Future Super Pension Plan
Product Disclosure Statement
Issue date: 1 July 2019

Contents

Contact Details for Future Super

Phone 1300 658 422
Email info@myfuturesuper.com.au
Web www.myfuturesuper.com.au
Post GPO Box 1858, Sydney, NSW 2001
Address Level 3, 2 Bulletin Place, Sydney, NSW 2000

Join online at **www.myfuturesuper.com.au**

This Product Disclosure Statement (PDS) is a summary of the significant information which you need to consider before making a decision about the Future Super Pension Plan. It includes references to important information that forms part of the PDS and is included in the Additional Information Booklet (issued 1 July 2019). The Additional Information Booklet can be found on our website at www.myfuturesuper.com.au or by contacting us on 1300 658 422.

The information in this PDS is general information only and does not take account of your personal financial objectives, situation or needs. You should obtain financial advice that is tailored to your personal circumstances before making a decision about the Future Super Fund.

The information in this PDS is up to date at the time of preparation, however it is subject to change from time to time. The Trustee reserves the right to update information that is not materially adverse at any time. Updated information can be obtained by going to our website at www.myfuturesuper.com.au or calling us on 1300 658 422. You may request an electronic or paper copy of this PDS and any updated information at any time, free of charge.

This PDS can only be used by people receiving it (including electronically) in Australia. Applications for membership of the Future Super Fund from outside Australia will not be accepted.

Interests in Future Super are issued by Diversa Trustees Limited (ABN 49 006 421 638; AFSL 235153; RSE Licence L0000635) ("the Trustee") as trustee of the Future Super Fund (ABN 45 960 194 277; RSE Registration R1072914) ("the Fund" or "Future Super"). The Fund is administered by OneVue Super Services Pty Limited (ABN 74 006 877 872; AFSL 246883).

The Founder, Promoter and Investment Manager of the Fund is Future Super Investment Services Pty Ltd (ABN 55 621 040 702; AFS Representative No. 001271441), which is a Corporate Authorised Representative of Future Super Holdings Pty Ltd (ABN 90 167 800 580; AFSL 482684). The Trustee does not in any way endorse, warrant or accept responsibility for any services provided by the Promoter in its own right or directly to members or prospective members.

In this document, "we" means Diversa Trustees Limited, as trustee for the Future Super Pension Plan.

Section 1 - About the Future Super Fund

Future Super's mission is to seek out financially rewarding investments in companies that are working for a better planet. Our investment strategy seeks to provide a competitive financial return for our members while making a positive impact for the environment and our society.

Future Super is Australia's first fossil free super fund. This means that Future Super will not invest in companies or activities which mine, extract, burn or distribute fossil fuels or which provide significant services or finance to fossil fuel projects.

Future Super members believe the fossil fuel industry poses too many risks from an environmental, social and financial perspective. We believe that there are great opportunities to invest in companies and activities which are providing climate change solutions and making a positive contribution to the protection of our environment and our society.

For more information about the Future Super Fund, see the Product Disclosure Statement, Additional Information Booklet and Insurance Guide available at www.myfuturesuper.com.au or call 1300 658 422.

The Future Super Pension Plan

With Future Super, you can stay with us throughout your working life and into retirement. Once you have reached your preservation age you can use your Future Super accumulation account to open a pension account in the Future Super Pension Plan which will provide you with a tax-effective, regular income stream during your retirement, whilst allowing you to continue creating more of the type of world you want to live in.

The key features of the Future Super Pension Plan are:

- **Values aligned:** Your retirement benefits are invested in accordance with the Future Super Values (see above).
- **Flexible payments:** Subject to meeting the age-based minimum payment requirement, you can vary the amount and frequency of your income payments to suit your needs.
- **Fully commutable:** Subject to meeting the age-based minimum pension payment requirement, you can take all or part of your account as a lump sum when it suits you.
- **Pay less tax:** No tax is payable on pension payments or lump sum withdrawals if you are aged 60 and over, and investment earnings are tax-free.
- **Take care of loved ones:** On death, the amount remaining in your pension account can be paid to your dependants as a lump sum or as a reversionary pension to your spouse.

Your pension account will be wholly invested in the Fund's Balanced Growth pension investment option.

Insurance cover is not available in an Account Based Pension account.

IMPORTANT: The type of pension that may be suitable for you will depend on your personal circumstances. As pensions are complex and give rise to different taxation and social security implications, depending on your personal situation, we recommend that consider obtaining professional financial advice from a licensed financial adviser.

Section 2 - About the Future Super Account Based Pension

Eligibility to Start a Pension

To be eligible to establish a pension account in the Future Super Pension Plan, you must satisfy a specific "condition of release" which allows you to transfer the content of your super account into a pension account from which you can access your money.

For most people, the relevant condition of release will be that they have reached their preservation age (see below) and have permanently retired from the workforce.

Other conditions of release which may be a relevant reason for starting a pension are:

- You cease an employment arrangement on or after age 60;
- You reach age 65 (whether or not you have retired); or
- You become permanently incapacitated.

Preservation Age

From 1 July 1999, all contributions made by or for a member, and all investment earnings, have been subject to the preservation rule, which means that until you reach your preservation age (unless another specific condition of release is met), your superannuation benefit cannot be withdrawn from the superannuation system.

Contributions made by or for a member prior to 1 July 1999 may be defined as “restricted non-preserved benefits” or “unrestricted non-preserved benefits”. In certain circumstances you may be able to withdraw these benefits earlier. For example, when you change jobs you may be able to withdraw restricted non-preserved benefits. The different types of benefits that make up your pension account will be identified on your Future Super Annual Pension Member Statement. For more information, see www.ato.com.au/super.

If you were born before 1 July 1960, the preservation age is 55 years and increases by one year in accordance with the table below. The maximum age for preservation of benefits is 60.

Date of Birth	Benefits Preserved Until You Reach The Age Of
Before 1 July 1960	55
1 July 1960 to 30 June 1961	56
1 July 1961 to 30 June 1962	57
1 July 1962 to 30 June 1963	58
1 July 1963 to 30 June 1964	59
1 July 1964 and after	60

Opening Your Pension Account

Minimum and Maximum Amounts

You will need a minimum of $20,000 to start a pension account in the Future Super Pension Plan.

The Government has imposed limits on the amount that can be transferred into retirement phase accounts (known as your ‘Transfer Balance Cap’*), without incurring a penalty. You will need to ensure that the total amount of superannuation transferred to your pension account does not exceed the $1.6 million Transfer Balance Cap. Any amount of super you have above $1.6 million can be retained in an accumulation account and/or be taken as a lump sum payment.

* For the **financial year 1 July 2019 to 30 June 2020**, the Transfer Balance Cap is $1.6 million. In future years the Transfer Balance Cap will be indexed in $100,000 increments, in line with increases in the Consumer Price Index (rate of inflation).

Make Up of Your Pension Account

Your pension account can be made up of all or any of:

- An amount transferred from your existing Future Super accumulation account;
- An amount transferred from one or more accounts you have with other complying super funds; and/or
- Any additional amount you contribute at the time your account is opened.

If you currently do not have an accumulation account with Future Super, and wish to open a pension account in the Future Super Pension Plan with more than a single transfer in from another superannuation or pension account, we will open a temporary Future Super accumulation account in your name in order to receive these funds. These amounts will be held in cash in your temporary account until all rollovers or amounts intended for the purchase of the Account Based Pension have been received or until 30 days from the day the temporary account was first opened, whichever occurs first.

By submitting a completed *Pension Application Form*, you are giving your consent to us to allocate any multiple rollovers and contributions to the above mentioned temporary account prior to the establishment of your pension account in the Future Super Pension Plan. Your funds will only be held in the temporary account for a maximum of 30 days. After 30 days, all amounts in the temporary accumulation account will be rolled across to commence your new pension account. If you do not wish to proceed with commencing with your new pension account, you must transfer these amounts to another complying superannuation fund or otherwise satisfy a condition of release in order to have these funds released to you.

To transfer superannuation benefits from another superannuation fund, complete the relevant sections of the *Pension Application Form*. Alternatively, a separate rollover form can be downloaded from the Fund’s website at www.mysuturesuper.com.au.

IMPORTANT: Before closing any other superannuation account that you may have, you should consider what costs you may incur, what benefits you may lose or any other significant implications of closing your account. For advice that takes into account your financial situation, needs or objectives, we recommend you contact an appropriately qualified financial adviser.

There are other amounts that may be paid into a superannuation fund for the purpose of commencing a pension, such as certain disablement amounts on settlement of a disability claim (outside of superannuation), proceeds from the sale of a small business, and superannuation sourced from a foreign superannuation fund. Special rules apply to these amounts. If you are going to receive any of these amounts or are considering payment of them into superannuation, we recommend you obtain professional advice.

Adding to Your Pension Account

Superannuation law prevents additional money from being added to your pension account once payments from the account have commenced.

If, after payments from your pension account have commenced, you subsequently identify other accumulated superannuation savings with which you want to start an income stream, there are two options available to you:

- You can start a separate (additional) pension account in the Future Super Pension Plan; or
- You can 'roll back' your existing pension account into a Future Super accumulation account, transfer the additional savings to that account, and then use the full amount to commence a new pension account in the Future Super Pension Plan.

You can have more than one pension account in the Future Super Pension Plan if you wish, subject to you continuing to comply with the Transfer Balance Cap (explained above).

Complete the Application Form

To commence a pension account in the Future Super Pension Plan, download the *Pension Member Application Form* available from the Fund's website at www.myfuturesuper.com.au.

Your Pension Account Balance

The balance of you pension account will be determined by the amount you have invested, the investment returns your account earns (including any negative returns), the fees deducted, any lump sum withdrawals taken and how much pension has been paid to you.

Impact on Social Security Benefits

The balance of your pension account may affect your ability to access social security benefits. The total value of your pension account is counted as an asset under the Assets Test. For the Income Test, the value of your pension account is included as a financial asset and is subject to deeming rules at the time of assessment.

IMPORTANT: As the rules for social security entitlements are complex we recommend you contact Centrelink on 13 23 00 to ensure you maximise your social security entitlements.

Lump Sum Withdrawals

You can withdraw (or commute) all or part of the balance of your pension account at any time. Generally, before a pension account can be commuted, a minimum pro-rata pension payment must be made for that year, unless the commutation arises due to the death of the recipient or in other limited circumstances prescribed by superannuation legislation.

Making a Withdrawal

You can obtain the current withdrawal value of your pension account by calling the Future Super Member Services Team on 1300 658 422. Generally, if you are under age 60 and make a partial withdrawal from your pension account, the amount payable must comprise amounts withdrawn proportionately from both the taxable and tax-free components of your pension account. You cannot nominate the amount you will draw down from these components. For more information, see *Section 8 - How pensions are taxed*.

The Government's anti-money laundering and counter-terrorism financing legislation (AML/CTF legislation) requires you to provide proof of your identity prior to being able to access your superannuation benefits in cash. It's often called "customer identification and verification" requirements. If you do not comply there may be consequences, for example, a delay in the payment of your benefits.

To request a withdrawal from your pension account, contact the Client Services Team at info@myfuturesuper.com.au or on 1300 658 422.

Withdrawal payments can be made by transfer to your nominated Australian bank, building society or credit union account. Payments cannot be made in cash. Once your withdrawal request has been processed, we will send a written confirmation to you. You will generally receive your withdrawal proceeds no later than 30 days after we have received your withdrawal request.

IMPORTANT: As Trustee, we may suspend or delay the processing of a withdrawal. This may occur in the case of a large withdrawal or payment, or in certain other situations, such as the illiquid nature of some underlying investments which are not able to be converted into cash within a reasonable time.

Closing Your Pension Account

Pension payments will continue until to be paid to you until the balance of your pension account is exhausted. If you decide to leave Future Super, you may transfer your pension account to another complying superannuation fund or take the balance of your account as a lump sum.

Section 3 - Pension Payments

You can choose your regular retirement income to be paid from your pension account monthly, quarterly, half-yearly or annually, to your nominated bank, building society or credit union account. Your pension payment will be credited to your account on the 15th of the month (or the next business day if the 15th falls on a weekend or public holiday). You can provide your account details on the *Pension Member Application Form*. Alternatively, if you want to make changes to your income payments once your pension has commenced, contact the Client Services Team at info@myfuturesuper.com.au or on 1300 658 422.

Pension payments are funded by redeeming units from your pension account (see *Section 6 - How Future Super invests your money* of this Pension PDS for information on how units work).

You can choose the amount of your regular payments (subject to minimum Government prescribed limits - see below), and you can vary the amount and frequency of these payments at any time to suit your needs. You can also withdraw lump sum payments as your circumstances require.

If you don't specify the amount that you want to receive as a pension payment, the default amount will be the minimum limit prescribed by the Government.

IMPORTANT: We reserve the right to delay or suspend pension payments, including where unit pricing information is unavailable or unreliable or it would not be in the best interests of other members of the Fund.

Pension Payment Limits

Minimum Limits

The Government sets a minimum pension payment you must receive from your pension account each financial year. At least one payment of the minimal amount must be made once a year.

The minimum annual pension payment that you must take each year is a percentage of the balance of your pension account determined according to your age as calculated on commencement of your pension and then as at 1 July in each subsequent year.

You must receive at least one pension payment each financial year. If you commence a pension before 1 June, the pension payment will be a proportion of the required minimum payment for that year. However, if you commence your pension on or after 1 June, no minimum payment is required until the next financial year.

The table below sets out the applicable percentage factor used to calculate the minimum amount payable each year.

Superannuation Pension Payment Factors

Age	Percentage of Account Balance to be Paid as a Minimum*
Under 65	4%
65-74	5%
75-79	6%
80-84	7%
85-89	9%
90-94	11%
95 or over	14%

* These figures may change subject to government rules.

Maximum Limit

There is no maximum payment limit. You can decide the frequency and payment amount, draw down a lump sum, or withdraw the entire account value of your pension account when it suits you.

Pension Term

Unless you request an alteration, you will continue to receive the same pension payments each year, adjusted to reflect changes to the Government limits if required. We will inform you of your new minimum limit at the start of each financial year.

Your pension payments will continue until the money in your pension account is exhausted.

IMPORTANT: Your pension may not last for the rest of your life. How long the money lasts will depend on factors including the amount you initially invest, the amount and frequency of your pension payments and any lump sums you withdraw, investment performance of Future Super (which may be positive or negative) as well as fees and costs.

Changing Pension Payments

You can request a change to your pension payment frequency and/or amount (subject to the Government's prescribed limits). You can also change the account you nominate to receive your pension payments at any time. Contact the Client Services Team at info@myfuturesuper.com.au or by calling us on 1300 658 422.

If we receive your request at least five business days before the next scheduled pension payment date, we can make the change for the next payment; otherwise the change requested will be effective from the following pension payment date.

Variations in regular pension payments will be treated as an irregular pension payment (rather than a commutation or lump sum withdrawal) unless you specify otherwise.

Section 4 - Nominating Beneficiaries

In the event of your death, the remaining balance of your pension account will generally be paid to your nominated beneficiaries. How it will be paid, and which beneficiaries it will be paid to, may be determined by you in one of two ways:

- You may nominate a Reversionary Beneficiary to continue to receive a regular payment from your pension account; or
- You may nominate one or more dependants to receive a lump sum from your pension account.

You can also choose for the balance of your pension account to be paid to your Legal Personal Representative. If you do not nominate a beneficiary, or your nomination is invalid, the Trustee may pay the balance of your pension account to your dependants or your legal personal representative as it sees fit.

Nominating a Reversionary Pension Beneficiary

You can nominate your spouse (including a qualifying de facto spouse of the same or opposite sex) as a reversionary beneficiary. This means that he or she will continue to receive your pension payments as a tax-effective income stream (called a "Reversionary Pension") upon your death.

You can also nominate your child as your reversionary beneficiary if, on the date of your death, your child is:

- Under the age of 18; or
- Over the age 18 but under the age of 25 and financially dependent on you; or
- Permanently disabled.

The balance of your pension account will be required to be paid out as a lump sum to your child on your child reaching age 25, unless your child is permanently disabled.

If you wish to nominate a reversionary beneficiary, you must do so at the time of establishing your pension account.

Once your pension account in the Future Super Pension Plan has commenced, your reversionary beneficiary nomination cannot be changed, except in very limited circumstances (such as the death of the nominated spouse or on divorce or separation).

A reversionary beneficiary has much the same rights as the original member. Amongst other things, a reversionary beneficiary can choose to be paid a lump sum and can set their own level of regular payment within the limits imposed by law. The Transfer Balance Cap (see above) will apply to the reversionary beneficiary.

If your reversionary beneficiary does not survive you, the remaining balance of your pension account will be paid at the discretion of the Trustee, taking into account any nomination of beneficiaries you made prior to your death.

IMPORTANT: As there are different tax and social security consequences depending on who receives your pension after your death, we recommend that you seek tax and financial advice from a qualified adviser before nominating a reversionary beneficiary.

Death Benefit Nominations

If you do not wish to nominate a reversionary beneficiary, you can still nominate one or more of your dependants, and/or your Legal Personal Representative, to receive the balance of your pension account on your death, on either a **non-lapsing binding** or a **non-binding** basis, by completing the relevant form available for download from the Member Portal at www.myfuturesuper.com.au.

Non-Binding Nomination

A non-binding death benefit nomination is a written request made by you that suggests to the Trustee the beneficiaries that may receive the balance of your pension account in the event of your death. The Trustee has the final say as to who should receive the balance of your account. The Trustee will consider your nomination but is not bound to follow it. The Trustee has the discretion to pay to any one or more of your dependant(s) or legal personal representative(s) or a combination of both.

Non-binding death benefit nominations may be changed at any time by completing the relevant form available from the Member Portal at www.myfuturesuper.com.au.

Non-Lapsing Binding Nomination

A binding death benefit nomination is a written direction made by you to the Trustee that sets out the dependants and/or legal personal representative, as decided by you, who are to receive the balance of your pension account in the event of your death. So long as the binding death benefit nomination is valid, the Trustee is bound to follow it.

A non-lapsing binding nomination does not have an expiry date and will remain valid until you either revoke or update your nomination by completing the relevant form available from the Member Portal at www.myfuturesuper.com.au.

To ensure a non-lapsing binding nomination is valid:

- Each nominated beneficiary must be either your dependant or your legal personal representative (as defined in superannuation law);
- You must ensure that the proportion of the benefit that will be paid to each nominated beneficiary is certain and ascertainable. If it is not clear what percentage is to be paid to whom and/or the percentages do not add up to 100%, your nomination will be invalid;
- Your nomination must be made in writing using the relevant form;
- You must sign and date your nomination in the presence of two witnesses, being persons:
    - each who has turned 18 years old; and
    - neither of whom is mentioned in the nomination; and
- Your nomination must contain a declaration signed and dated by the witnesses stating that the nomination was signed by you in their presence.

If a binding death benefit nomination is valid and in effect at the date of your death, the Trustee must pay the balance of your pension account to the beneficiaries nominated in the proportions set out in your binding death benefit nomination. However, the Trustee is not required to comply with a death benefit nomination if the Trustee is aware that the payment under the nomination, or the lodgement of failure to revoke the nomination, would be a breach of a Court Order. In the event that your nomination is not valid at the time of your death, e.g. because a nominated beneficiary was not a dependant at the time of your death, the Trustee will pay the balance of your pension account in its absolute discretion.

IMPORTANT: We recommend that you periodically review your non-lapsing binding nomination as it is your responsibility to ensure that your nomination continues to be appropriate in accordance with your personal circumstances.

Nominating a Beneficiary

You can nominate a dependant or your Legal Personal Representative. If you nominate your Legal Personal Representative it is important that you have a valid Will and keep it up-to date, as the Trustee must pay your death benefit to your estate.

Under superannuation law, your "dependants" include the following:

- Your spouse (including a qualifying de-facto spouse of the same or opposite sex);
- Your child (including a child of a spouse);
- A person in an 'interdependent relationship' with you; or
- Any other person who the Trustee considers was dependent on you for maintenance or support, at the date of your death.

Someone can be in an interdependent relationship with you if:

- You have a close personal relationship;

- You live together;
- One or each of you provides the other with financial support; and
- One or each of you provides the other with domestic support and personal care.

Dependency can also arise where two people have a close personal relationship but don't live together or provide each other with financial support or personal care because of physical, intellectual or psychiatric disability (e.g. one person lives in a psychiatric institution suffering from a psychiatric disability).

Invalid Nominations
Your nomination may become invalid if:
- One of your beneficiaries dies before you do;
- One of your nominated dependants is not a dependant at the time of your death;
- You are no longer a member of Future Super at the time of your death; or
- The nomination was not made directly by you (it is the Trustee policy not to accept nominations through Power of Attorneys, or from anyone other a member)

If your nomination is invalid at the time of your death, the Trustee will treat it as a non-binding nomination and Trustee will pay the balance of your pension account at its absolute discretion.

Keep Your Nominations Up-To-Date

It's important that, like a Will, you keep your beneficiary nominations up-to-date. If your spouse dies, or you separate or divorce, you should consider if you need to update your beneficiary nomination by completing the relevant form available from the Member Portal at www.myfuturesuper.com.au. The Administrator will write to you and confirm any new, amended or cancelled nomination that it has received on your behalf.

Death Benefit Nominations in Your Annual Statement

We will confirm your death benefit nomination details each year with your Annual Pension Member Statement. It is important that you take note of this and review your nomination to ensure it continues to suit your circumstances, especially if they have changed.

Section 5 - The Risks of Super

Like all investments, an investment in a pension fund such as the Future Super Pension Plan carries risk. The risks are generally divided into two categories:
- Risks associated with a pension investment; and
- General investmentrisks.

While we are not able to remove all of the risks associated with an investment in the Future Super Pension Plan, the Fund's Investment Manager employs a range of investment risk management strategies to identify, evaluate and manage these risks.

Measurement of Investment Risk

The risk of an investment is measured by the likely fluctuations (that is, rises and falls) in returns. Rises and falls in investment value occur for a variety of reasons. Factors that can negatively impact on your investment include:
- Changes in the economic and political climate;
- Changes in government policies and laws including superannuation, taxation and social security laws;
- Movement in currency markets;
- Changes in interest rates;
- The general state of the Australian and international economies;
- Inadequate diversification; and
- Investment decisions made by the Investment Manager and any external fund managers.

In general, the higher the expected returns, the higher the risk associated with the investment. Investment risk is influenced by the extent of diversification in the investments made. Diversification of investments can help manage investment risk. The Fund's investment strategy employs different degrees of diversification in underlying assets or asset types.

Risk Profile

Investments with a higher proportion of growth assets, such as shares and property, have historically provided better long-term returns than investments which have a higher exposure to defensive assets, such as fixed interest and cash. However, investments with a higher proportion of growth assets are also generally subject to a higher risk of a short-term loss in value. Investments with a higher proportion of defensive assets are generally subject to a lower risk of a short-term loss in value.

Having enough time in the market is an important consideration when selecting investments and strategies. Short-term fluctuations in investment returns are generally less important when your focus is on achieving a long-term growth objective.

The risk profile of the Fund's investment strategy is based on the Standard Risk Measure. The Standard Risk Measure is based on industry guidance to allow members to compare investment options that are expected to deliver a similar number of negative annual returns over any 20-year period. The Standard Risk Measure is not a complete assessment of all forms of investment risk. For instance, it does not detail what the size of a negative return could be, or the potential for a positive return to be less than a member may require to meet their objectives. Further, it does not take into account the impact of administration fees and tax on the likelihood of a negative return. Members should still ensure that they are comfortable with the risks and potential losses associated with their chosen investment option.

The Standard Risk Measure is grouped into the following bands:

Risk Band	Risk Label	Estimated Number of Negative Annual Returns Over Any 20 Year Period
1	Very Low	Less than 0.5
2	Low	0.5 to less than 1
3	Low to Medium	1 to less than 2
4	Medium	2 to less than 3
5	Medium to High	3 to less than 4
6	High	4 to less than 6
7	Very High	6 or Greater

The appropriate level of risk for you will depend on a range of factors including your age, your investment timeframes, your risk tolerance and what other investments you hold. You should assess your personal situation carefully before making any investment decision.

When considering your investment, it is important to understand that:

- The value of your investment will go up and down depending on the market prices of the assets held by your investment option;
- Returns are not guaranteed and will vary, so future investment returns may differ from past returns;
- You may lose some or all of your money;
- The amount of your pension savings (including returns) may not be enough to provide adequately for your retirement;and
- Superannuation laws may change in the future.

IMPORTANT: We recommend you consult a licensed or authorised financial adviser for assistance with how to manage your investment risk having regard to your personal objectives, situation or needs.

Pension Specific Risks

Your pension account is designed to provide you with a steady income stream to support you during your retirement. However, like many pension products, the Future Super Pension Plan is account-based. This means that your pension payments are supported by the value of your pension account. They are not guaranteed for a particular period or during your lifetime.

You should be aware that:

- Your ability to maintain your income stream from your pension account is reliant on the starting value of your pension account, investment earnings and losses within the pension plan, and the amount you withdraw from your account through pension payments and lump sums/commutations;
- Your pension account may run out before you die;
- Like all superannuation vehicles, pension accounts are subject to tax law. Changes to the way pensions are taxed may have a significant impact on the value of your pension account or the amount you can receive as pension payments; and
- The value of your pension account and the amount you receive as pension payments may affect your rights to social security. Social security laws may change, which may in turn affect how your pension account and pension payments are treated for social security purposes.

General Investment Risks

The Future Super Pension Plan invests in different types of assets, including Australian shares, international shares, property and fixed interest. As the Future Super Pension Plan grows we may expand our investment portfolio to include alternative assets and social impact bonds (that is, investments with financial returns directly linked to achieving better social outcomes).

Different asset classes behave differently over time and inherently have different levels of risk. Assets with the highest long-term returns may also carry the highest level of short-term risk.

Some general investment risks associated with investing in Future Super include:

Company Specific Risk
The value of an investment in a particular company may vary because of changes to management, product distribution or the company's business environment.

Credit Risk
Credit risk is the risk that a borrower will default on its obligations under a loan. This is relevant where Future Super invests in corporate, government and semi-government bonds and other fixed interest securities, because these are effectively loans to the bond issuer. The risk is sought to be mitigated to an extent by the knowledge and experience of the Investment Manager.

Derivatives Risk
Derivatives are generally contracts that call for money to change hands at some future date, such as company issued options or listed exchange traded warrants or foreign exchange contracts. The Trustee does not permit any investments directly in any futures, options or other derivative instruments.

Diversification Risk
The extent of diversification across the Future Super Pension Plan's assets may impact the amount of investment risk. Diversification in underlying assets or investments can help moderate the risk of lower investment returns and a lack of diversification can increase investment risk. The Future Super Pension Plan has a diversified pension strategy with a 70/30 split between growth and income assets.

Foreign Currency Risk
Investment in international equities and other non-Australian assets may give rise to foreign currency exposure. The means the value of foreign investments may vary as exchange rates change. Fluctuations in foreign currency can have both a positive and negative impact on investments with exposure to international equities, depending on how investments are made.

Inflation Risk
The risk of the purchasing power of your money being eroded by inflation.

Interest Rate Risk
Changes in official interest rates can directly and indirectly impact on investment returns. Generally, an increase in interest rates has a negative effect on the general economy and thus the valuation of stocks.

Liquidity Risk
Investments may become illiquid due to market developments or other factors (that is, they cannot be readily converted to cash, at all or quickly enough to meet liabilities, in particular benefit payments).

We manage, analyse and monitor the liquidity position of the Fund and will take such action as may be required to enable the Fund to discharge its liabilities and meet its cash flow requirements in the best interests of members as a whole. For example, we may: alter the Fund's transfer, withdrawal or investment processes; alter the Fund's allocation to cash; freeze withdrawals from illiquid or impaired assets temporarily or permanently; or cease accepting further investments in illiquid or impaired assets temporarily or permanently.

Longevity Risk
If you leave the Fund or close your pension account, the amount you get back will be the balance of your account after taking into account any applicable fees, costs and taxes. This may be less than you paid in. You should also be aware that the pensions available from the Fund may not provide you with a pension for the rest of your life. Payments will only continue until your account balance is exhausted. Your investment is not guaranteed. The value of your investment can rise or fall. Neither the Trustee, any related entities or any other person referred to in this document guarantee the capital invested, your account, underlying investments or the performance of investments.

Market Risk
Changes in legal and economic policy, political events and technology failure can all directly or indirectly create an environment that may influence the value of your investments.

Market Timing Risk
The risk of the timing of your investment decision exposing you to lower returns or capital losses.

Mismatch Risk

The risk that the investment option you choose might not suit your needs or circumstances.

Sovereign Risk
The uncertainty of return on a foreign investment due to the possibility the foreign Government might take actions which are detrimental to the investors' interests.

Management of Investment Risks

In managing risks, the investment strategy for the Future Super Pension Plan takes into account a range of criteria including:
- The Pension Plan's membership profile;
- The risks involved in making, holding and realising investments, and the likely return from those investments;
- The composition of the investments as a whole, including the extent to which the investments are diverse or involve the investment option being exposed to risks from inadequate diversification; and
- The liquidity of investments.

IMPORTANT: Your investment is not guaranteed. The value of your investment can rise or fall. Neither the Trustee, nor any related entities or any other persons referred to in this document guarantee the capital invested, your account, the underlying investments or the performance of investments.

Section 6 - How Future Super Invests Your Money

Our Investment Philosophy

Future Super believes that there is enormous potential for all Australians to invest their super in a way that provides them with a competitive financial return for their retirement, and at the same time helps create the sort of world in which you want to retire. Our investment philosophy is built on the view that companies which are better at looking after people and the environment are also likely to perform better over the long term.
The Trustee, with the assistance of its service providers, takes our investment philosophy into account in the selection, retention and realisation of investments. Future Super's Investment Committee draws on internal and external specialists to ensure Future Super's investments align with our philosophy.

A negative screening process is applied to ensure that investment in companies whose activities are contrary to our investment philosophy are actively avoided, and a positive screen is applied to seek out companies and assets whose values align with our investment philosophy and whose activities have a positive impact for the environment and society.

Future Super's negative screening process actively seeks to avoid investment in companies involved in the following activities:
- fossil fuels
- gambling
- tobacco
- armaments and militarism, support for regressive regimes or operations in countries of concern
- nuclear and uranium
- old growth forest logging
- live animal export and animal cruelty
- slave labour, poor labour standards or working conditions
- corruption or bribery
- intensive agriculture
- environmental destruction (including the destroying or wasting of resources)
- polluting and carbon intensive activities
- social harm
- harmful financing (the financing or support of activities that cause environmental or social harm
- poor corporate governance
- companies with male only Boards

Future Super's positive screening process actively seeks out investment in companies involved in the following activities:
- renewable and efficient energy
- recycling and re-use of waste
- water and resource conservation, and protection of natural environments
- green buildings, social infrastructure
- sustainable timber production
- healthcare and wellbeing
- education
- efficient transport
- green IT
- sustainable products, ethical procurement and fair trade
- strong labour standards and corporate governance
- flexibility in work and lifestyle
- community finance, local enterprise or social enterprise
- ethical treatment of people and animals
- production of healthy foods and support for healthy lifestyles
- activities that promote dignity and wellbeing, and alleviate poverty

Future Super's portfolio of investments is available on the Future Super website at www.myfuturesuper.com.au.

In conjunction with Future Super, the Investment Manager monitors investments on a monthly basis to ensure adherence to our investment philosophy. An investment in any company which is subsequently found to be inconsistent with our investment philosophy will be disposed of. To the extent practicable, the Investment Manager will manage the disposal of the investment to ensure the best value, and timing of the disposal will be up to a maximum of three months from the date on which the inconsistency was identified.

The Basics of Investing

Generally, investments are purchased for their income producing potential (known as defensive assets) or because the capital value is expected to grow over time (known as growth assets).

Defensive Assets
Defensive assets include bank deposits, fixed interest securities, mortgages and debentures.

The main advantage of these methods of investment is that the original capital invested is relatively secure. This is because the investment organisation often takes the investment risks and guarantees to pay back the capital at the end of the period of investment. They may also pay a defined income return for a specified period, usually a rate of interest, so the rate of return is known in advance.

One disadvantage of defensive assets is that the original capital does not usually grow in value so the investment does not have the potential to maintain its purchasing power against inflation.

Thus, defensive assets provide good security and may provide a defined income stream for a time period, but they are not tax efficient and their value may not grow over time.

Growth Assets
Growth assets include property, Australian and international company shares, and a range of more specialised investments, some of which are riskier than others.

Capital growth occurs when investors collectively believe that future profits or rental from an asset will be higher in the future than today and are therefore prepared to pay more to purchase the asset. Similarly, capital values fall if investors collectively believe that future profits and rentals will be lower in the future than today. For example, capital values may fall if investors believe that the economy is heading for a downturn.

As investors' perceptions about the future change, the value of capital growth investments fluctuates. However, in the long run, the returns on capital growth investments are likely to outperform fixed interest and cash investments. This is particularly true if the investment is based on company profits from reputable companies and property rental from quality buildings.

The main advantage of growth assets is that it is possible to take advantage of favourable economic conditions and achieve superior growth over the medium to long term.

There are three main advantages to investing in growth assets:
- The incomereceived.
- The tax advantages that may apply.
- The long term increase in the value of the capital.

The main disadvantages are that the original capital value may fluctuate, including falling significantly, and that the income returns are not usually assured.

Our Investment Strategy
The Future Super Pension Plan currently has one investment option – the Balanced Growth Pension investment option. The Trustee may introduce additional investment options in the future. If it does so, these additional investment options will also be available to you to invest your retirement savings in.

While we have full responsibility for the investment of the Fund's assets, we have appointed Future Super Investment Services Pty Ltd (ABN 55 621 040 702; AFS Representative No. 001271441), who a Corporate Authorised Representative of Future Super Asset Management Ltd. (ABN 81 002 558 956; AFSL 238184) as Future Super's Investment Manager. In this role, Future Super Investment Services is responsible for implementing the Future Super Pension Plan's investment objectives and the strategy for reaching those objectives, and managing and monitoring the Future Super Pension Plan's assets in accordance with the established objectives and strategy.

Part of Future Super's assets may also be allocated to other external fund managers and their products. We ensure that any assets managed by external managers fit Future Super's investment criteria and risk profile.

The investment strategy and objectives are subject to review from time to time with the assistance of advisers or other service providers as we may determine.

IMPORTANT: If financial markets become unstable, we may take strategic action (including changing the allocation of assets) to protect Future Super's assets. Decisions are made with reference to the length of time the instability is expected to persist. Market conditions are monitored constantly for this purpose.

Future Super Balanced Growth - Pension Investment Strategy

Investment Return Objective

CPI + 2.5% per annum over rolling ten year periods (after fees and taxes).

Investment Strategy

The option aims to invest in a diverse mix of assets with the majority in the growth assets such as shares, and a modest investment in defensive assets such as cash and fixed interest. The option's exposure to these asset classes will be obtained primarily by holding assets directly, including Exchange Traded Funds.* This option aims to provide investors with the highest possible returns consistent with a 'balanced growth' investment strategy, through investment in companies and assets, and will avoid investment in the companies who provide services or finance to the fossil fuel industry. Specific allocations may vary but the fund will retain a broad 70/30 split between growth and income assets and a bias toward Australian assets.

Asset Classes and Benchmark Allocations	Upper Limit	Lower Limit	Benchmark
Australian Shares*	65%	25%	50%
International Shares*	30%	10%	20%
Other**	5%	0%	0%
Total Growth			**70%**
Australian Fixed	45%	15%	25%
International Fixed Interest	15%	0%	0%
Cash	20%	2.5%	5%
Total Defensive			**30%**

Suitability

Future Super Pension investment strategy is suitable for members seeking both growth and income from their retirement savings and a balance between risk and return. This product is intended for everyday Australians who want to shift their retirement savings away from companies and activities which are harmful to the environment and society, and instead want to see their super invested in companies and activities which make a positive impact

Recommended Minimum Investment Timeframe

Minimum 4 - 6 years

Risk Level^

Risk Band 6: High (4 to less than 6 estimated negative annual returns over any 20-year period).

* Includes property securities and Real Estate Investment Trusts (REITs).
** Other may include externally managed funds in non-traditional asset such as hedge funds, alternative asset types and absolute return funds
^ Based on the Standard Risk Measure. For more information, see *Section 5 - The risks of super* above.

Investment Returns

You can keep up to date with Future Super's unit price, performance and portfolio holdings at www.myfuturesuper.com.au. We may make changes to Future Super Balanced Growth Pension Strategy from time to time, including changes to the types of investments.

IMPORTANT: Past investment performance is not a reliable indicator of future investment performance.

Unit Pricing Arrangements

Future Super is a unitized fund. When you become a member of Future Super, you are assigned a member number and an account which records all transactions relating to your membership, including the number of units you hold. The number of units you hold depends on the net amount you invest at the commencement of your pension. Each withdrawal from your account results in a decrease of the amount of units you hold.

The unit price is calculated every business day, and takes into account any changes in the value of the assets of the Future Super Balanced Growth investment option, as well as applicable fees and taxes. Every member of the Future Super Pension Plan uses the same unit price. As the unit price fluctuates, so will your account balance, as your balance is calculated as the number of units you hold, multiplied by the unit price on any particular day.

Pension payments are made using the unit price calculated on the last business day before the business day on which the payment is made.
Withdrawals (other than pension payments) and rollovers out of Future Super are normally processed at the next unit price calculated after the request for withdrawal is received and accepted (subject to all criteria being met to pay the withdrawal).

We may vary, suspend or delay the calculation of the unit price where we consider it necessary or appropriate (for example, in response to investment market developments or issues affecting an underlying investment).

The unit price is available through the online member portal accessible via www.myfuturesuper.com.au or by phoning 1300 658 422.

Section 7 - Fees and 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 fees. Ask the fund or your financial adviser.*
To find out more:
If you would like to find out more, or see the impact of the fees based on your own circumstances, the **Australian Securities and Investments Commission (ASIC)** website (www.moneysmart.gov.au) has a superannuation calculator to help you compare different fee options.

The following table sets out the fees and other costs that you may be charged in relation to your pension account. These fees and costs may be deducted directly from your account balance, from the calculation of the Balanced Growth investment returns before they are allocated to your account, or from the Fund's assets as a whole.

The fees quoted in this section are inclusive of GST. Other fees, such as activity fees or 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. For information about taxes, see *Section 8 - How pensions are taxed.*

You should read all the information about fees and other costs because it is important to understand their impact on your investment. You can also use this information to compare costs between different pension products.

Type of Fee[1]	Amount	How and When Paid
Investment fee[2]	0.20% per annum	Accrued and reflected in the unit price when the unit price is calculated and paid in arrears.[3] **This fee is not deducted directly from your account.**
Administration fee[2]	$93.60 per annum ($1.80 per week)	Deducted directly from your account balance on a monthly basis, payable in arrears.
	Plus	
	0.65% per annum	Accrued and reflected in the unit price when the unit price is calculated and paid in arrears.[3] **This fee is not deducted directly from your account.**

Type of Fee[1]	Amount	How and When Paid
Buy-sell spread	0.07% buy 0.07% sell	Taken into account when the unit prices for payments in and benefit payments/ transfers out are calculated.[4] **This fee is not deducted directly from your account.**
Switching fee	Nil	N/A
Advice fees relating to all members investing in the investment option	Nil	Future Super does not provide or charge for advice. If you engage the services of a financial adviser, you can agree to pay a fee to the adviser which can be deducted from your account balance monthly, and paid to your adviser quarterly in arrears.
Other fees and costs [5]	Varies	Other fees and costs may apply. Refer to the "Additional Explanation of Fees and Costs" section below this table for more detailed information.
Indirect cost ratio[6]	0.11% per annum	Deducted from the investment return of the underlying investments. **This fee is not deducted directly from your account.** [6]

[1] This information relates to the financial year 1 July 2019 to 30 June 2020.
[2] If your account balance is less than $6,000 at the end of the financial year (30 June), the total combined amount of investment fees, administration fees and indirect costs charged to you is capped at 3% of your account balance. Any amount in excess of that cap must be refunded to your account. Refer to the *Additional Explanation of Fees and Costs* for more detailed information.
[3] Unit prices are calculated every business day.
[4] The buy-sell spread is a mechanism to recover transaction costs incurred by the Trustee in relation to the purchase or sale of assets for Future Super when monies move in to, or out of, an investment option in Future Super.
[5] 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. Refer to the *Additional Explanation of Fees and Costs* for more detailed information.
[6] The Indirect Cost Ratio (ICR) is an estimate based on the investment-related costs (including performance-related fees payable to external investment managers where applicable) incurred for the 12 months ended 30 June 2019. Actual costs may vary depending on the investment option you choose. If actual costs vary considerably from this estimate, the estimate will be updated.

Example of Annual Fees and Costs for Future Super Pension Plan

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

Type of Fee	Amount	Balance of $50,000
Investment fee	0.20% per annum	For every **$50 000** you have invested in the Future Super Pension Plan, you will be charged **$100** each year.
PLUS Administration fees	$93.60 ($1.80 per week) Plus 0.65% per annum	**And**, you will be charged **$418.60** in administration fees.
PLUS Indirect costs for the superannuation product	0.11% per annum	**And**, indirect costs of **$55** each year will be deducted from your investment, although it is not deducted directly from your account.
EQUALS Cost of the product		If your balance was **$50 000**, then for that year you will be charged fees of **$573.60** for the superannuation product.

Note: This information relates to the financial year 1 July 2019 to 30 June 2020.

Additional Explanation of Fees and Costs

The fees and costs charged in the Future Super Pension Plan will affect the value of your investment and the amount which will ultimately be available for payment to you by way of pension payments or lump sum withdrawals.

Adviser Fees

If you use an adviser, he/she may charge an adviser service fee (upon your instruction) of up to 1.1% per annum of your pension account balance. For example, if you held $50,000 in your pension account, the maximum adviser service fee would amount to approximately $550 for a financial year. The adviser service fee is set by negotiation between you and your adviser and confirmed by you to us as part of the application process. The fee is deducted from your account balance monthly and is paid to your adviser quarterly in arrears, until you instruct us otherwise.

Buy-Sell Costs

Each time you make a withdrawal from your pension account, you are effectively selling units in the Future Super Pension Plan, which initiates a need for the Trustee to trade the underlying assets that relate to the particular investment transaction. This trading generates transaction costs such as brokerage and settlement costs which are paid from each investment option.

These transaction costs are reflected in a buy/sell spread that is taken into account in the calculation of unit prices. The buy/sell spread is the difference between the entry price and the exit price of units and is an additional cost incurred by your each time you invest (including via rollovers from other funds) or withdraw funds. The buy/sell spread is retained within the Fund and contributes towards the transaction costs associated with the Fund buying or selling assets in relation to investment transactions initiated by members or relating to the administration of member accounts.

The spread ensures that those members joining or leaving the Fund, or switching investment options, contribute towards these transaction costs and other members who are not joining, leaving or switching investments at that particular time are not disadvantaged.

The buy/sell spread for each investment option is made up of the following costs:

Investment Option	Buy	Sell
Future Super Balanced Growth	0.07%	0.07%

As an example, if you invest $50,000 in an account in the Future Super Pension Plan, you will incur a buy cost of 0.07% of the transaction amount, being $35, at the time you invest.

The buy cost is added (+) to the net asset value price (NAV) of the underlying assets per unit to determine an entry price ('Buy Price'). The sell cost is subtracted (-) from the NAV to determine an exit price ('Sell Price').

As the imposition of a buy/sell spread is built into the unit price, it does not appear on statements to members as a separate fee. For further information about unit prices, refer to the information in *Section 6 - How Future Super Invests Your Money.*

Changes to Fees

We can change the amount or level of fees and costs without your consent. Where there is a material increase in fees or costs, we will notify you at least 30 days in advance of the increase taking effect.

The buy/sell costs and the ICR are reviewed at least annually and can change from time to time. Updated information about buy/sell costs and/or the ICR may be made available at www.myfuturesuper.com.au.

Extraordinary Expenses

The Trustee has the right to be reimbursed out of the assets of the Fund for all expenses it incurs on behalf of the Fund.

The Trustee will pay the routine expenses of the Fund (including, but not limited to custody, accounting and audit) out of the Administration Fees. However, if the Trustee should incur extraordinary expenses which have not been anticipated by the Trustee when setting the Administration Fees (for example, the costs of any disputes or litigation or costs imposed by changes in law) those costs may be paid out of the assets of the Fund. Any extraordinary expenses paid out of the assets of the Fund will be reflected in the unit price and, consequently, borne by members.

Family Law Fees

The following Family Law Fees may be payable:

Type of Fee	Amount	How and When Paid
Request for information by member	Nil	N/A
Request for information by non-member	$55.00	Payable directly by the non-member at the time of request.
Implementation of an order to split or flag an interest	$55.00	Payable directly by the member at the time of request by both parties.
Pay out of a Family Law benefit	$55.00	Deducted from the member's account when paying out of a benefit from the account.

In addition, where we incur legal expenses in responding to matters arising from "flagging" or splitting your benefits, these expenses will be deducted from your pension account.

Fee Cap for Low Account Balances
From 1 July 2019, a member with an account balance of less than $6,000 on the last day of the financial year that the member holds an account balance with the Fund (i.e. 30 June or earlier if the member exits the Fund) ('relevant date') must not pay more than 3% of the balance of their account on the relevant date in capped fees and costs over the year.

If the total amount of capped fees and costs charged to a member is more than 3% of the account balance on the relevant date, the Trustee must refund the difference to the member's account within three months of the end of the Fund's income year.

Capped fees and costs include the investment fee, administration fees and the indirect cost ratio (ICR).

GST, Stamp Duty and Taxation
Goods and Services Tax (GST) may apply to fees and charges. All fees and charges listed in the PDS are inclusive of GST and stamp duty, where applicable. We may be able to claim a reduced input tax credit (RITC) for any GST paid on expenses and taken into account in earnings/calculation of unit prices.

Operational Risk Reserve
Superannuation legislation required us to build, and now maintain, a financial reserve in order to ensure there is adequate financial resources available in the event of a loss arising from an operational risk event. An Operational Risk Financial Reserve (ORFR) was created for this purpose.

An operational risk is the risk that a superannuation fund may suffer loss due to inadequate or failed internal processes, people and systems, or from external events. The ORFR may be drawn upon to assist in compensating members of the fund I the event of an operational risk having materialised.

IMPORTANT: The ORFR will be maintained to meet the Trustee's requirements, however if there are insufficient funds to maintain the ORFR, additional funds may be sourced in the form of an additional one-off fee deduction from members' accounts or from other Fund reserves. Members will be provided notice in advance if an additional one-off deduction from their account will be made.

Promoter Fee
A portion of the Administration Fee we collect from you is paid to the Promoter for services provided to the Fund. By investing in the Future Super Pension Plan, you are authorising us to pay the Promoter for the services provided.

Defined Fees

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

(a) the fee relates to costs incurred by the trustee *[OR the trustees]* of the superannuation entity that are directly related to an activity of the trustee *[OR the trustees]*:

(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.

Administration fees
An ***administration fee*** is a fee that relates to the administration or operation of the superannuation entity and includes costs incurred by the trustee *[OR the trustees]* of the entity that:

(a) relate to the administration or operation of the entity; and

(b) are not otherwise charged as an investment fee, a buy-sell spread, a switching fee, an activity fee, an advice fee or an insurance fee.

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

(a) the fee relates directly to costs incurred by the trustee *[OR the trustees]* 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 *[OR the trustees]* 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.

Buy-sell spreads
A ***buy-sell spread*** is a fee to recover transaction costs incurred by the trustee *[OR the trustees]* of the superannuation entity in relation to the sale and purchase of assets of the entity.

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.

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

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

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

(a) fees in payment for the exercise of care and expertise in the investment of those assets (including performance fees);

and

(b) costs incurred by the trustee *[OR the trustees]* of the entity that:

(i) relate to the investment of assets of the entity; and

(ii) are not otherwise charged as an administration fee, a buy-sell spread, a switching fee, an activity fee, an advice fee or an insurance fee.

Switching fees
A ***switching fee*** is a fee to recover the costs of switching all or part of a member's interest in the superannuation entity from one class of beneficial interest in the entity to another.

Section 8 - How Pensions Are Taxed

This section provides a general guide to the way activity in relation to your pension account may be taxed. The impact of tax laws will depend on your personal circumstances. For this reason, we strongly recommend that you consult your taxation adviser before acting on the basis of this information. For further general information, go to www.ato.gov.au.

Tax on Investment Earnings

There is no tax payable on investment earnings within your pension account.

Tax Components of Your Pension Account

Your pension account may consist of both a taxable component and a tax-free component. Your pension payments will consist of taxable and tax-free components in the same proportion as the components of your total pension account.

For example, if you commenced a pension on 30 June 2018, of which 80% was a taxable component and 20% was a tax-free component, tax will apply to 80% of the pension paid to you, but be subject to a 15% offset (rebate).

The tax-free ratio is calculated at the time of commencing the pension. That ratio is then fixed for the lifetime of the pension and all pension and lump sum payments made to you are deducted from the tax-free and taxable components in those proportions. You cannot choose which tax components your pension payments are taken from.

IMPORTANT: If you have more than one pension account in Future Super Pension Plan, each pension account is treated as a separate superannuation interest with its own taxable and tax-free components.

Tax-Free Component

The tax-free component is made up of:

- A 'contribution segment' that consists of the total of all non-concessional contributions made since 1 July 2007 that are not taxable within a super fund; and
- Any 'crystallised segment' (the tax-free part of your benefit calculated and defined as at 1 July 2007).

No tax is deducted from the tax-free component of your pension account, regardless of your age.

Taxable Component

The tax you may pay will depend on your age.

- If you are aged 60 or over, the regular pension payments (including both tax-free and taxable components) made from your pension account are generally tax-free. You will not need to include these payments in your tax return.
- If you are aged under 60, the taxable component of your regular pension payments will be taxed at your marginal rate (plus the Medicare levy). However, you may be able to claim a 15% tax offset if you have reached your preservation age.

Age	Tax on Future Super Pension Plan Payments
60 years or more	Tax-free
Over preservation age to age 59	• Taxed at marginal tax rates (plus applicable levies) • Tax offset of 15% may be available
Below preservation age	• Taxed at marginal tax rates (plus applicable levies), with no tax offset • Tax offset of 15% may be available for a disability super benefit

Tax Offset

To claim the tax offset (rebate) you need to complete a *Notice of Intent to Claim or Vary a Tax Deduction Form* (downloadable from the Future Super website at www.myfuturesuper.com.au or can be completed online through the Member Portal). If you do not complete this Form you may claim the tax benefits when you lodge your income tax return.

IMPORTANT: If you are already claiming the tax free threshold you cannot claim it again through your pension account. However, the tax offset is available against any eligible income from all relevant payers.

Tax on Lump Sum Withdrawals

A lump sum withdrawal from your pension account will be treated in the same way as a superannuation benefit payment.

To request a withdrawal of a lump sum from your pension account, contact the Client Services Team at info@myfuturesuper.com.au or by calling us on 1300 658 422.

There are two components that make up a superannuation benefit payment, **Taxable** and **Tax Free**. The tax rules that apply to these components when you choose to cash out your super depend on your age as noted below.

No Tax on Benefits Taken After Age 60

Generally, all lump sums and pensions paid to members from age 60 will be tax free if paid from a taxed superannuation fund such as Future Super. There is no limit on the amount of superannuation benefit that members over age 60 can take tax free.

Tax on Benefits Taken Before Age 60

When you claim a benefit **prior to age 60**, we will give you a statement showing the breakdown of your account balance into tax-free and taxable components. The tax-free component includes, for example, your personal after-tax contributions and an allowance for super benefits arising from employment under old tax rules in place before July 1983. The taxable component forms the balance of your benefit and includes employer contributions and investment earnings. The tax-free component is always paid tax-free.

If you are **aged between 55 and 59**, you will also receive the taxable component tax-free up to a lifetime limit of $210,000 (for the 2019/20 financial year), with any amounts above that limit taxed at 15% plus the Medicare levy. If you are **under 55 years of age**, the entire taxable component will be taxed at 20% plus the Medicare levy.

Age / Status	Component and Tax Treatment
Age 60 or over	Tax free
Preservation age (generally age 55) to age 59	Tax free component* is tax free. Taxable component** o The first $210,000*** is nil o The amount above $210,000*** is taxed at 15% (plus Medicare levy).
Less than preservation age	Tax free component* is tax free. Taxable component** taxed at 20% (plus Medicare levy)

* The tax-free component consists of amounts such as the accumulation of non-concessional contributions, pre July 1983 components and invalidity components. If you would like more information about these components contact 1300 658 422.
** The taxable component is the benefit less the tax-free component. If you would like more information about these components contact 1300 658 422.
*** The threshold applies in the 2019/2020 financial year. The threshold may be indexed in line with average weekly earnings each year in $5,000 increments.

If your benefit includes an untaxed element, higher tax may be applicable.

When any benefit is paid from your pension account, it must comprise both tax-free and taxable components, in the same proportions as the total amount. You cannot nominate to withdraw specific components of your account before others.

If we do not have your TFN at the time a benefit is paid, higher tax applies.

Tax is not generally payable when transferring benefits to another superannuation fund or product.

Tax on Death Benefits

The tax treatment of death benefits depends on whether they are paid as a reversionary pension or as a lump sum, and who the recipient of the benefit is.

IMPORTANT: Tax treatment of death benefits can be complex and we recommend that you speak with your financial and tax advisers for tax information specific to your personal circumstances.

Lump Sum Benefit Payment

Superannuation death benefits paid to "death benefits dependants" are tax-free, regardless of the age of the dependent.

Note that although an adult child may be a "dependant" for the purposes of determining whether they can be nominated to receive your death benefit, for tax purposes, a child over the age of 18 is not considered to be a "death benefits dependant" unless, at the date of your death, they are financially dependent on you or in an interdependent relationship with you. For more information, see *Section 4 - Nominating Beneficiaries*.

If a lump sum is paid to a person who is not a "death benefit dependant", the tax free component of the benefit is tax free, while part of the remaining taxable component is taxed in the Fund at 15% (plus the Medicare levy).

Where a death benefit is received by the Legal Personal Representative of a deceased estate, tax is determined according to who is intended to benefit from the estate.

Reversionary Pension

If you die whilst in receipt of a pension and your pension continues to be paid to your reversionary beneficiary as permitted by superannuation legislation, the continuing pension will be taxed as follows:

Tax Component	Deceased or Reversionary is age 60 or over	Deceased and Reversionary are both under age 60
Tax free component	Tax-free	Tax-free
Taxable component	Taxed element: Tax-free Untaxed element: Recipient's marginal tax rate less 10% tax offset	Taxed at marginal tax rates (plus applicable levies) with 15% tax offset for the taxed element. Once reversionary reaches age 60, whole payment is tax- free.

Pension payments to a dependent child will be required to be paid as a lump sum when the child reaches age 25 unless the child is permanently disabled. This amount will be tax free and will not be required to be included in their annual tax return.

An income stream cannot revert to, or be paid to, a non-dependent upon your death. Such income streams will be paid out to the non-dependent as a lump sum.

Social Security

IMPORTANT: If you receive social security benefits, you should be aware that an investment in this Fund might affect your entitlement. We recommend you seek professional advice before investing.

Generally, to qualify for the Age Pension, you are assessed under two tests:

- the Income Test; and
- the Assets Test.

In order to qualify for the maximum Age Pension amount, you need to pass both tests. The test which gives you the lowest entitlement determines the amount of Age Pension you receive.

The balance of your pension account is included in the determination of your assets for the purposes of the Assets Test.

For the Income Test, your pension account may be deemed to generate a certain level of income based on a deemed rate of return. This rate of return is assumed to apply even if the actual amount of income you receive from the pension is greater or less than the deemed level of income.

Provision of Your Tax File Number

Superannuation legislation authorises us to collect your Tax File Number (TFN), and to use it for lawful purposes including to administer your superannuation interest and to provide information to the Commissioner of Taxation.

These purposes may change in the future as a result of legislative change. We may disclose your TFN to another superannuation provider when your benefits are being transferred, unless you request in writing that your TFN not be disclosed to any other superannuation provider.

It is not an offence not to quote your TFN. However, giving your TFN to the Fund will have the following advantages (which may not otherwise apply):

- We will be able to accept all types of contributions for you;
- The tax on contributions will not increase;
- Other than the tax that may ordinarily apply, no additional tax will be deducted when you start drawing down your superannuation benefits; and
- It will make it much easier to trace different superannuation accounts in your name so that you receive all your superannuation benefits when you retire.

Section 9 - Other Important Information

Cooling Off Period

If you change your mind about joining Future Super, there is a 14-day cooling off period. You will need to tell us in writing that you no longer wish to join. The 14-day period starts on the earlier of you receiving confirmation from us that your account has been established or five business days after we issue units to you. If you exercise your right to cool off, your money will be returned to you, adjusted for the increase or decrease in the value of the investment at the date we received notification, and reasonable transaction or administrative costs. Note, any preserved and restricted amounts must be transferred to another complying superannuation fund.

Trust Deed

Future Super is governed by a Trust Deed which sets out the rights of members and beneficiaries, and the rights, duties and responsibilities of the Trustee. In the event of any inconsistency between this PDS and the terms of the Trust Deed, the terms of the Trust Deed will prevail.

You can obtain a copy of the Trust Deed free of charge by contacting our Member Services Team on 1300 658 422 or by email at info@myfuturesuper.com.au.

From time to time, the Trustee may determine to amend the Trust Deed as circumstances change, such as to reflect changes in legislation. The Trustee can generally amend the Trust Deed without your consent if:

- The amendment does not reduce the existing accrued benefits of members or beneficiaries; or
- All relevant consents as required by law or by the Trust Deed are obtained; or
- In the opinion of the Trustee, the principal purpose of the amendment is to better enable the Fund to comply with superannuation law.

Family Law Matters

Under superannuation law, divorcing or separating couples can split the pension entitlements of one or both of the partners as part of their property settlement. This can be done either by Court Order or by a binding financial agreement between the separating couple after legal advice has been obtained. If this applies to you, your pension will be split in accordance with the Court Order or agreement.

Family Law affects your pension in two key areas:

- Request for information – You or your spouse can request certain information about your Future Super Pension Plan account.
- Payment splitting – Parties are able to split a Future Super Pension Plan account through agreement or Court Order.

For more information, we speak you speak with your legal adviser.

Reporting

As a member, you will receive or be given access to the following:

Member Information

Each year, you will receive an individual member's statement that describes your pension account as at 30 June. The transactions that will appear on your statement include (where applicable): balance as at previous year, contributions, rollovers, investments earnings (net of relevant fees, costs and taxes), withdrawals, fees, costs and tax paid directly from your account and the member balance at the end of the year. All member statements will be sent by post unless we receive written consent to send a statement by electronic form.

Fund Information

Each year, you will have access to an Annual Report that will provide you with information on the management and the financial position of Future Super as at the preceding 30th June. The Annual Fund Information is available on Future Super's website at www.myfuturesuper.com.au or on request by contacting us on 1300 658 422. It will be sent to you (free of charge) by post or in electronic form.

Exit Information

When you cease to be a member or close an account, you will also receive an individual exit statement and a Rollover Benefit Statement, unless this occurs as a result of your superannuation benefit being paid to the ATO as unclaimed monies of a former temporary resident, at the ATO's request.

Other

Other relevant information, such as the rules governing the Fund and the audited accounts with the auditor's report may be supplied upon request.

Enquiries and Complaints

Superannuation legislation requires us to have arrangements in place for you to make enquiries or complaints about the operation or management of the Fund.

The arrangements that we have established are:

- Enquiries can be made by telephone to 1300 658422 or in writing to info@myfuturesuper.com.au.
- A complaint must generally be in writing and addressed to The Complaints Officer, Future Super, GPO Box 1858, Sydney,

NSW 2001.

- The receipt of written complaints will be acknowledged in writing. The complaint will be investigated and action initiated to resolve the matter.
- A written response will be made as soon as possible but within the 90-day limit prescribed by superannuation legislation.

For any complaint that is unable to be resolved to your satisfaction, or if you do not receive a response within 90 days of making your complaint, the Government has established an independent body, the Australian Financial Complaints Authority (AFCA). This Authority's contact details are:

Australian Financial Complaints Authority
GPO Box 3
MELBOURNE VIC 3001
Telephone: 1800 931 678
Email: info@afca.org.au
Website: www.afca.org.au

Complaints may be submitted by both current or former members, and their beneficiaries, and will largely be dealt with by correspondence. AFCA can deal with complaints that relate to a decision or a failure to make a decision by a trustee or a person acting for a trustee, in relation to a particular individual. AFCA cannot deal with certain complaints, for example, complaints about the management of a fund as a whole.

Respecting Your Right to Privacy

The privacy of all members is very important to us. Privacy laws require us to make certain disclosures before collecting personal information from or about you or your beneficiaries.

Collection of Personal Information

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

- Administer products and services and manage our relationship with you, including to establish and maintain member records, and provide regular statements, reports and communications;
- Provide products and services to you;
- Process transactions, applications, claims, requests and queries in relation to our products and services;
- Identify you in accordance with the AML/CTF Legislation and to protect against fraud;
- Let you know about other products or services that we may offer or that the Fund's Promoter may offer; and
- Comply with applicable laws and regulations.

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

Disclosure of Personal Information

We may disclose your personal information to third parties including:

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

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

Privacy Policies

The Privacy Policy of each of the Trustee, the Promoter and the Administrator set out how you can access and correct information we hold about you, how you can complain about a breach of your privacy rights and how your complaint will be handled.

The Trustee's Privacy Policy can be found at www.diversa.com.au/trustee/governance. The Administrator's Privacy Policy can be found at www.onevue.com.au/web/onevue/privacy-policy. The Promoter's Privacy Policy can be found at www.myfuturesuper.com.au/privacy.

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

- Privacy Officer, Diversa Trustees Limited, GPO Box 3001, Melbourne VIC 3001. Email: trustees@diversa.com.au.
- Privacy Officer, Future Super Services Pty Ltd, GPO Box 1858, Sydney NSW 2001. Email: info@myfuturesuper.com.au.
- Privacy Officer, OneVue Super Services, PO Box 1282, Albury NSW 2640. Email service@supermanagers.com.au.

Anti-Money Laundering and Counter-Terrorism Financing Procedures

The Trustee is required to carry out proof of identity procedures before cashing or transferring a superannuation benefit. These requirements arise under the Government's Anti-Money Laundering and Counter Terrorism Financing legislation.

The Trustee is required to collect members' identification information and to verify it by reference to a reliable independent source. You will be notified of these procedures when applicable. If you do not provide the information or the Trustee is unable to verify the information as required, your benefit payment may be delayed or affected.