

SMF Eligible Rollover Fund

Product Disclosure Statement


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Issuer and administrator: Questor Financial Services Limited ABN 33 078 662 718, AFS Licence No 240829, as Trustee of the SMF Eligible Rollover Fund ABN 82 810 851 250.

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About this Product Disclosure Statement

This PDS is a summary of significant information and contains a number of references to important information (each of which forms part of the PDS). References to the important information are indicated by  in this PDS. You should consider this information before making a decision about this product. The information provided in this PDS is general information only and does not take account of your personal financial situation or needs. You should obtain financial advice tailored to your personal circumstances.

By phoning 1800 677 306, you can obtain free of charge:

- a copy of this PDS; and
- a copy of the important information that is incorporated by reference into this PDS.

Information in this PDS is subject to change from time-to-time. Where the changes are not materially adverse to members, the information may be updated on the IOOF website. A paper copy of the updated information is available free of charge on request.

Contact details

Trustee

Questor Financial Services Limited

Registered Address: Level 22, 207 Kent Street, Sydney NSW 2000

Postal Address: Locked Bag 4004, Queen Victoria Building, Sydney NSW 1230

Client Services

Telephone: 1800 677 306

Fax: 03 6215 5933

Email: email@ioof.com.au

Website: www.smf.com.au

Part of the IOOF group

Section 1 – About the SMF Eligible Rollover Fund

The SMF Eligible Rollover Fund (Fund) has been designed to accept the benefits of members with low account balances, those who are leaving or changing employment, or who have become uncontactable. All eligible rollover funds (often referred to as ERFs) are required to protect the benefits of members from erosion by fees and charges in accordance with Government legislation.

You will have become a member of the Fund as a result of your super benefit being transferred from another super fund (such as your previous employer's super facility). When this amount is transferred, an account is set up in your name to hold your account balance. The Fund does not accept applications for membership or contributions from individuals. We can accept additional transfers from other super funds (called rollovers) on your behalf once you have an account.

The SMF Eligible Rollover Fund offers a single conservative investment strategy. The Fund does not provide an income stream (normally referred to as a pension) and no insurance cover is available.

It operates on an accumulation style basis where benefits are based on the balance of your account at the time of leaving the Fund. The balance consists of any amounts transferred to the Fund, less any deductions that may apply, together with earnings credited to the date of leaving. The investment performance is not guaranteed.

Investing your super wisely is arguably one of the most important investment decisions you will ever make. Choosing a quality investment partner is a key step towards achieving your long-term financial goals. Therefore, it is good to know that the Trustee is part of the IOOF group, a leading provider of wealth creation products and is responsible for the management, research and administration of over \$5 billion for Australian investors. For more information about our parent please visit www.ioof.com.au.

Section 2 – How super works

Super is a means of saving for your retirement, which is, in part compulsory.


To encourage you to save for your retirement, the Federal Government provides a range of incentives for investing in super. This means super is taxed differently to other investments and there can be tax advantages with using super to save for your retirement (see page 7 for more about how super is taxed).

Whilst you cannot make contributions (other than rollovers) to this Fund the contributions available to super generally, include:

- employer contributions
- voluntary contributions:
 - before-tax contributions (salary sacrifice)
 - after-tax contributions
- government co-contributions.

Generally, it's compulsory for employers to make contributions to the super of their employees. Most employees have the right to choose which super fund the employer should pay those compulsory contributions into. There are some limitations on contributions to super, such as caps on the amount you can contribute and limits on the age at which you can continue to make contributions.

Super is generally used for retirement. Generally, withdrawals from your super are limited, ie you cannot access your super until you retire after reaching at least age 55, but there are some special circumstances when you can withdraw earlier.

 You should read the important information about **how super works** in the SMF Eligible Rollover Fund Guide (SMF.12) before making a decision. Go to www.smf.com.au/smf.12.

The material relating to **how super works** may change between the time when you read this PDS and the day when you acquire the product.

Section 3 – Benefits of investing with the SMF Eligible Rollover Fund

The Trustee invests members' money with the aim of achieving competitive returns at an acceptable level of risk. Our conservative investment approach helps to maintain your account balance until you decide what you want to do with your super.

Your full account balance is subject to the member protection rules provided by law. In some circumstances, these rules require deduction of an amount less than the full administration fees otherwise payable.

The benefit available on withdrawal from the Fund will be your account balance payable at that time (less the Withdrawal fee). The benefit on death will be the value of your account at the time the benefit is paid to your dependants or legal personal representative as determined by the Trustee. See section 7 of this PDS for any tax implications on these payments.

We treat all members' benefits equally, no matter how large or small your account balance is.

We have a friendly customer service team that you can call to help you understand your membership in the Fund.

Section 4 – Risks of super

All investments carry risk. Different strategies may carry different levels of risk, depending on the assets that make up the strategy. Assets with the highest long-term returns may also carry the highest level of short-term risk.


Significant risks that may adversely affect your investment in the Fund include the possibility of negative investment returns, insufficient diversification of investments and future changes to super and taxation law. Also if the Fund loses contact with you and either your account is under \$200 or no rollover has been received for five years, the account may be paid to the Australian Taxation Office as unclaimed moneys.

There are also investment risks that may affect your super, like market risk or credit risk and general risks associated with changing economic conditions. This means that the value of investments will vary, the level of returns will vary, and future returns may differ from past returns. Returns are not guaranteed and you may lose some of your money.

Please bear in mind also that the amount of your super benefit at retirement may not be enough to provide adequately for your retirement.

How these risks may affect you will vary depending on a range of factors, including each of:

- 1 your age
- 2 your investment time frame
- 3 where other parts of your wealth are invested
- 4 your risk tolerance.

 You should read the important information about **risks of super** in the SMF Eligible Rollover Fund Guide (SMF.12) before making a decision. Go to www.smf.com.au/smf.12. The material relating to **risks of super** may change between the time when you read this PDS and the day when you acquire the product.

Section 5 – How we invest your money

The Trustee invests members' money with the aim of achieving competitive returns at an acceptable level of risk. To achieve this aim the Fund is wholly invested in a single conservative investment strategy which is the IOOF MultiMix Conservative Growth Trust via the SMF Master Pooled Superannuation Trust (MPST). The Fund also maintains a small portion in cash to facilitate cashflow.

Members are unable to switch investments due to the Fund having a single investment option. The Trustee may at its discretion change the Fund's investment option, however.

The IOOF MultiMix Conservative Growth Trust is managed by IOOF Investment Management Limited, a related party of the Trustee. You can read the PDS for the IOOF MultiMix Conservative Growth Trust at www.ioof.com.au.

A summary of the IOOF MultiMix Conservative Growth Trust is contained in the following table:

Typical investor	Investors seeking a diversified portfolio of predominantly income producing assets with some growth asset exposure.	
Investment return objective	To achieve a total return after fees in excess of the Trust's benchmark over a rolling three year period.	
Likely investment return	Low to medium.	
Investment strategy	<p>To provide stable returns over the medium term by investing in a diversified portfolio of defensive assets with some growth asset exposure.</p> <p>The Trust generally gains its exposure to a diversified portfolio of investments through a mix of investment managers.</p> <p>The conservative nature of the Trust means it has a greater exposure to income bearing assets such as cash, fixed interest and alternative debt with some exposure to growth assets such as Australian and international property and shares.</p> <p>The Trust is authorised to utilise approved derivative instruments for risk management purposes subject to the specific restriction that the derivative instruments cannot be used to gear portfolio exposure.</p> <p>The underlying investment managers may utilise strategies for the management of currency exposure. The level of currency hedging used for the Trust will vary from time to time. The Trust has the capacity to apply a currency overlay to manage the Trust's currency risk.</p>	
Asset allocation ranges	Cash and short term securities	10 - 35%
	Diversified fixed interest	30 - 55%
	Alternative defensive assets	0 - 15%
	Property	0 - 20%
	Australian shares	0 - 20%
	International shares	0 - 20%
Risk level	Low to medium (Risk band 3).	
Risk factors influencing investment returns	Returns in the short-term may be somewhat volatile and will be affected by movements in global and local share markets, property values as well as movements in foreign currencies.	
Minimum suggested time frame for holding the investment	3 to 5 years.	
A negative annual return is not expected more frequently than	Once but less than twice in every 20 years.	

How investment earnings are applied to your account

Earnings are credited/debited to your account annually.

During the financial year an interim crediting rate (which may be positive or negative) is calculated based on the gross income of the Fund's assets, less applicable fees, costs, and income tax. At the end of the financial year, the Trustee reviews the net income of the Fund and any over or under provision for expenses incurred during the year is considered in the calculation of the crediting rate for 30 June.

If you withdraw or rollover your investment in the Fund before the crediting rate for that financial year is calculated at 30 June, an interim crediting rate is used to determine the investment return credited to your account.

Labour standards, environmental, social and ethical considerations

Different investment managers have different policies regarding the extent to which they take into account labour standards, environmental, social or ethical considerations. Information regarding these policies will be disclosed in the product disclosure statement for the IOOF MultiMix Conservative Growth Trust which can be found at www.ioof.com.au.

As Trustee of the Fund, we do not currently take into account labour standards, environmental, social or ethical considerations when selecting, retaining or removing investment managers or managed funds.

Warning: You should consider the likely investment return, risk and your investment timeframe when choosing to invest in IOOF MultiMix Conservative Growth Trust¹.

Section 6 – Fees and costs

The following is a consumer advisory warning that the Commonwealth Government requires all super providers to include in their PDS.

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 per cent of your account balance rather than 1 per cent could reduce your final return by up to 20 per cent 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 may be able to negotiate to pay lower contribution fees and management costs where applicable. Ask the fund or your financial adviser.

TO FIND OUT MORE

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

¹ This is a legally prescribed statement. Please note that there is no choice of investment strategy offered by this Fund.

Fee Table

The information in this table can be used to compare costs between different super products. Fees and costs can be paid directly from your account or deducted from investment returns.

TYPE OF FEE OR COST	AMOUNT
Fees when your money moves in or out of the fund	
Establishment fee	\$0
Contribution fee	\$0
Withdrawal fee	\$50
Termination fee	\$0
Management costs	
The fees and costs for managing your investment	<p>Management Fee: This is the fee to cover the general administration of the Fund.</p> <p>2.05% pa (or \$20.50 per \$1,000 invested)</p>
	<p>Investment Management Fee: This is the fee for managing the Fund's investments.</p> <p>As at 30 September 2011 this fee was 0.73% pa (or \$7.30 per \$1,000 invested).</p>

See the Additional explanation of fees and costs for information about other fees and costs that may apply.

All figures shown in this PDS are inclusive of GST and the estimated impact of reduced input tax credits.

How fees are charged to your account

The management fees applied are expressed as a percentage of the total assets of the Fund and are calculated on the gross asset value of the Fund. They are charged monthly in arrears and paid to the Trustee at the beginning of each month. They are incorporated in the annual crediting rate.

The Investment Management Fee applied by the investment manager is generally calculated daily as a percentage of the amount that you have invested in the Fund. It is not deducted directly from your account but is generally incorporated into the unit price of the managed fund and generally charged monthly in arrears.

Withdrawal fees (subject to member protection) are deducted from your investment on each withdrawal of funds.

Alteration to fees

We are able to alter any of the fees and costs applied to your account, and we also have the right to introduce new fees but you will receive 30 days notice of any change.

Example of annual fees and costs

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

Example – IOOF MultiMix Conservative Growth Trust		Balance of \$50,000 with total contributions of \$5,000 during the year
Contribution Fees	\$0	\$0
PLUS Management Costs	2.78% ¹ pa	AND , for every \$50,000 you have in the fund you will be charged \$1,390 each year.
EQUALS cost of fund ²		If you put in \$5,000 during a year and your balance was \$50,000, for that year you will be charged fees of \$1,390 ³ .
		What it costs you will depend on the investment option you choose and the fees you negotiate with your fund or financial adviser⁴.

- 1 The Management Costs comprise the Management Fee of 2.05 per cent pa and the Investment Management Fee of 0.73 per cent pa.
- 2 The example assumes a constant account balance of \$50,000 for the entire year. No contributions can be made to the Fund.
- 3 Additional fees may apply. For each withdrawal from the Fund you will be charged a withdrawal fee of \$50. See also the 'Additional explanation of fees and costs' section below.
- 4 This statement is prescribed by law – there is only one investment option available in the Fund and the fees are not negotiable.

To calculate the effect of fees and costs on account balances refer to the superannuation fee calculator at www.moneysmart.gov.au.

Additional explanation of fees and costs

Transaction costs

The Fund has a difference between the entry (purchase) and exit (sale) unit prices and this is referred to as the buy/sell spread. This difference is an allowance for the transaction costs (such as brokerage, clearing and settlement costs and stamp duty, if applicable) of buying and selling the underlying securities/assets incurred by the investment manager of the IOOF MultiMix Conservative Growth Trust.

The buy/sell spread is incurred when you purchase or redeem units in the Fund (at the time when you move money in or out of your account) and is in addition to investment management costs and any performance fees. However, the buy/sell spread is not charged separately to your account – it is included in the unit prices of the Fund. The buy/sell spread is 0.26% and can change from time to time.

Family Law Fees

Legislation allows the Trustee to impose reasonable fees and pass on any expenses incurred, where your retirement savings are affected by super requirements under the *Family Law Act 1975* or related legislation.

The Trustee will charge the following amounts for processing family law-related requests.

- Application for information – \$100. A cheque made payable to the Trustee for this amount must accompany the application (payee 'Questor').
- Payment flagging – \$100. When charged, this amount will be debited directly from your account.
- Payment splitting – \$200. When charged, this amount will be debited directly from each account at the time of the payment split.

Member protection

All members' accounts are protected from erosion by administration levies. Under the member protection rules, any direct fees deducted from your account, that is, the Withdrawal Fee cannot exceed the earnings credited to your account in any annual reporting period.

Section 7 – How super is taxed

The laws relating to super, including tax laws, are complex and subject to change from time to time. We recommend that you obtain professional advice on the consequences before investing.

This section sets out a summary of the key taxes that affect super.

Tax on contributions going into your super

You cannot make contributions to the Fund (other than additional rollovers once you have an account with us).

Tax treatment of your super investment income and capital gains

The maximum rate of tax applied to earnings, which is the interest and investment income from your investment options, is 15 per cent. Net capital gains are effectively taxed at the concessional rate of 10 per cent if the asset has been held for longer than 12 months.

The investment return credited to your account annually, is after tax on investment income has been deducted, including an allowance for tax on realised and unrealised net capital gains.

Tax on withdrawals

When you are aged 60 and over

Withdrawals are tax-free.

If you are under age 60

If you are eligible to withdraw some or all of your super savings in cash, as a lump sum, we are required to deduct tax, depending on your age and the tax components of your benefit. If you have provided your Tax File Number, the maximum rate of tax that we would deduct from money you withdraw as a lump sum is 20 per cent plus the Medicare Levy (currently 1.5 per cent).

Tax File Numbers (TFNs)

Warning: you should provide your TFN as part of acquiring a super product.

Under super law, we are required to ask you for your TFN. Even though we are required to ask you for your TFN, under the law you do not have to provide it to us. However, if you choose not to, on withdrawal you will pay more tax on your super.



You should read the important information about **how super is taxed** in the SMF Eligible Rollover Fund Guide (SMF.12) before making a decision. Go to **www.smf.com.au/smf.12**. The material relating to how super is taxed may change between the time when you read this PDS and the day when you acquire the product.

Section 8 – How to open an account

Joining the Fund

You will have become a member of the Fund as a result of your super benefit being transferred from another super fund (such as your previous employer's super facility). When this amount is transferred, an account is set up in your name to hold your account balance.

The Fund does not accept applications for membership from individuals.

Do you have a 'cooling-off' period?

You do not have any cooling off rights for the SMF Eligible Rollover Fund.

What if you have a complaint?

If you have a complaint about your account (or wish to obtain further information about the status of an existing complaint), please contact our **client services team** on **1800 677 306** or write to us.

Having done so, if you feel that the matter has not been dealt with adequately, please write to us at the following address:

Complaints Officer
SMF Eligible Rollover Fund
GPO Box 529
Hobart TAS 7001

Where possible, concerns will be resolved straight away. We will consider and deal with your complaint as quickly as possible and are required by law to deal with your complaint within 90 days.

If you are not satisfied with our handling of your complaint or a decision we have made in relation to your complaint, you may contact the Superannuation Complaints Tribunal (SCT) by calling 1300 884 114, or by writing to the SCT at Locked Bag 3060, Melbourne VIC 3001.