strict screening based on environmental, social and governance standards, as well as investing in a wide range of other asset classes. Designed to have medium to long-term growth with possible short-term fluctuations.

Investment aims

- › To beat CPI by more than 4% pa over the medium to longer term.
- › To beat the median balanced fund over the medium to longer term.

Minimum investment timeframe:

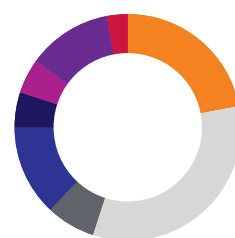
At least 10 years.

Risk level for the time invested

Short-term	Medium-term	Long-term
High	Medium to high	Low to medium

Risk of negative return:

About 5 in every 20 years.



- Australian shares 22% (10–45%)
- International shares 33% (10–45%)
- Direct property 7% (0–30%)
- Infrastructure 13% (0–30%)
- Private equity 5% (0–10%)
- Credit 5% (0–20%)
- Fixed interest 12% (0–25%)
- Cash 3% (0–20%)
- Other assets 0% (0–5%)

*This investment option may use Exchange Traded Index Futures (up to 5% of the total assets) to efficiently manage cash flows and ensure this option is invested within the targeted asset allocation. This may include economic exposure to companies that are normally excluded by the option's investment screens. Investments are selected and screened strictly based on environmental, social and governance standards as well as financial criteria.

Indexed Diversified

Invests in a wide range of assets using indexing strategies. Designed to have medium to long-term growth with possible short-term fluctuations.

Investment aims

- › To achieve an average annual return of CPI + 3% pa over the medium to longer term.

Minimum investment timeframe:
At least 10 years.

Risk level for the time invested

Short-term	Medium-term	Long-term
High	Medium	Low to medium

Risk of negative return:
About 5 in every 20 years.



- Australian shares 28% (20–50%)
- International shares 42% (20–50%)
- Listed property 0% (0–10%)
- Fixed interest 17% (0–30%)
- Cash 13% (0–30%)

Conservative Balanced

Includes a higher allocation to fixed interest and cash than the Balanced option. Designed to have medium-term growth with a balance between capital stability and capital growth. May also have some short-term fluctuations.

Investment aims

- › To beat CPI by more than 2.5% pa over the medium term.
- › To beat the median conservative balanced fund over the medium term.

Minimum investment timeframe:
At least 5 years.

Risk level for the time invested

Short-term	Medium-term	Long-term
Medium to high	Low to medium	Low

Risk of negative return:
About 4 in every 20 years.



- Australian shares 15% (5–35%)
- International shares 24% (5–35%)
- Direct property 6% (0–25%)
- Infrastructure 10% (0–25%)
- Private equity 2% (0–5%)
- Credit 4% (0–25%)
- Fixed interest 27% (0–40%)
- Cash 12% (0–30%)
- Other assets 0% (0–5%)

Stable

An emphasis on fixed interest and cash with a higher focus on stability than growth.

Investment aims

- › To beat CPI by more than 1.5% pa over the medium term.
- › To beat the median capital stable fund over the medium term.

Minimum investment timeframe:
At least 3 years.

Risk level for the time invested

Short-term	Medium-term	Long-term
Medium	Low to medium	Low to medium

Risk of negative return:
About 3 in every 20 years.



- Australian shares 9% (0–20%)
- International shares 13% (0–20%)
- Direct property 6% (0–15%)
- Infrastructure 10% (0–20%)
- Private equity 0% (0–3%)
- Credit 4% (0–25%)
- Fixed interest 32% (0–45%)
- Cash 26% (0–50%)
- Other assets 0% (0–5%)

Your DIY Mix investment options

Build your own mix of investment types by investing in our DIY Mix options and we'll manage it for you.

Australian Shares

Invests in a wide range of shares in both listed and unlisted companies in Australia and may also have a small allocation to companies in New Zealand. Designed to have strong long-term capital growth with possible short-term fluctuations in returns.

Investment aims

- › To beat the S&P/ASX 300 Accumulation Index* over the medium to long term.

Minimum investment timeframe:
At least 12 years.

Risk level for the time invested

Short-term	Medium-term	Long-term
Very high	Medium	Low to medium

Risk of negative return:
About 6 in every 20 years.



- Australian shares 100% (90–100%)
- Cash 0% (0–10%)

International Shares

Invests in a wide range of companies listed on securities exchanges around the world. Designed to have strong long-term capital growth with possible short-term fluctuations in returns.

Investment aims

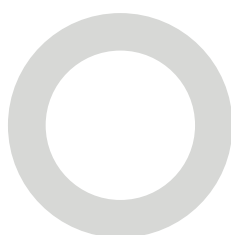
- › To beat the MSCI World All Countries (ex Australia) Unhedged Index* over the medium to long term.

Minimum investment timeframe:
At least 12 years.

Risk level for the time invested

Short-term	Medium-term	Long-term
Very high	Medium	Low to medium

Risk of negative return:
About 6 in every 20 years.



- International shares 100% (90–100%)
- Cash 0% (0–10%)

Property

Invests in Australian and overseas properties, including shopping centres and office buildings. Designed to have strong medium to long-term capital growth with lower volatility than shares.

Investment aims

- › To beat CPI by more than 3% pa
- › To beat a composite of Australian and International Property Indices* over the medium term, gross of investment expenses†.

Minimum investment timeframe:
At least 5 years.

Risk level for the time invested

Short-term	Medium-term	Long-term
High	Medium to high	Low to medium

Risk of negative return:
About 4 in every 20 years.



- Property 100% (90–100%)
- Cash 0% (0–10%)

Important information about the Property option

There is a cap on how much you can invest in the Property option. AustralianSuper has the discretion to freeze switches, contributions and withdrawals into and out of the Property option for up to two years in response to a market stress event. We will notify you as soon as possible after a freeze has been imposed. The allocation to cash may exceed the asset allocation range during a freeze event.

Please read *Property option – additional information* at australiansuper.com/PropertyInfo for full details about the Property option.

*Index level returns, adjusted for franking credits.

† From 1 January 2019 the composite consists of MSCI/Mercer Australia Core Wholesale Monthly Property Fund Index (60%), MSCI/AREF UK Quarterly Property Fund Index (20%) hedged to AUD and NCREIF Fund Index – Open End Diversified Core Equity (20%) hedged to AUD.

Diversified Fixed Interest

Invests in a wide range of Australian and international bonds and loans. This is done through actively investing in the fixed interest and credit asset class sectors and aims for capital stability and higher returns than cash over the short to medium term.

Investment aims

- › To beat CPI by more than 0.5% pa over the short to medium term.

Minimum investment timeframe:

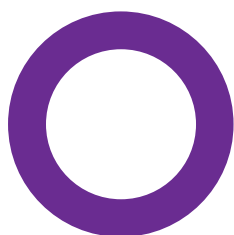
At least 3 years.

Risk level for the time invested

Short-term	Medium-term	Long-term
Medium	High	Very high

Risk of negative return:

About 2 in every 20 years.



- Fixed Interest 100% (50-100%)
- Credit 0% (0-25%)
- Cash 0% (0-30%)

Cash

Invests in short-term money market securities and some short-term bonds. Designed to have stable returns above the official cash rate.

Investment aims

- › To beat the return of the Bloomberg Ausbond Bank Bill Index* each year.
- › To beat the annual rate of inflation, as measured by CPI.

Minimum investment timeframe:

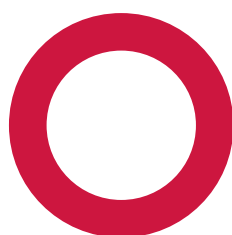
At least 1 year.

Risk level for the time invested

Short-term	Medium-term	Long-term
Very low	Medium to high	Very high

Risk of negative return:

Not expected.



- Cash 100% (100%)

Find out more about how we invest

Visit australiansuper.com/WhatWeInvestIn for more information about where we invest.



*Index level returns, adjusted for franking credits.

Strategic asset allocations and other investment information are current as at the date of publication. The Strategic Asset Allocation, composition of individual asset classes and other investment information may change from time to time. Investment returns are not guaranteed. Updated information can be found at australiansuper.com/AssetAllocation

Investments in the Member Direct option

Member Direct investment option enables you to invest in your choice of stocks in the S&P/ASX 300 index, selected Exchange Traded Funds (ETFs), selected Listed Investment Companies (LICs), term deposits and cash.

	Shares, ETFs and LICs*	Term deposits	Cash
Investments	See <i>Investment menu</i> . Refer to Member Direct Investment Menu at australiansuper.com/MemberDirect	See <i>Investment menu</i> . Refer to Member Direct Investment Menu at australiansuper.com/MemberDirect	Cash account
Investment aim	Shares – to provide the ability to invest in Australian listed securities. ETFs – to provide investors with the performance of markets, before fees and expenses, as represented by particular indices. LICs – to provide investors with access to portfolios managed by active investment managers who seek to provide access to a steady stream of fully franked dividends and medium to long term capital growth.	To provide a fixed interest rate return over a fixed term. You can view the current rates at australiansuper.com/MemberDirect	To provide a cash facility with a competitive interest rate. You can view the current rates at australiansuper.com/MemberDirect
Investment frequency	Any time during trading ASX hours	Weekly	Daily
Investment limits	You must keep the specified minimum amount [†] invested in AustralianSuper's other investment options and \$400 in your Member Direct cash account at all times.		
	<ul style="list-style-type: none"> › Maximum 80% of your total AustralianSuper balance in shares, ETFs and LICs › Maximum 20% of your total super balance in a single stock, ETF or LIC[‡] › Minimum buy order is \$1,500 › Maximum buy order is \$250,000 › No minimum sell order 	<ul style="list-style-type: none"> › Minimum investment is \$2,000 › Maximum investment in a single term deposit is \$5 million 	<ul style="list-style-type: none"> › Minimum balance of \$400
Investment timeframe	See the information below for the risk levels that correspond to your investment timeframe.		
Risk levels for the time invested			
Short-term (< 5 years)	Very high	Very low	Very low
Medium-term (5 to 20 years)	Medium to high	Medium to high	Medium to high
Long-term (> 20 years)	Medium	Very high	Very high
Expected frequency of negative annual return	About 6 in every 20 years	Not expected [§]	Not expected [§]

For more information about how you can use Member Direct, see page 26.

* Risk measures for shares, ETFs and LICs are based on investment portfolios with broad market exposure to Australian shares, they may differ for the individual investments you choose and your investment time frame. Risk for concentrated portfolios could be very high. The time frame recommended for holding a broad portfolio of shares, ETFs and LICs is at least 12 years.

[†] See other conditions on page 26.

[‡] The maximum amount you can invest in a single ETF or LIC may vary according to the type you invest in.

[§] Whilst cash and term deposits are not expected to have negative annual returns, investments remain exposed to the creditworthiness of the issuer.



Member Direct

Take a hands-on approach to the way your money is invested with Member Direct, our direct investment option.

Features

- › Access to real-time trading, extensive market information, independent research and investment tools to help you make informed investment decisions and manage your portfolio.
- › Manage your investments online, in real time, through the Member Direct online platform.
- › Check your income payment reserve* at any time by logging in to the Member Direct online platform.

You can select from:

- › Shares in the S&P/ASX 300 Index – this index includes large and small capitalisation Australian companies across a range of industry sectors.
- › Exchange Traded Funds (ETFs) – an ETF is a fund that is traded on a stock exchange like shares. View the current list of ETFs available in Member Direct at australiansuper.com/MemberDirect
- › Listed Investment Companies (LICs) – an LIC is a company that is traded on a stock exchange like shares. View the current list of LICs available in Member Direct at australiansuper.com/MemberDirect
- › Term deposits – choose from a range of issuers, interest rates and terms. Interest accrues daily and is paid on maturity. View the current list of term deposits available in the Member Direct option at australiansuper.com/MemberDirect

How it works

It all starts with your cash account, which works like an online bank account and earns a competitive rate of interest. You transfer money from your other AustralianSuper investment options into this account to invest. You can also transfer funds from Member Direct back into other AustralianSuper investment options from the cash account.

Who can register?

- › Choice Income members with \$50,000 or more in your account.
- › Super members with \$10,000 or more in your account.
- › If you have a super account and a Choice Income account you can only invest with Member Direct in one of those accounts.
- › If you are moving your funds from super into Choice Income, you can transfer your Member Direct assets into Choice Income when you open your Choice Income account using Seamless Transfer. You're not able to do a partial transfer of Member Direct assets. You can learn more about Seamless Transfer on page 27.

Other conditions

There are other conditions you must follow to keep your Member Direct investment option active[†].

- › You need at least \$400 in your cash account at all times.
- › You must keep at least \$10,000, or your income payment reserve (whichever is greater) invested in one or more of our PreMixed or DIY investment options. Your income payments are deducted from your investments outside Member Direct.
- › There are limits to how much you can invest in shares, ETFs, LICs or term deposits.
- › Once invested, your total Choice Income account balance needs to be \$30,000 or more. When your total account balance falls below \$30,000 you'll have to exit the Member Direct investment option.

Over time, you may have to transfer money from your Member Direct cash account to your other investments to fund your future income payments. This might mean you have to sell some of your Member Direct investments. You should consider this before committing to a long-term investment like a term deposit.

* Your income payment reserve is the minimum amount you must keep in your AustralianSuper investment options, outside of Member Direct, to cover 13 months of income payments based on the government's minimum age-based payment limits. If your balance is below this amount, you can't transfer more money into Member Direct or invest in term deposits.

[†] Read the Member Direct terms and conditions at australiansuper.com/MemberDirect for a full list of rules that apply to this investment option.

Seamless Transfer to Choice Income

Members can maintain their Member Direct listed investments when they transition from super to Choice Income without triggering a tax-event, or incurring brokerage costs, by requesting a Seamless Transfer to Choice Income. Certain restrictions may apply.

You can learn more about Seamless Transfer at australiansuper.com/MemberDirect

Refer to terms and conditions at australiansuper.com/MemberDirectTCs

How to register

Once you have an account with us, just follow these simple steps to register for Member Direct:

1. Set up your online account at australiansuper.com/login
2. Register for Member Direct through your online account.

To invest in Member Direct, you need a valid email address and secure access to the internet. We don't recommend using public or shared computers to access the online platform.

Before you decide

You should read the Member Direct guide and terms and conditions before making a decision. You'll find more information at

australiansuper.com/MemberDirectTCs

Member Direct isn't for everyone and risks can be very high so double-check it's right for you. You'll be managing your own investments and will need to know a lot about investing and the markets. It's important that you're comfortable doing this. We strongly encourage you to seek advice from a licensed financial adviser before choosing this option. They can help you develop an investment strategy to meet your personal objectives, situation or needs.

Fees

There are fees that apply to the Member Direct investment option. Find out more at

australiansuper.com/MemberDirect

You'll be able to choose from different investment options within Member Direct which have different fees associated with them. It all depends on your investment choices.

For Member Direct fees please see page 34.

Environmental, social and governance management

At AustralianSuper, investing responsibly means being active on Environmental, Social and Governance (ESG) issues today, to create better long-term outcomes for members.

We believe companies and assets with good ESG management are more likely to increase their value over time. That's why we integrate ESG considerations into all our investment decision making across all investment options.

Our ESG and Stewardship program is globally recognised and we have been awarded an A+ rating for our Overarching Approach to Responsible Investment in the United Nation's Principles for Responsible Investment (PRI) Global Assessment Report 2019.

ESG and Stewardship Program

Integration

We consider ESG factors before we make an investment and continue doing so for as long as we keep it. We identify various ESG risks and opportunities within each asset class, and then integrate them into our investment processes and valuations for more informed decision making. We also conduct ongoing ESG management reviews for our unlisted assets.

Stewardship

We actively engage with companies on ESG issues and communicate our long-term investment interests to them. Direct engagement enables us to influence the make-up of company boards and encourage positive behaviour on issues that can impact members' retirement outcomes.

We also influence ESG issues by voting on company and shareholder resolutions for:

- › S&P/ASX200 companies
- › any other Australian listed company that we're a large shareholder in
- › major global companies
- › all Australian companies held internally.

Choice

Many members have different values, so it's important we consider these preferences in our investment options. For members who want to avoid investing in industries and companies that don't align with their values, we offer the Socially Aware (see right) and Member Direct options detailed on page 26.

* Reserves, in this context, are coal, oil, gas or uranium that can be extracted from known fields at an economical cost.

Collaboration

We believe we can make a bigger, more lasting impact by working with companies and other asset owners for positive change. AustralianSuper collaborates on a number of investor initiatives like Climate Action 100+, United Nation's Principles for Responsible Investment (UNPRI), the Investor Group on Climate Change (IGCC) and the Australian Council of Superannuation Investors (ACSI).

You can view our quarterly voting history and read more about our ESG and Stewardship Program at australiansuper.com/InvestmentGovernance

Tobacco exclusion

AustralianSuper has decided to exclude companies that manufacture tobacco products from its investment options. Tobacco is a unique investment, due to its particular characteristics and the damage it causes. There is no safe level of consumption; it's highly addictive and it's the largest preventable cause of death in the world. These factors make investing in tobacco inconsistent with our purpose of helping members achieve their best possible retirement outcomes. We are prudently divesting tobacco holdings and reinvesting them elsewhere with the continued aim of achieving the best possible investment outcomes for members. This exclusion doesn't apply to the use of derivatives that have an indirect exposure to tobacco, or to ETFs and LICs in Member Direct.

Socially Aware option

Socially Aware invests using strict screening based on environmental, social and governance standards. It doesn't invest in shares or fixed interest securities of Australian or international companies that:

- › own fossil fuel reserves*
- › produce tobacco, munitions or mines
- › have single gender boards
- › have human rights concerns.

We will aim to apply these exclusions to other asset classes where possible.

Socially Aware removes investment in companies that own fossil fuel or uranium reserves regardless of the size of their ownership. We believe this is the simplest, most transparent way of removing these investments at their source while enabling the option to meet its investment return objectives.

You can find out more about the asset allocation and risk profile of our Socially Aware option on page 20.

Fees and other costs



Did you know?

Small differences in both investment performance and fees and costs can have a substantial impact on your long-term returns. For example, total annual fees and costs of 2% of your account balance rather than 1% could reduce your final return by up to 20% over a 30-year period (for example, reduce it from \$100,000 to \$80,000). You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs. You or your employer, as applicable, may be able to negotiate to pay lower administration fees. Ask the fund or your financial adviser.

To find out more

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

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

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

Taxes are set out in another part of this document – see page 36.

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 other costs for each investment option offered by AustralianSuper are set out on pages 31–34. The main fees to set up and manage your account are shown below, based on the Balanced option.

Type of fee	Amount	How and when it's paid
Investment fee*	0.60%	Deducted from before-tax investment returns on 30 June (earlier if you close your account), before the returns are applied to your account.
Administration fee*	Administration fee consists of: <ul style="list-style-type: none"> › account-keeping fee: \$2.25 per week, and › asset-based fee: 0.11% pa of your account balance capped at \$750 pa 	<p>The account-keeping fee is calculated weekly and deducted monthly from your account.</p> <p>The asset-based fee is calculated and deducted monthly based on your account balance at the end of each month.</p> <p>For higher account balances, the maximum asset-based fee may be deducted before the end of the financial year. Once the maximum annual fee has been deducted from your account, the asset-based fee will be \$0 for the rest of the financial year.</p> <p>This Administration fee is paid into the Fund's administration reserve and the Fund pays its administration costs from that reserve.</p>
Buy-sell spread	Nil	
Switching fee	Nil	
Advice fees† relating to all members investing in a particular product or investment option.	\$0 – \$295	<p>This is the cost for over-the-phone advice.</p> <p>For face-to-face advice, a higher fee applies which can be deducted directly from your account.</p>
Other fees and costs	Nil	Refer to <i>Additional explanation of fees and costs</i> on page 31 for information on family law fees.
Indirect cost ratios*	Nil	

* If your account balance for a product 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.

† The financial advice you receive will be provided under the Australian Financial Services Licence held by third parties and not by AustralianSuper Pty Ltd (AustralianSuper) and therefore is not the responsibility of AustralianSuper. With your approval a fee may be charged if a Statement of Advice is provided.

Example of annual fees and costs

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

Example: AustralianSuper Balanced investment option		
Investment fees	0.60%	For every \$50,000 you have invested in the Balanced investment option, you'll be charged \$300.
PLUS administration fees	\$117 pa (\$2.25 per week) PLUS 0.11% pa of your account balance capped at \$750 pa	AND you'll be charged \$117 in administration fees regardless of your balance, plus \$55 per year.
PLUS indirect costs for the Balanced Investment option	Nil	AND an indirect cost of \$0 each year will be deducted from your investment.
EQUALS Cost of product		If your balance was \$50,000, for that year you'll be charged fees of \$472*.

* Additional fees may apply.

The fees you may be charged are subject to change. You'll be given at least 30 days' notice before any increase in fees takes effect.

Additional explanation of fees and costs

Other fees and costs

Type of fee	Amount	How and when it's paid
Family Law information request This fee is charged when an eligible person asks for information under the <i>Family Law Act 1975</i> .	\$50	Charged to the person requesting the information.
Family Law splitting account fee This fee is charged to action a family law splitting order or agreement.	\$70 shared by both parties: › \$35 paid by the member › \$35 paid by the receiving spouse	The member's fee is charged to the member's AustralianSuper account when the split is actioned. The spouse's fee is deducted from the amount to be transferred to their AustralianSuper account or another fund.

About our investment fee

AustralianSuper's investment fee comprises of three components:

1. Investment management fees
2. Performance related fees
3. Transactional and operational costs

You can find the definitions of each component on page 33.

The table below shows how our overall investment fee is broken down for each investment option. These are the investment fees for each option for the 2018/2019 year. Investment fees are calculated looking back as at 30 June each year and are likely to change from year to year.

Name of Investment options	1	2	3	Total
	Investment management fee	Performance related fee	Transactional and operational costs	
PreMixed options				
High Growth	0.40%	0.11%	0.09%	0.60%
Balanced	0.42%	0.09%	0.09%	0.60%
Socially Aware	0.52%	0.11%	0.11%	0.74%
Indexed Diversified	0.10%	0.00%	0.04%	0.14%
Conservative Balanced	0.35%	0.05%	0.07%	0.47%
Stable	0.30%	0.01%	0.06%	0.37%
DIY Mix options				
Australian Shares	0.21%	0.00%	0.06%	0.27%
International Shares	0.39%	-0.03%	0.10%	0.46%
Property	0.64%	0.00%	0.34%	0.98%
Diversified Fixed Interest	0.36%	0.01%	0.03%	0.40%
Cash	0.04%	0.00%	0.00%	0.04%

Additional costs that aren't included in the investment fee

Some of our Transactional and operational costs are included in the calculation of our overall investment fee, but there are other Transactional and operational costs which aren't included.

The costs we don't include are costs we can't specifically identify. These are built into (or 'implicit' in) the trading prices of assets and therefore can only be estimated. These costs are known as Implicit transactional and operational costs. You can find the definition of Implicit transactional and operational costs, plus some examples of these, on page 33.

The table on this page shows the figures for both the included Transactional and operational costs and estimates of the implicit items, so you can see an indicative total figure for all Transactional and operational costs.

Name of Investment options	Transactional and operational costs* (included in investment fee)	Implicit transactional and operational costs (not included in investment fee)	Total transactional and operational costs
PreMixed options			
High Growth	0.09%	0.08%	0.17%
Balanced	0.09%	0.07%	0.16%
Socially Aware	0.11%	0.07%	0.18%
Indexed Diversified	0.04%	0.01%	0.05%
Conservative Balanced	0.07%	0.06%	0.13%
Stable	0.06%	0.04%	0.10%
DIY Mix options			
Australian Shares	0.06%	0.08%	0.14%
International Shares	0.10%	0.13%	0.23%
Property	0.34%	0.00%	0.34%
Diversified Fixed Interest	0.03%	0.07%	0.10%
Cash	0.00%	0.00%	0.00%

* The figures in this column are the same figures shown in Column 3 in the table on page 31.

Other costs we don't include in the investment fee are borrowing costs and property operating costs. These are shown below. You can find the definition of these costs on page 33.

Borrowing costs: High Growth 0.05% | Balanced 0.07% | Socially Aware 0.07% | Indexed Diversified 0.00% | Conservative Balanced 0.05% | Stable 0.06% | Australian Shares 0.00% | International Shares 0.00% | Property 0.73% | Diversified Fixed Interest 0.00% | Cash 0.00%

Property operating costs: High Growth 0.03% | Balanced 0.05% | Socially Aware 0.05% | Indexed Diversified 0.00% | Conservative Balanced 0.03% | Stable 0.04% | Australian Shares 0.00% | International Shares 0.00% | Property 0.67% | Diversified Fixed Interest 0.00% | Cash 0.00%

Definitions of fees and costs

Definitions of the most common fees are included here. For more information, refer to our dictionary at australiansuper.com/dictionary

Activity fees

A fee is an activity fee if:

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

This is a fee you'll incur directly for, an additional requested service, such as a request to split your super contributions with your spouse.

Administration fee

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

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

This fee is paid into the Fund's administration reserve and the Fund pays its administration costs from that reserve.

Advice fee

A fee is an advice fee if:

- a) the fee relates directly to costs incurred by the trustee of the superannuation entity because of the provision of financial product advice to a member by:
 - i. a trustee of the entity; or
 - ii. another person acting as an employee of, or under an arrangement with, the trustee of the entity; and
- b) those costs are not otherwise charged as an administration fee, an investment fee, a switching fee, an activity fee or an insurance fee.

Examples where the cost of advice can be incurred by the super fund, includes simple, one-off advice relating to your:

- › investment options within AustralianSuper,
- › insurance cover within AustralianSuper, and
- › contributions to an AustralianSuper account.

An advice fee for other types of advice which is typically more complex in nature, may be paid from your account for services provided by a financial adviser who's registered with AustralianSuper. However the cost of that advice must relate to your AustralianSuper account(s).

Borrowing costs

AustralianSuper doesn't borrow money but we do invest in entities that borrow money. We invest in these entities because they are conduits that allow us to access certain investments.

Borrowing costs are costs incurred on loans taken out by these entities, such as loan establishment fees and interest paid to lenders.

Buy-sell spread fee

AustralianSuper doesn't charge any buy-sell spread fees.

A buy-sell spread is a fee to recover transaction costs incurred by the trustee of the superannuation entity in relation to the sale and purchase of assets of the entity.

Exit fee

AustralianSuper doesn't charge any exit fees.

An exit fee is a fee, other than a buy-sell spread, that relates to the disposal of all or part of a member's interests in a superannuation entity.

Implicit transactional and operational costs

These are costs that are incorporated within the purchase and sale price of assets and therefore can't be specifically identified – they can only be estimated. Examples include the estimated margin charged when trading bonds through a broker and the impact that our own trading may have on the market price of an asset traded.

Indirect Cost Ratio

AustralianSuper doesn't have an indirect cost ratio. Instead, the costs of managing your investments are included in our overall investment fee.

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

Note: A fee deducted from a member's account or paid out of the superannuation entity is not an indirect cost.

This is another way of calculating the cost of managing your investments.

Investment fee

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

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

- iii. costs that are otherwise charged as an administration fee, a buy-sell spread, a switching fee, an activity fee, an advice fee or an insurance fee.

Note: Investment fees do not include implicit transactional and operational costs, borrowing costs or property operating costs.

This fee includes expenses incurred by AustralianSuper, as well as amounts incurred indirectly via underlying fund investments. The investment fee consists of investment management fees, performance related fees, plus transactional and operational costs.

Each of the individual items that make up the overall investment fee are calculated looking back as at 30 June each year, and are expressed as a ratio to the average value of all the assets in the investment option over the year. The investment fee is likely to change from year to year.

The investment fee is not deducted directly from your account. Rather, the amount reduces the net returns of each investment option, before returns are credited to your account.

Investment management fees

These represent the amounts deducted from your investment that relate to core investment management functions.

Examples are our internal investment management costs and investment management fees paid to third parties (excluding performance related fees).

These also include custody costs, audit and administrative costs of your investments – including those incurred through underlying funds.

Performance related fees

These are fees we pay to third parties for generating positive returns, such as outperformance above a disclosed benchmark. Generally performance related fees are calculated as a percentage of the returns generated.

Property operating costs

These are costs AustralianSuper incurs in relation to the operational activities of our real estate investments. Examples of these are the property owner's share of maintenance costs and management costs of shopping centres and office buildings. Property operating costs don't relate to the acquisition or disposal of property.

Switching fee

AustralianSuper doesn't charge any switching fees.

A switching fee for a superannuation product other than a MySuper product, is a fee to recover the costs of switching all or part of a member's interest in the superannuation entity from one investment option or product in the entity to another.

Transactional and operational costs

These comprise a broad category of costs we incur that relate to buying or selling underlying investments. Examples of these include brokerage and commission.

Member Direct fees

The fees and costs that apply to Member Direct vary depending on which option you select. To check current fees, please go to australiansuper.com/MemberDirect

	Cash account option	Term deposits option	Shares, ETFs & LICs option
What asset types can you invest in using the option?	Cash account	Includes the cash account plus term deposits	Includes the first two options plus the ability to buy and sell shares, ETFs and LICs
Cash account fee*	0.12% pa of the balance in the cash account		
Portfolio administration fee (PAF)**	Nil	\$150 pa	\$395 pa

Additional fees and costs that may apply	Cash account option	Term deposits option	Shares, ETFs & LICs option
Term deposit costs	Nil	If you redeem your term deposit(s) prior to their maturity date penalties will apply. Refer to table on term deposit costs	
Brokerage costs	Nil	Nil	If you choose to trade in shares, ETFs and LICs, brokerage fees will apply. Refer to table on Brokerage costs
Other fees	You will also pay an AustralianSuper administration fee and investment fees for investment options that are managed by AustralianSuper for you (e.g. PreMixed or DIY Mix options). Refer to page 31 for more information on investment fees and other fees and costs.		

Term deposit costs

If term deposits are redeemed prior to their maturity date, our effective rate of interest will be reduced in accordance with the following discount factors. Principal reductions and other costs may also apply.

ME Bank Term Deposits		NAB Term Deposits	
Time invested (% of total term)	Interest rate reduces	Time invested (% of total term)	Interest rate reduces
0 to <20	90%	0 to 50	50%
20 to <40	80%	>50	20%
40 to <60	60%	–	–
60 to <80	40%	–	–
80 to <100	20%	–	–

Brokerage costs

When trading Shares, ETFs and LICs, different brokerage rates will be applied starting with a flat fee for the first \$5,000 of each trade. Scaled cumulative brokerage rates apply to amounts above this based on the table below.

Transaction amount ex GST	Brokerage fee ex GST
\$0 to \$5,000	\$15.00
\$5,001 to \$10,000	0.30%
\$10,001 to \$30,000	0.20%
\$30,001 to \$50,000	0.16%
\$50,001 +	0.12%

Brokerage fees are subject of Goods & Services Tax (GST) at the rate of 10%. A refund for the Reduced Input Tax credit RITC (typically 75% of the GST paid) will be credited to your account at the time of settlement e.g. brokerage fees of \$15.00 are subject of GST of \$1.50. Your account will be credited 75% of the GST paid i.e. \$1.13

Fees for ETFs and LICs

Additional fees and costs incurred by the ETF or LIC, including management fees, custody costs and other expenses may be deducted from the returns of the underlying securities in the ETF or LIC. For details please visit the website of the ETF or LIC issuer.

Visit australiansuper.com/MemberDirect for a copy of the Member Direct *Investment menu*, which provides a full list of the available ETFs and LICs.

If you don't understand what the names of some of these fees mean, you can find definitions of them on page 33.

* All fees are GST inclusive. They are calculated daily and automatically deducted from your cash account on the first business day of each month.

† The PAF is determined by the option you select and not by the type of assets you hold. If you no longer hold the core asset type in Member Direct, e.g. you're in the term deposits option and don't hold term deposits or you're in the Shares, ETFs and LICs option and don't hold Shares/ETFs /LICs, you can reduce the PAF you pay by moving to a lower fee option. To do this you must select a lower fee option online.



Tax rates and arrangements

Investment earnings in your Choice Income account are tax exempt.



Tax if you're 60 or over

If you're 60 or over, your retirement income payments (including any lump sum withdrawals) are generally tax-free and don't need to be declared as assessable income when you lodge a tax return.



Tax if you're under 60

If you're under 60, your income payments and lump sum withdrawals may be taxable and will need to be declared as assessable income when you lodge a tax return.

Important tax information for those under 60

All super balances including account based pension accounts, are made of two components – taxable and tax-free. Any tax-free component in your super will remain tax-free in your Choice Income account. We'll work out the tax-free component of each payment for you.

Your tax-free component

Your tax-free component is the total of any:

- › after-tax contributions
- › Government co-contributions.

Your taxable component

The remaining money in your account is your taxable component and is the total of:

- › your before-tax contributions, including employer Superannuation Guarantee (SG) payments and salary sacrifice amounts
- › any personal contributions where you've claimed a tax deduction, and
- › investment earnings.

Tax on the taxable component if you're under 60 in 2019/2020

If you're under 60, the taxable component of any retirement income or lump sum withdrawal is reported as assessable income to the Australian Taxation Office (ATO) and is taxed as required. However, this tax could be reduced as a result of receiving a tax offset.

Income payments

Your income payments are taxed at your marginal income tax rate, plus Medicare levy, less the 15% tax offset. You'll generally receive a 15% tax offset on any taxable retirement income payment when:

- › you're between your preservation age and 59, and
- › you've provided your Tax File Number.

Lump sum withdrawals

If eligible for a lump sum withdrawal, the first \$210,000 is tax-free* and the balance is taxed at 15% plus Medicare levy. Additional tax may be applicable if you're below your preservation age.

Paying tax

In the same way tax comes out of a working wage, tax is deducted from your payments and any additional withdrawals you make before they're deposited into your bank account.

We'll work out the tax that needs to be deducted and pay it to the ATO. The tax taken from your payments is based on a number of factors, such as the tax-free component of your account, whether you'll claim the tax-free threshold for these payments and if you're eligible for the 15% tax offset.

For details visit australiansuper.com/tax or call us on **1300 300 273**.



* Applies to all money you withdraw from super, not just your account with AustralianSuper. This is a lifetime limit and is indexed annually.

Important tax information for everyone

Claiming a tax deduction

If you've made personal contributions to super that you intend to claim a tax deduction for, you need to tell your super fund that you plan to claim a tax deduction before you transfer some or all of it to a Choice Income account*.

Once you've transferred any amount to your Choice Income account, you can't claim tax deductions for the contributions you've made to super. This includes a super account within AustralianSuper.

Tax on money used to open your account

Generally, you don't have to pay tax when you transfer your super into your Choice Income account. Money from an untaxed source may be taxed on entry.

Tax on death payments

If you have money left in your Choice Income account when you die, that money will be paid to your beneficiaries as outlined on page 39. As this table shows, the way those payments are taxed is based on a number of factors, including how the money is paid and who receives it.

Type of beneficiary	Death payment type	Age of deceased	Age of dependant	Tax treatment (excluding Medicare levy)
Dependant	Lump sum payment	Any age	Any age	Tax-free
	Income payments	Below 60	Below 60	Taxable component taxed at their marginal income tax rate, less possible 15% tax offset
		Below 60	60 or older	Tax-free
		60 or older	Any age	Tax-free
Non-dependant	Lump sum payment	Any age	Any age	Taxable component taxed at 15%
	Income payments	Any age	Any age	Not eligible for income payments

For further details refer to our *Applying for payment after a member dies* fact sheet available under the Superannuation tab at australiansuper.com/FactSheets.

Medicare gives Australian residents access to healthcare and is partly funded by taxpayers who pay a Medicare Levy of 2% of their taxable income.

The Medicare Levy and any reductions are calculated from information provided in your tax return.



* To claim a tax deduction for personal super contributions you must lodge a *Notice of intent to claim a tax deduction* with your super fund. Download the form at australiansuper.com/TaxDeduction or call us on 1300 300 273.

Payments

Choose how often you'll be paid

You can receive your income payments:

- › every two weeks
- › once a month
- › once every three months
- › twice a year, or
- › once a year.

You can check our payment calendar at australiansuper.com/PaymentCalendar

You can change your payment frequency any time. To make sure it's processed in time for your next scheduled payment, we need to receive your change at least five business days earlier.

Choose how much you'll be paid

You can tell us how much income you want to receive and we'll pay it to your bank account. You can choose:

- › the minimum payment (set by the Government) or
- › a specific amount.

We write to you each year to confirm how much income you want to receive for the coming year. If you don't tell us, we'll give you the minimum annual payment as required by law.

You can make additional lump sum withdrawals any time in addition to regular pension income payments. However, lump sum withdrawals do not count towards the minimum pension income amounts that must be withdrawn by law every year. Should you make a lump sum withdrawal that takes your Choice Income balance below \$1,000, we'll pay out your full account balance and close your Choice Income account*.

Minimum pension income amount

By law, you must withdraw a minimum income amount each financial year.

This minimum amount is calculated as a percentage of your account balance at 1 July each year. There is no maximum withdrawal limit.

Age at 1 July 2017	Minimum withdrawal of your account balance each year
Preservation age to 64	4%
65 to 74	5%
75 to 79	6%
80 to 84	7%
85 to 89	9%
90 to 94	11%
95 and over	14%

For the first year, the minimum amount is calculated on the date your account is opened, based on how much of the financial year is left when you open your account. If you open your account in June, there's no minimum payment for that financial year.

Specific amount

You can ask for your income to be paid as a specific amount each year. You can also ask to have your income payments indexed each year to keep up with inflation as measured by the Consumer Price Index (CPI), or between 1% and 5% per year (see Inflation on page 16).

When you'll be paid

After setting up your account, you will start to receive payments once your application is fully processed. This can take up to four weeks, or longer in some circumstances.

* You can continue to receive income payments until your Choice Income account balance reaches zero.

Nominating beneficiaries

Your options

You have three options when deciding what happens to your money in the event of your death:

- › **Reversionary nomination** – You nominate a person who will receive your account balance as a regular income.
- › **Binding nomination** – You provide formal written direction to AustralianSuper to tell us who you want your account balance paid to. If valid, your nomination is legally binding.
- › **Non-binding nomination** – You nominate who you'd prefer your account to be paid to. This nomination is not legally binding.

Who can be nominated

You can nominate the following people as beneficiaries:

- › your spouse or partner
- › your children (conditions apply for reversionary beneficiary nominations)
- › interdependants (someone who lives with you and shares a close personal relationship where one or both of you provide financial and domestic support, and personal care of the other). Find out more about interdependants at australiansuper.com/beneficiary
- › other financial dependants (such as someone who relies on you financially)
- › your estate or legal personal representative (not available for reversionary nominations).

Your options in more detail

Reversionary nomination

If you nominate a reversionary beneficiary, this person will receive regular income payments from your account until the balance reaches \$0. It's important to consider changing or cancelling your nomination if your circumstances change, so that your benefit will be paid in line with your current wishes.

You can only nominate one of the people listed under the *Who can be nominated* section above as your reversionary beneficiary, except your legal personal representative. If you nominate a child over 18 years old, they must be:

- › permanently disabled, or
- › younger than 25 and financially dependent on you immediately before your death.

Binding nomination

If you make a binding nomination, we'll pay your account to the person you've nominated as long as your nomination is valid and in force at the time of your death. The account balance will normally be paid as a one off payment but may be paid as an income stream to a qualifying dependant.

A binding nomination is valid if:

- › it was made within three years of your death
- › all the individuals nominated are alive at the time of your death (for example, if you nominated three beneficiaries and one was no longer alive at the time of your death, then the nomination would be invalid)
- › all the individuals nominated are eligible.

If you make a binding nomination, it will be in force from the date you sign the form. We'll write to remind you to make another nomination before it expires. An expired or invalid binding nomination is considered to be non-binding – this means that it guides rather than instructs the payout of your account. Make a binding nomination by completing the *Binding death benefit nomination* form at the back of this PDS or download a copy from australiansuper.com/forms

Non-binding nomination

When you make a non-binding nomination, you're telling us who you'd prefer your account to be left to when you die, but your nomination isn't legally binding. This means that although we'd take your wishes into account, in the end we would have to decide who your account would be paid to depending on your situation when you die. The account balance will normally be paid as a one-off payment.

You can nominate non-binding beneficiaries when you open your account. You can change your beneficiaries at any time by logging into your online account.

Special conditions for children

Children aged between 18 and 25, who are financially dependent on you, may receive your account as regular income payments until they reach 25 (unless your account runs out earlier). The remaining account balance will be paid out to them when they turn 25. If your child is permanently disabled, they may continue to receive regular payments until the money runs out, regardless of their age.

3. The next steps

How to join

Join online at australiansuper.com/join or fill out the *Open a Choice Income account* form at the back of this PDS.

Before you set up your account

If you're transferring your money from more than one super fund to start your Choice Income account, it may take time for all your money to reach us. Because we will only invest all of your money together at the one time, there will be no investment earnings until we receive all your super rollovers.

To ensure your money stays invested at all times, it is a good idea to combine all your money into one super account first.

If you already have an AustralianSuper super account, the money transferred from your other funds will be invested in the investment option/s you've previously selected for your super account, and any earnings will be applied to your super account. To combine, complete the *Combine your super into AustralianSuper* form at australiansuper.com/forms

If you don't have an AustralianSuper super account, you can open a super account online at australiansuper.com/join or call us on **1300 300 273**.

Changing your mind

You can cancel your Choice Income account by the earlier of these two dates:

- › 19 days from the date we receive your application form, or
- › 14 days from the date we send you confirmation of your membership.

If you would like to cancel your membership during this period, please write to us at

AustralianSuper,
Locked Bag 6,
Carlton South
VIC 3053

or email retirement@australiansuper.com

If you cancel your account and don't have access to your entire balance in cash, we'll transfer it to the complying super fund of your choice, or into the AustralianSuper Personal Plan if you don't make a choice. If you do have access, we'll pay your balance minus any tax and retirement income payments already made. You may be charged fees and be entitled to any investment earnings.

After you've joined

As soon as you receive your Choice Income member number, you can register for an online account at australiansuper.com/login

Online account features

- › view your account balance and transactions
- › update your personal details
- › review and change your investment options
- › change your payment amount and frequency
- › request additional one-off payments
- › view a copy of your Centrelink Schedule
- › view your beneficiaries and update any non-binding nominations.

Access your account on the go

It's easy to stay on top of your Choice Income account with our mobile app. You can:

- › view your account balance, transactions and fees
- › be notified when a payment comes out of your account
- › change the way your money is invested
- › download recent statements
- › ask questions using our LivePerson messaging feature
- › update your details and more.

To find out more, visit

australiansuper.com/MobileApp

Getting advice

To make an appointment with a financial adviser, call us on **1300 300 273** or visit australiansuper.com/ContactUs

Financial Services Guide

Our Financial Services Guide (FSG) provides information about our services, how our representatives are remunerated, and your rights as a client, including our complaints system.

If you need more information or clarification of any matter raised in this FSG, please ask us.

If you have not already received a copy of AustralianSuper's Product Disclosure Statement (PDS), which sets out the main services, features and benefits of AustralianSuper, you can get a copy by calling **1300 300 273** or from **australiansuper.com**

The PDS will generally be provided to you before you become a member of AustralianSuper.

If advice provided to you relates to the acquisition of a financial product other than an AustralianSuper product, then you should obtain and read the Product Disclosure Statement (PDS) relating to that product before making any decision to acquire it.

Things you should know before you get our advice

Who is the provider of the financial service given to me?

AustralianSuper Pty Ltd, the Trustee of AustralianSuper, is the provider, through its representatives, of the financial services set out below.

Who will be responsible for the advice given to me?

AustralianSuper Pty Ltd holds an Australian Financial Services Licence (AFSL 233788) under the Corporations Act 2001, and is liable for services provided by its representatives.

What financial services are available to me?

AustralianSuper Pty Ltd and its representatives provide either general or personal financial product advice or reports about superannuation, managed investments and basic deposit products.

General advice

General advice does not take into account your particular financial needs, circumstances or objectives and you should assess your own financial situation and read the PDS before making an investment decision based on the advice.

Personal advice

Personal advice is where one or more of your personal circumstances are considered when providing the advice. You will receive a Statement of Advice (SOA) when personal advice is provided. A SOA is a document that contains the advice provided to you, the basis on which the advice was given and includes information about any fees or commissions that apply and any associations that the licensee may have which may influence the advice.

AustralianSuper Pty Ltd only issues financial products in respect of AustralianSuper.

How will I pay for the service?

The cost of providing this financial product advice is included in the fees charged for membership of AustralianSuper. AustralianSuper does not charge any additional fees or obtain any commissions for the advice that they provide.

What commission/fee does my representative receive?

The representatives are employees of AustralianSuper and are paid a salary. They do not receive commissions, fees or bonuses for the services that they provide to you.

Do any relationships or associations exist which might influence AustralianSuper providing me with financial services?

AustralianSuper Pty Ltd in its capacity as the trustee of AustralianSuper, is a shareholder or part-owner of Industry Super Holdings Pty Ltd. Industry Super Holdings Pty Ltd has the following subsidiaries with which the Fund transacts:

- › Industry Fund Services Ltd
- › Industry Funds Investments Ltd
- › Industry Funds Management Pty Ltd
- › Members Equity Bank Pty Ltd

AustralianSuper invests in these third parties for the benefit of the AustralianSuper Fund and does not receive any commissions from these organisations as a result of members using their products or services.

When you get our advice

Will you give me advice that is tailored to my investment needs and financial circumstances?

Where general advice is provided, it does not take into account your particular financial needs, circumstances or objectives. Where personal advice is provided you will receive a SOA. The advice **does** consider one or more of your particular financial needs, circumstances or objectives.

If you have a complaint

AustralianSuper is committed to handling any complaints promptly and fairly. Any complaints will be managed in strictest confidence. If you have a complaint about the advice provided:

1. You can raise the issue with an AustralianSuper representative, or
2. If you would prefer not to discuss the complaint with your representative, or your concern is not satisfactorily resolved, please direct your complaint to:
The Complaints Officer
AustralianSuper
GPO Box 1901
Melbourne VIC 3001
Telephone: **1300 300 273**
The Complaints Officer will ensure that your complaint is investigated as appropriate. You will be provided with a written response.
3. AustralianSuper is a member of an independent external dispute resolution body, as set out below. You may have the right to take your complaint to this body if you are not satisfied that your complaint has been handled satisfactorily.

For advice given by AustralianSuper representatives

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

In writing to:

Australian Financial Complaints Authority
GPO Box 3 Melbourne VIC 3001
Web: **afca.org.au**
Telephone: 1800 931 678 (free call)

Privacy

The privacy and security of your personal information is important to AustralianSuper. Your information will be collected and handled in accordance with our privacy policy, which is in line with the requirements of Privacy legislation.

Please refer to the AustralianSuper Privacy Policy and Collection Statement at australiansuper.com/privacy

Trustee liability insurance

AustralianSuper Pty Ltd holds Professional Indemnity insurance which complies with the requirements of section 912B of the Corporations Act 2001(Cth). This insurance provides cover for claims arising from the conduct of current employees and employees who no longer work for AustralianSuper Pty Ltd but who did at the time of the relevant conduct.

Privacy collection statement

AustralianSuper Pty Ltd (ABN 94 006 457 987) of 26/50 Lonsdale Street, Melbourne, Victoria, collects your personal information (PI) to run your super account (including insurance), improve our products and services and keep you informed. If we can't collect your PI we may not be able to do these tasks. PI is collected from you but sometimes from third parties like your employer. We will only share your PI where necessary to perform our activities with our administrator, service providers, as required by law or court/tribunal order, or with your permission. Your PI may be accessed overseas by some of our service providers. A list of countries can be found at the URLs below.

Our Privacy Policy details how to access and change your PI, as well as the privacy complaints process.

For complete details on the above go to australiansuper.com/CollectionStatement and australiansuper.com/privacy or call us on **1300 300 273**.



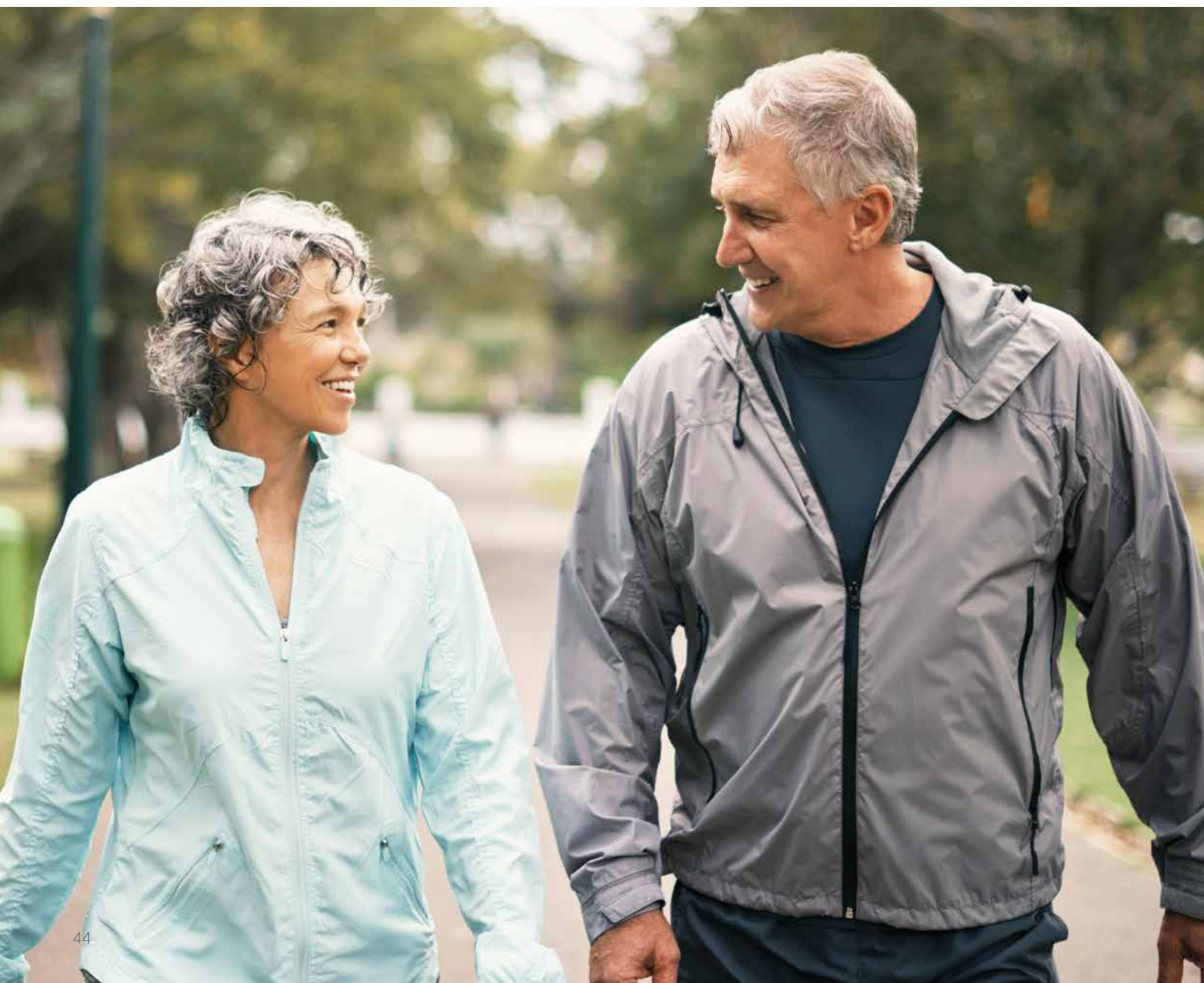
4. Forms

What you'll need to complete these forms:

- › Tax File Number (TFN)
- › Bank account details
- › Super account details
- › Medicare, current driver's licence or Australian passport details

Important things to consider

- › If you've made personal contributions to super that you intend to claim a tax deduction for, you should claim them before opening your account (see page 37).
- › You can't add money to your Choice Income account once you've opened it, so it's a good idea to consolidate your super first (see page 7).
- › If you're below age 60, you must also complete the Tax file number declaration form. If we don't receive this form, payments will commence after 60 days, at which time your account will be activated and taxed at the highest marginal rate.
- › It's a good idea to understand Centrelink's deeming rules (as at 1 January 2015) before rolling over existing retirement income accounts. Find out more at humanservices.gov.au
- › For help on providing proof of ID go to australiansuper.com/IDHelp



After reading the *Choice Income Product Disclosure Statement* (PDS), please complete in pen using CAPITAL letters. Print ☒ to mark boxes. This form must be completed in full. Read the Privacy Collection Statement at australiansuper.com/CollectionStatement to see how AustralianSuper uses your personal information. If you're below age 60 you MUST complete the *Tax file number declaration* form and return it with this form. You can also complete this online at australiansuper.com/join

1 Your personal and contact details

Last name															Mr <input checked="" type="checkbox"/>					Mrs <input checked="" type="checkbox"/>					Ms <input checked="" type="checkbox"/>					Miss <input checked="" type="checkbox"/>					Dr <input checked="" type="checkbox"/>				
First name/s															Male <input checked="" type="checkbox"/>					Female <input checked="" type="checkbox"/>					Date of birth														
																									D D M M Y Y Y Y														
Street address																																							
Suburb/Town															State					Postcode																			
Postal address (if different to street address)																																							
Suburb/Town															State					Postcode																			
Home telephone										Other telephone (eg business)										Mobile																			
Email																																							

If I provide my email address and/or phone number, I'm consenting to AustralianSuper communicating with me via email, my online account, mobile app and phone as appropriate. I understand I can change my communication preferences through my online account or by calling **1300 300 273**.

2 Have you finalised your tax deductions?

Have you finalised any tax deductions you intend to claim for your personal super contributions?

- ☒ **Not applicable** (go to step 3)
 ☒ **Yes** (go to step 3)
 ☒ **No** You must finalise the tax deduction with your super fund before you transfer your super to your Choice Income account. To get a claim form or find out more, go to australiansuper.com/TaxDeduction

3 Do you qualify?

Are you eligible to open a Choice Income account? Choose (X) the option that applies to you.

- ☒ I'm 65 or older (go to step 4)
 ☒ I've permanently retired from work and reached my preservation age (go to step 4)
 ☒ I've changed jobs on or after turning 60 (go to step 4)

If none of the above options apply to you, there are still other circumstances where you may be able to open a Choice Income account. Please call **1300 300 273** for help.

4 Are you opening your account with funds from your AustralianSuper account?

Do you want to transfer super from your AustralianSuper account/s to open a Choice Income account? You'll need to transfer a minimum of \$50,000 to open an account.**

☐ Yes (go to step 4a)

☐ No (go to step 5)

Please fill in details for each AustralianSuper account

a) Your existing AustralianSuper member number	b) Do you want to transfer your entire balance?	c) How much money do you want to leave in your AustralianSuper super account?***	d) Do you want to transfer a nominated amount to your Choice Income account?***
Account 1: <input type="text"/>	<input type="checkbox"/> Yes† (go to step 5) <input type="checkbox"/> No (go to either step 4c or 4d)	\$ <input type="text"/>	\$ <input type="text"/>
Account 2: <input type="text"/>	<input type="checkbox"/> Yes† (go to step 5) <input type="checkbox"/> No (go to either step 4c or 4d)	\$ <input type="text"/>	\$ <input type="text"/>
Account 3: <input type="text"/>	<input type="checkbox"/> Yes† (go to step 5) <input type="checkbox"/> No (go to either step 4c or 4d)	\$ <input type="text"/>	\$ <input type="text"/>

* When transferring from an AustralianSuper super account to open a Choice Income account, you'll need to leave a minimum balance in your super account for it to remain open. To find out more about the minimum balance, visit australiansuper.com/AccessYourSuper

† After your Choice Income account is opened, if you want to keep your insurance cover you'll need to have enough money in your super account to pay for it. To understand how to maintain cover, read our *Insurance in your super* guide at australiansuper.com/InsuranceGuide

‡ This will close your existing AustralianSuper account. Any insurance cover you have with this account will cease.

5 Are you opening an account with super from another fund?

If you have more than one fund to roll into AustralianSuper, you must complete a *Combine your super into AustralianSuper* form for each additional fund you wish to roll over. This form is available online under the 'Retirement' tab at australiansuper.com/forms. You'll need to transfer a minimum of \$50,000 to open an account.

a) Provide your fund's details

FROM: Fund name

Fund phone number

Member or account number

Australian Business Number (ABN)

Unique Superannuation Identifier (USI)

Amount to transfer (choose one only)

☐ Whole balance

☐ Partial amount of \$, , .00

TO: Fund's name

AustralianSuper

Fund phone number

1300 300 273

Australian Business Number (ABN)

65 714 394 898

USI

STA0002AU

Member number (if known)

Important information

1. If you're transferring the whole balance of your other super accounts, this means you're asking us to close your other super accounts.
2. Remember to check if your old fund charges exit fees and that you no longer need the insurance cover provided by your old fund (if any).

b) Provide us with your TFN

To protect your super, you need to prove your identity when you move money between super funds.

If you don't want to give us your TFN, you must complete a *Combine your super into AustralianSuper* form and provide certified copies of your identity documents (ID) for each additional fund you wish to roll over. This form is available online under the 'Retirement' tab at australiansuper.com/forms

If you don't provide the right ID correctly certified, it will delay the transfer. For help on providing proof of ID go to australiansuper.com/IDHelp

☒ Use my Tax File Number (TFN) to identify me.

Provide your TFN here

Your TFN is the easiest way to identify you. By giving us your TFN, you are authorising us to give this information to your other super fund. They will confirm your ID with the Australian Tax Office.

Providing your TFN

We're authorised under super law to collect, use and disclose your Tax File Number (TFN). You don't have to provide your TFN, but if we have it, we'll be able to accept all types of contributions into your super account if you have one; you won't pay more tax than you need to and it'll be easier to find any lost super. If you transfer to another fund, we'll give them your TFN unless you tell us not to in writing. Visit australiansuper.com/RefTFN for more details.

6 Provide your bank account details

Name of bank, building society or credit union

BSB number

Account holder's name*

Account number

You may provide a copy of your bank statement so we can check your details to avoid any payment delays.

* This must be a personal account, held solely or jointly in your name.

7 Set up your account

Do you want to open your account using Smart Default?

This means your investment and payment options are pre-selected.

☒ Yes  (go to step 10)

☐ No (go to step 8)

8 Choose how often and how much you want to receive each year

a) How often do you want to receive payments*?

Please make my payments:

☐ Fortnightly ☐ Monthly

If you choose fortnightly and monthly payments, they'll start from the next available pay date.
See page 38 of the *Choice Income Product Disclosure Statement* (PDS).

Please make my payments:

☐ Quarterly ☐ Half-yearly ☐ Yearly

What month should payments start?

Please choose the payment date:

☐ 15th ☐ 28th ☐ Next scheduled payment date
(as soon as possible).

* You will start to receive payments once your application is fully processed.
This can take up to four weeks, or longer in some circumstances.

b) How much do you want to receive each year?

You have two options – please choose (X) one option only. See page 38 of the PDS.

☐ **Option 1.** The minimum amount allowed

☐ **Option 2.** Specific amount (each financial year) \$

(must be equal to or more than minimum limits and may be subject to tax).

Your payments are pro-rated for the first year based on how much of the financial year is left when you open your account.

How much do you want this specific amount to increase by each year?

☐ None ☐ CPI ☐ 1% ☐ 2% ☐ 3% ☐ 4% ☐ 5%

9 Choose your investments and where to draw payments from

a) Do you want to choose how to invest your account?

☐ **Yes**

☐ **Option 1a:** I would like my current superannuation investment strategy to be transferred to my Choice Income account.

☐ **Option 2a:** Fill in the percentage you want to invest in each option in column A (go to step 9b).

☐ **No** If you don't make an investment choice your account will be invested in the Balanced option (go to step 10).

b) Which investment option/s do you want your fees and income payments taken from?

Please choose one option only. If you don't make a choice your account will default to **Option 1**.

☐ **Option 1: Highest balance** – take payments from the investment option with the highest balance.

☐ **Option 2: Pro-rata** – take payments from each investment option in proportion to the balance in each option.

☐ **Option 3: Payment order** – take payments in the order I choose. Fill in column B, making sure you only order options you've chosen to invest in and have numbered all your chosen investment options.

	Investment option	Column A: % to invest in	Column B: Payment order
PreMixed options	High Growth	<input type="text"/> <input type="text"/> <input type="text"/> %	<input type="text"/>
	Balanced	<input type="text"/> <input type="text"/> <input type="text"/> %	<input type="text"/>
	Socially Aware	<input type="text"/> <input type="text"/> <input type="text"/> %	<input type="text"/>
	Indexed Diversified	<input type="text"/> <input type="text"/> <input type="text"/> %	<input type="text"/>
	Conservative Balanced	<input type="text"/> <input type="text"/> <input type="text"/> %	<input type="text"/>
	Stable	<input type="text"/> <input type="text"/> <input type="text"/> %	<input type="text"/>
DIY options	Australian Shares	<input type="text"/> <input type="text"/> <input type="text"/> %	<input type="text"/>
	International Shares	<input type="text"/> <input type="text"/> <input type="text"/> %	<input type="text"/>
	Diversified Fixed Interest	<input type="text"/> <input type="text"/> <input type="text"/> %	<input type="text"/>
	Cash	<input type="text"/> <input type="text"/> <input type="text"/> %	<input type="text"/>
TOTAL MUST ADD UP TO 100%		<input type="text"/> <input type="text"/> <input type="text"/> %	

Property option

You can only invest in the Property option through your account online. If you choose **Option 1a** and currently invest in Property, your investments in Property will be brought across.

10 Nominate beneficiaries

Please choose (X) one option only. See page 39 of the *Choice Income PDS*.

☒ Option 1. Reversionary nomination.

Last name

Mr ☒ Mrs ☒ Ms ☒ Miss ☒ Dr ☒

First name/s

Relationship to you

Date of birth

☒ Option 2. Binding nomination

Please complete the *Binding death benefit nomination* form at the back of the *Choice Income PDS* and attach it to this application.

☒ Option 3. Non-binding nomination

Full name	Relationship	Residential address	% of benefit
	<input type="checkbox"/> Spouse <input type="checkbox"/> Child <input type="checkbox"/> Interdependant	<input type="checkbox"/> Financial dependant <input type="checkbox"/> Legal personal representative (executor or administrator of your estate)	<input type="text"/> <input type="text"/> <input type="text"/> %
	<input type="checkbox"/> Spouse <input type="checkbox"/> Child <input type="checkbox"/> Interdependant	<input type="checkbox"/> Financial dependant <input type="checkbox"/> Legal personal representative (executor or administrator of your estate)	<input type="text"/> <input type="text"/> <input type="text"/> %
	<input type="checkbox"/> Spouse <input type="checkbox"/> Child <input type="checkbox"/> Interdependant	<input type="checkbox"/> Financial dependant <input type="checkbox"/> Legal personal representative (executor or administrator of your estate)	<input type="text"/> <input type="text"/> <input type="text"/> %
	<input type="checkbox"/> Spouse <input type="checkbox"/> Child <input type="checkbox"/> Interdependant	<input type="checkbox"/> Financial dependant <input type="checkbox"/> Legal personal representative (executor or administrator of your estate)	<input type="text"/> <input type="text"/> <input type="text"/> %
	<input type="checkbox"/> Spouse <input type="checkbox"/> Child <input type="checkbox"/> Interdependant	<input type="checkbox"/> Financial dependant <input type="checkbox"/> Legal personal representative (executor or administrator of your estate)	<input type="text"/> <input type="text"/> <input type="text"/> %
TOTAL MUST ADD UP TO 100%			<input type="text"/> <input type="text"/> <input type="text"/> %

☒ Mark this box if you've attached a separate sheet because there wasn't enough space here.

It's important to note that in some cases making a reversionary nomination may impact your Centrelink benefits. Contact the Department of Social Services at dss.gov.au if you have questions regarding your Centrelink entitlements.

11 Give your financial adviser access to your account details

If you have a financial adviser, you can give them access to your Choice Income account below. If not, go to step 12.

Name of financial adviser

Name of business

Email

Telephone

AFSL number (if known)

If your adviser is licensed through Industry Fund Services (IFS), your adviser's access to your account will automatically expire three years after the date you signed this form.

12 Provide proof of your identity

Please complete (X) one of the options below.

☒ Option 1 - I want to use electronic verification

By giving you my Medicare, driver's licence or Australian passport details below, I authorise the use of my personal details (including the information below) for the purpose of electronic data verification. I understand that my information will be subject to an information match request in relation to relevant official record holder information and a corresponding information match result will be provided via the use of third party systems.

Fill out any TWO of the following, and (X) Option 1 box above.

1.	Full name as appears on my Medicare card																													
	My Medicare number is										My reference number on this card is										Valid to									
																					M M 2 0 Y Y									
2.	Full name as appears on my Driver's Licence																													
	My Australian Driver's Licence number is										State of issue										Expiry date									
																					D D M M 2 0 Y Y									
3.	My Australian Passport number is										Place of birth (as shown on my passport)																			
	Country of birth (not shown on my passport)																													
	Family name at birth (not shown on my passport)																													

☒ Option 2 - I want to attach paper copies of certified documentation

I have attached my certified proof of identity to this application.

Please ensure that you provide photocopies of your original identification documents and that they are correctly certified.

Each page must be certified as a true copy. For instructions on who can certify documents, go to australiansuper.com/IDHelp

☒ Use electronic verification if paper copies of certified documentation are incorrectly certified or unable to be read

I authorise the use of my personal details for the purpose of electronic data verification if the paper copies of my certified documentation are incorrectly certified or unable to be read. I understand that my information will be subject to an information match request in relation to relevant official record holder information and a corresponding information match result will be provided via the use of third party systems.

13 Sign this form

I have read the Privacy Collection Statement and I understand how AustralianSuper will use my personal information.

AustralianSuper's Privacy Collection Statement is in the PDS and online at australiansuper.com/CollectionStatement

The information is correct: To the best of my knowledge, the information I have provided on this form is correct.

I confirm I am either an Australian citizen/permanent resident, a New Zealand citizen or I hold an eligible retirement visa (subclass 405 or 410)

The information will be used to open the account: The personal information I have provided will be used to open my account.

If I've provided my email address and/or phone number, I consent to AustralianSuper sending me information about my account, AustralianSuper's products and services and marketing communications, including third-party products and services, via email, my online account, SMS, mobile app or phone, as appropriate and in accordance with AustralianSuper's Privacy Policy. I understand I can change my communication preferences at any time by calling AustralianSuper on **1300 300 273** or through the My communication preferences section of my online account.

At australiansuper.com/privacy I can read the full details on the collection and use of personal information. My account will be set up based on the choices I've made as fully explained in the PDS that was provided to me.

Sign here



Date

D D M M 2 0 Y Y

Print full name



Please return this completed form to AustralianSuper, Locked Bag 6, CARLTON SOUTH VIC 3053

Questions? Telephone **1300 300 273** Web australiansuper.com/retirement

Making, changing or cancelling a binding death nomination

Follow these instructions to set up, change or cancel a binding nomination.

What is a binding nomination?

A binding nomination instructs AustralianSuper how to pay your death benefit if you die.

As long as it's valid, your nomination is legally binding and we must follow it. This is why it's important to consider changing or cancelling your binding nomination if your circumstances change, so that your benefit will be paid in line with your current wishes.

Who can I nominate?

For a binding nomination to be valid, the people you list at step 2 of this form must be (at the date of your death):

- › your spouse (including de facto and same sex)
- › your children (including step, adopted or ex-nuptial of any age)
- › financially dependent on you
- › your legal personal representative, which means the executor or administrator of your estate, or
- › an interdependent (someone who lives with you and shares a close personal relationship where one or both of you provide for the financial and domestic support and personal care of the other). Find out more about interdependants at australiansuper.com/beneficiary

How long does it last?

A correctly completed binding nomination remains valid for three years from the date you sign the form.

The expiry date of your binding nomination is shown on your member statement and we'll also send you a reminder before your nomination expires.

How do I cancel my binding nomination?

You can cancel your binding nomination at any time. To cancel your nomination you need to complete steps 1, 3 and 4 of this form and return it to us.

How do I change my binding nomination?

You can change your binding nomination at any time. To change your current binding nomination you'll need to complete and submit a new valid *Binding death benefit nomination* form. This new nomination will override your current binding nomination.

What if my nomination is invalid?

If your nomination is invalid, we'll consider your wishes, but will use our discretion when paying out your death benefit.

Examples of an invalid nomination include:

- › your nomination being made more than three years ago;
- › the form being incorrectly signed and witnessed; or
- › the individuals nominated no longer qualifying as your dependants at the date of your death.

Can I have a binding death nomination and a reversionary beneficiary for the same pension account at the same time?

No. If you currently have a reversionary beneficiary nomination and would like to make a binding death nomination, AustralianSuper requires that you cancel your reversionary by completing all the steps on this form.

AustralianSuper will pay your death benefit in accordance with your binding nomination if it:

- › is made to us in writing on the form below;
- › nominates one or more of your dependants (at the date of your death) or legal personal representative;
- › is signed and dated by two people who have witnessed you sign and date the form, are aged 18 years or over and are not nominated on the form;
- › is received by us before your death; and
- › has not expired before your death.

To set up a new binding nomination, or to change an existing nomination, complete steps **1, 2** and **4** of this form.

To cancel your binding nomination and change to a non-binding nomination, complete steps **1, 3** and **4** of this form.

Binding death benefit nomination

Use this form to set up a binding nomination or change/cancel an existing binding nomination.

Please complete in pen using CAPITAL letters and print ☒ to mark boxes. This form must be completed in full. Read the Privacy Collection Statement in the *Choice Income Product Disclosure Statement* to see how AustralianSuper uses your personal information.

1 Your personal and contact details

Last name															Mr <input checked="" type="checkbox"/> Mrs <input checked="" type="checkbox"/> Ms <input checked="" type="checkbox"/> Miss <input checked="" type="checkbox"/> Dr <input checked="" type="checkbox"/>						
First name/s															Male <input checked="" type="checkbox"/> Female <input checked="" type="checkbox"/>		Date of birth				
Street address															D D M M Y Y Y Y						
Suburb/Town															State		Postcode				
Telephone (business hours)					Member number					Account number*											

* You must complete a separate form for each account you hold.

2 Nominate who you want to receive your death benefit

Read 'Who can I nominate?' on page 1 before filling in this section.

Full name	Relationship	Residential address	% of benefit
	<input type="checkbox"/> Spouse <input type="checkbox"/> Child <input type="checkbox"/> Interdependant <input type="checkbox"/> Financial dependant		<input type="text"/> <input type="text"/> <input type="text"/> %
	<input type="checkbox"/> Spouse <input type="checkbox"/> Child <input type="checkbox"/> Interdependant <input type="checkbox"/> Financial dependant		<input type="text"/> <input type="text"/> <input type="text"/> %
	<input type="checkbox"/> Spouse <input type="checkbox"/> Child <input type="checkbox"/> Interdependant <input type="checkbox"/> Financial dependant		<input type="text"/> <input type="text"/> <input type="text"/> %
	<input type="checkbox"/> Spouse <input type="checkbox"/> Child <input type="checkbox"/> Interdependant <input type="checkbox"/> Financial dependant		<input type="text"/> <input type="text"/> <input type="text"/> %
	<input type="checkbox"/> Spouse <input type="checkbox"/> Child <input type="checkbox"/> Interdependant <input type="checkbox"/> Financial dependant		<input type="text"/> <input type="text"/> <input type="text"/> %
<input type="checkbox"/> Legal personal representative (executor or administrator of your estate) [†] .			<input type="text"/> <input type="text"/> <input type="text"/> %
TOTAL MUST ADD UP TO 100%			<input type="text"/> <input type="text"/> <input type="text"/> %

[†] You only need to complete the '% of benefit' section if you're nominating your 'Legal personal representative'.

3 Cancel your current nomination

☒ Please cancel my previous binding death benefit or reversionary beneficiary nomination.

4 Sign this form in the presence of two witnesses

Member declaration

I understand that:

- > The people listed at step 2 must be my spouse, child, financial dependent, interdependent or a legal personal representative of my estate when I die.
- > I must sign and date this form in front of two witnesses, both of whom are aged 18 years or over and are not nominated as a beneficiary in my form.
- > I can change or cancel this nomination at any time.
- > If this nomination is invalid or has not been received by AustralianSuper when I die, my death benefit will be paid at AustralianSuper's discretion.
- > This binding nomination is only effective when received and accepted by AustralianSuper and expires three years from the date of my signature below.

Member signature here

Today's date

> You must sign and date this form in front of two witnesses aged 18 or over. Witnesses can't be nominated on this form (in step 2).

Witness declaration

As a witness to the member's nomination, I declare that:

- > I am aged 18 years or over;
- > I am not nominated as a beneficiary on this form; and
- > the member signed and dated this form in my presence.

Witness 1 signature

Full name of witness 1

Today's date

Witness 2 signature

Full name of witness 1

Today's date



Please return this completed form to AustralianSuper, Locked Bag 6, CARLTON SOUTH VIC 3053 or email a copy of the completed form to retirement@australiansuper.com
Questions? Telephone 1300 300 273 Web australiansuper.com/retirement

Payer information

The following information will help you comply with your pay as you go (PAYG) withholding obligations.



Is your employee entitled to work in Australia?

It is a criminal offence to knowingly or recklessly allow someone to work, or to refer someone for work, where that person is from overseas and is either in Australia illegally or is working in breach of their visa conditions.

People or companies convicted of these offences may face fines and/or imprisonment. To avoid penalties, ensure your prospective employee has a valid visa to work in Australia before you employ them. For more information and to check a visa holder's status online, visit the Department of Immigration and Border Protection website at border.gov.au

Is your payee working under a working holiday visa (subclass 417) or a work and holiday visa (subclass 462)?

Employers of workers under these two types of visa need to register with the ATO, see ato.gov.au/whmreg

For the tax table "working holiday maker" visit our website at ato.gov.au/taxtables

Payer obligations

If you withhold amounts from payments, or are likely to withhold amounts, the payee may give you this form with section A completed. A TFN declaration applies to payments made after the declaration is provided to you. The information provided on this form is used to determine the amount of tax to be withheld from payments based on the PAYG withholding tax tables we publish. If the payee gives you another declaration, it overrides any previous declarations.

Has your payee advised you that they have applied for a TFN, or enquired about their existing TFN?

Where the payee indicates at question 1 on this form that they have applied for an individual TFN, or enquired about their existing TFN, they have 28 days to give you their TFN. **You must withhold tax for 28 days at the standard rate according to the PAYG withholding tax tables.** After 28 days, if the payee has not given you their TFN, you must then withhold the top rate of tax from future payments, unless we tell you not to.

If your payee has not given you a completed form you must:

- notify us within 14 days of the start of the withholding obligation by completing as much of the payee section of the form as you can. Print 'PAYER' in the payee declaration and lodge the form – see 'Lodging the form'.
- withhold the top rate of tax from any payment to that payee.



For a full list of tax tables, visit our website at ato.gov.au/taxtables

Lodging the form

You need to lodge TFN declarations with us within 14 days after the form is either signed by the payee or completed by you (if not provided by the payee). **You need to retain a copy of the form for your records.** For information about storage and disposal, see below.

You may lodge the information:

- **online** – lodge your TFN declaration reports using software that complies with our specifications. There is no need to complete section B of each form as the payer information is supplied by your software.
- **by paper** – complete section B and send the original to us within 14 days.



For more information about lodging your TFN declaration report online, visit our website at ato.gov.au/lodgetfndeclaration

Provision of payee's TFN to the payee's super fund

If you make a super contribution for your payee, you need to give your payee's TFN to their super fund on the day of contribution, or if the payee has not yet quoted their TFN, within 14 days of receiving this form from your payee.

Storing and disposing of TFN declarations

The TFN Rule issued under the *Privacy Act 1988* requires a TFN recipient to use secure methods when storing and disposing of TFN information. You may store a paper copy of the signed form or electronic files of scanned forms. Scanned forms must be clear and not altered in any way.

If a payee:

- submits a new *TFN declaration* (NAT 3092), you must retain a copy of the earlier form for the current and following financial year.
- has not received payments from you for 12 months, you must retain a copy of the last completed form for the current and following financial year.



Penalties

You may incur a penalty if you do not:

- lodge TFN declarations with us
- keep a copy of completed TFN declarations for your records
- provide the payee's TFN to their super fund where the payee quoted their TFN to you.

We're here to help

Need more information?

Call

1300 300 273

8am–8pm AEST/AEDT weekdays

Visit

australiansuper.com/retirement

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