

The Super Money Eligible Rollover Fund

ABN 94 334 023 289

Product Disclosure Statement

30 September 2017

Issued by Diversa Trustees Limited

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This Product Disclosure Statement (PDS) is a summary of significant information and contains a number of references to important information (each of which forms part of the PDS). You should consider the important information in this PDS before making a decision about this product.

The information provided in this PDS is general information only and does not take into account your personal financial situation or needs. You should obtain financial advice tailored to your personal circumstances.

Information in this document may change from time to time. Where the change is not materially adverse, we may make the changed information available at our website, www.smerf.com.au. You may also access a copy of this PDS and any matter that is incorporated within this PDS from our website. Alternatively, you may request a copy of this information free of charge by contacting the Administrator.

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1. About The Super Money Eligible Rollover Fund

Overview

The Super Money Eligible Rollover Fund (SMERF) was established as an Eligible Rollover Fund (ERF) under a trust deed, dated 1 July 2005, as amended from time to time (Trust Deed). An ERF is a special type of Superannuation Fund designated by the Australian Prudential Regulation Authority (APRA) to receive and invest the entitlements of superannuation members in certain circumstances. Generally, people become members of an ERF because the trustee of a superannuation fund of which they were a member transferred their benefit to the ERF. A trustee of a superannuation fund may transfer members of a fund to an ERF without their permission in specific circumstances including:

- If the trustee believes the member to be lost or inactive;
- If you requested a benefit payment but did not provide instructions on how to pay the benefit that could be followed by the trustee; or
- If the trustee is required to pay your benefit to an ERF to comply with the law.

When your benefit was transferred to the SMERF you probably ceased to be a member of the fund that transferred you. This means any insurance (or other benefits) you had through the transferring fund may have lapsed. You should contact the transferring fund for more information.

When your benefit was transferred to the SMERF you became a member of the SMERF and your benefit became subject to its governing rules.

Diversa Trustees Limited (Trustee) is required to disclose certain Trustee and SMERF information and documentation on a website. Accordingly, the Fund website www.smerf.com.au contains the required information and documentation. The information and documentation includes, but is not limited to, the following: the Trust Deed, the Product Disclosure Statement, the most recent Annual Report and the names of each material outsourced service provider to SMERF.

Fund Trustee

The Trustee of SMERF is Diversa Trustees Limited (Trustee) who holds an authority issued by APRA to operate SMERF as an ERF. The Trustee is responsible for the general operation of SMERF in accordance with the Trust Deed and Rules and relevant government legislation. It is the Trustee which issues interests in SMERF. The Trustee holds an Australian Financial Services Licence (AFSL No. 235153).

The terms and conditions of SMERF are contained in the Trust Deed. Members of SMERF are bound by the Trust Deed. As circumstances change the Trust Deed may be amended and we will notify you of any changes in accordance with the Trust Deed and relevant law.

If there is any inconsistency between the Trust Deed and this PDS, the Trust Deed will prevail.

2. How super works

Superannuation is a means of saving for retirement which is, in part, compulsory. There are different types of contributions that can be made into superannuation (for example, employer contributions, voluntary contributions and Government co-contributions).

During your working life, these contributions will accumulate in your account and will be invested in your chosen investment portfolio(s). Tax savings are provided by the Government,

however, there are limitations on contributions to, and withdrawals from, superannuation.

Most people have the right to choose into which fund the employer should direct their superannuation guarantee contributions.

It should be noted however, that as an ERF, **SMERF is not able to** receive any form of contributions or any monies from the ATO for its members. The primary purpose of an ERF is as a temporary repository for amounts transferred to the Fund from other regulated superannuation funds, and accordingly, the SMERF Trust Deed only allows rollovers for members and nothing more. If we receive a contribution or any monies from the ATO for your membership, we will refund the money back to the source.

The following websites contain information about super and how it works, including information on contributions, limitations on contributions and rules relating to withdrawals from superannuation:

- Australian Taxation Office (ATO) website: www.ato.gov.au/super
- MoneySmart website: www.moneysmart.gov.au/superannuation-and-retirement

3. Benefits of investing with The Super Money Eligible Rollover Fund

SMERF enables you to help achieve your retirement goals by offering the following significant benefits and features:

- lump sum benefits paid on retirement;
- a low cost fund that aims to provide solid returns over a rolling five year period; and
- the option to make a non-binding beneficiary nomination as to who you wish to receive your benefit should you die.

4. Risks of super

All investments carry risk, and different strategies may carry different levels of risk, depending on the assets that make up the strategy. For instance, assets with the highest long-term returns may also carry the highest level of short-term risk. Before investing, you should consider the level of risk involved with a particular investment and whether the potential returns justify that risk.

Some of the significant risks of superannuation include:

- 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;
- superannuation laws may change in the future;
- the amount of your future superannuation savings (including contributions and returns) may not be enough to provide adequately for your retirement;
- the level of risk you face will vary depending on a range of factors, including your age, investment timeframes, your risk tolerance and where other parts of your wealth are invested.

Other risks associated with investing in SMERF, may include risks such as:

- individual investment risk – individual assets such as shares and property acquired by the underlying investment

managers can and do fall in value for many reasons, such as changes in the internal operations or management of the company, or in the business environment in which the company operates;

- investment environment risk - economic, technological, political, social or legal conditions, and even investor sentiment, can and do change, which are likely to affect the markets for different investments and impact on the investment returns achieved;
- interest rate risk - changes in interest rates can have a positive or negative impact directly or indirectly on investment values or returns – for example, the cost of a company’s borrowing can increase or decrease, resulting in changes in the company’s profitability and hence the price of their shares;
- currency risk - where SMERF invests in investments in other countries, if their currencies change in value relative to the Australian dollar, the value of the investments will change;
- legal risks – superannuation laws, the Corporations Act, Australian taxation laws and other laws affect SMERF and SMERF’s investments. Changes in superannuation laws may affect your ability to access your benefit in SMERF. Changes in taxation laws may also affect the value of your benefit;
- fund risks - include the possibility of changes to SMERF or its internal operations such as changes to key staff involved in the management of SMERF or failure of systems utilised by SMERF. There is also a risk that the fees deducted directly from Member’s accounts are not sufficient to meet the operational expenses of SMERF. This may result in an additional expense recovery from the assets or returns of SMERF and, thereby, reducing the Crediting Rate. The Trustee operates a reserve to manage the fees and costs of SMERF and the allocation of returns.

The above list is not an exhaustive list, and the nature and risk relevant to SMERF may change from time to time depending on a range of factors including the composition of the investments of SMERF and external influences (for example, market conditions).

The Trustee seeks to minimise the investment risks of SMERF through the investment strategy of SMERF and through the use of an independent Asset Consultant to advise the Trustee. Investment risks are also minimized through diversification in the investments utilised in the investment portfolio and the use of underlying investment managers with differing styles of management.

5. How we invest your money

The Trustee has adopted an investment strategy that governs the way the assets of SMERF are invested which includes SMERF’s investment objective and strategy for achieving this objective.

The Trustee does not promise that Members will earn any return on their investment or that their investment will gain or retain its value. An investment in SMERF is subject to investment risk.

Currently SMERF invests Members’ money across various asset classes within underlying investment managers. An investment portfolio with a spread of asset classes is designed to reduce the volatility (variability) of the returns of the portfolio. Volatility may also be reduced by utilising multiple investment managers.

WARNING

When choosing an investment option in which to invest, you must consider the likely investment return, risk and your investment timeframe.

However, as a Member of SMERF, your money will be invested in accordance with the SMERF investment strategy and you do not

have a choice of different investment options and are unable to switch into a different investment option.

Investment Objective

The investment objective is the return that SMERF aims to achieve over the relevant time frames. The objective is not a promise or guarantee of any particular return or benefit and is used, instead, to measure the ongoing performance of the investments of SMERF.

The investment objectives are to:

- Achieve an after fee and tax crediting rate of at least 1.5% per annum above increases in Consumer Price Index (CPI) over a rolling five-year period;
- Maintain a cash account of \$1m (within ranges of \$500,000 to \$1.5m) for cash flow management purposes;
- To preserve capital by limiting the likelihood of a negative annual return to no more than one year in ten (Risk Level).

Investment Strategy

The Trustee will have regard to the overall circumstances of SMERF when making decisions on investment strategy.

SMERF’s investments will be managed with a view to ensuring that sufficient liquidity will be available to meet expected cash-flow requirements.

Assets will be invested in pooled funds managed by professional portfolio managers (underlying investment managers) who will have responsibility for the investment of the assets within specific constraints.

In choosing prospective managers, the Trustee will have specific regard to their investment strategy, historical performance, effect on the diversification of SMERF’s assets, and management structure.

SMERF invests members’ money in various asset classes having regard to a number of benchmark allocations outlined below.

Benchmark asset allocation

The current asset allocation benchmark and ranges for SMERF are:

Asset Class	Asset Allocation Benchmark %	Asset Allocation Range %
Australian Shares	18.0	10-25
Overseas Shares	9.0	5-20
Australian Property	3.5	0-10
Overseas Property	2.5	0-5
Alternative Assets	2.0	0-5
Total Growth Assets	35.0	15-55
Australian Fixed Interest	9.0	5-20
International Fixed Interest	16.0	5-25
Cash	40.0	15-50
Total Defensive Assets	65.0	45-85

The benchmark asset allocation is SMERF’s target allocation to the different asset classes. The actual asset allocation may occasionally fall outside of the ranges shown. This may happen for example as a result of sudden significant movements in values for an asset class or decisions by underlying fund managers. Where this happens, the Trustee will take action to move back within the ranges as soon as practicable having regard to the interests of Fund members.

Investment Managers and Investment Funds

As at 30 June 2017 SMERF's investments were held as follows:

Name of Investment	% of Assets
Vanguard Balanced Index Fund	73.3
Vanguard Cash Reserve Fund	16.7
BT Wholesale Active Balanced Fund	10.0
Total	100.0

Updated information about the allocation of Fund assets to particular asset classes and investment managers may be found out on request from SMERF. The underlying investment managers used by SMERF may change at the discretion of the Trustee without notification to you as considered necessary or appropriate to SMERF's investment objectives.

Annual Crediting Rate and Interim Crediting Rate

The rate of return that is allocated to member accounts is determined by the Trustee as at 30 June of each year via the declaration of a Crediting Rate based on investment returns after relevant fees, costs and taxes and any allocations to or distributions from SMERF's reserves are taken into account. The annual Crediting Rate can be positive or negative.

For members who leave part way through a financial year, an interim Crediting Rate will be used to calculate their benefit. Interim Crediting Rates can be positive or negative. Interim Crediting Rates will be reviewed throughout the year based on what the Trustee believes is prudent to pay. If you are considering leaving SMERF, you can contact the Administrator for information about the interim Crediting Rate applicable at that time.

The Fund Reserves

SMERF operates a Reserve account. The purpose of the Reserve is to pay expenses and taxes as required. The Trustee has developed a reserving policy to maintain transparency and minimise discretionary decisions about crediting member accounts with monies from the reserve.

The Reserve comprises accumulated investment income, fees deducted from member accounts and investment tax provisions during the year. The Trustee manages this Reserve to ensure excess Funds are not accumulated. The Reserve cannot be negative.

At 30 June each year, any excess amount in this reserve is applied to the benefit of members via the Crediting Rate at the discretion of the Trustee, after making any necessary allowance for the Operational Risk Reserve. The Trustee determines and approves the final crediting rate which is applied in such a manner so that afterwards the Reserve balance is between \$50,000 and \$100,000 at 30 June each year.

The Reserve will be invested in line with SMERF's investment strategy.

Asset Consultant

The Trustee utilises an independent Asset Consultant to provide advice regarding the investments of SMERF. The Asset Consultant is Atchison Consultants.

The underlying investment managers and investment funds utilised by SMERF are appointed and removed by the Trustee in accordance with SMERF's investment strategy. Any decision to appoint/remove a manager or fund is based upon an assessment of the style and performance of the manager or fund.

Other Considerations

Labour standards, environmental, social or ethical considerations are not taken into account in making investment decisions or selecting underlying investment managers or investment funds.

6. Fees and costs

CONSUMER ADVISORY WARNING

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 check out different fee options.

The following table shows significant fees that you may be charged. These fees may be deducted from your account balance, or from the returns on your investment, or from SMERF as a whole. Taxes are set out in another section of this document.

You should read all of the information about fees and charges, as it is important to understand their impact on your investment in SMERF. You should use these tables to compare SMERF with other superannuation products.

Super Money Eligible Rollover Fund		
Type of fee	Amount	How and when paid
Investment fee	Nil	N/A
Administration fee	1.00% per annum, subject to a maximum cap of \$8 per annum	Deducted from your account on a monthly basis.
Buy-sell spread	Nil	N/A
Switching fee	Nil	N/A
Exit fee	Nil	N/A
Advice fees relating to all members investing in a particular MySuper product or investment option	Nil	N/A
Other fees and costs		
Indirect cost ratio	1.56%*	Factored in to the calculation of the Crediting Rate at 30 June each year.

* These amounts are a current estimate only and may vary.

For definitions of the fees and costs in the table above, please refer to the 'Additional explanation of fees and costs' section of this PDS. A definition of fees is also available online at www.smerf.com.au

Example: annual fees and costs

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

EXAMPLE — SMERF		BALANCE OF \$50,000
Investment fees	0.00%	For every \$50,000 you have in the superannuation product you will be charged \$0 each year
PLUS Administration fees	\$8	And , you will be charged \$8 in administration fees
PLUS Indirect costs for the superannuation product	1.56%	And , indirect costs of \$780 each year will be deducted from your investment
EQUALS Cost of product		If your balance was \$50,000, then for that year you will be charged fees of \$788 for the superannuation product

Note: Additional fees may apply. **And**, if you leave the superannuation entity, you may be charged an **exit fee** of \$0 and a **buy/sell spread** which also applies whenever you make a contribution, exit, rollover or investment switch. The **buy/sell spread** for exiting is **0.00%** (this will equal to \$0 for every \$50,000 you withdraw).

Additional Explanation of Fees and Costs

Defined Fees:

- Activity fee**

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

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

- Administration Fee**

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

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

- Advice fee**

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

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

- Buy-sell spreads**

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

- Exit fees**

An **exit fee** is a fee to recover the costs of disposing of all or part of members' interests in 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 fee deducted from a member's account or paid out of the superannuation entity is not an indirect cost.

- **Investment Fee**

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

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

- **Switching fees**

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

Transaction costs

Transaction costs may be incurred by the investment managers when buying and selling assets. These costs are taken into account when valuing the net assets of SMERF before determining the Crediting Rates.

Operational Risk Reserve

The Federal Government as part of its Stronger Super reforms has imposed a requirement for funds to establish and maintain an Operational Risk Reserve (ORR) to specifically cover potential losses arising from operational risks that may affect the Funds' business operations. An operational risk is the risk of a loss resulting from inadequate or failed internal processes, people and systems, or from external events. The ORR may be drawn upon to assist in compensating members or the Fund in the event of an operational risk having materialised.

The Trustee may transfer amounts from the administration reserve as needed to maintain the ORR, which will subsequently reduce the crediting rate to members.

Tax costs

All fees and expenses are quoted inclusive of GST, less any reduced input tax credits unless otherwise stated. Other applicable government taxes and charges may be deducted from your account or deducted from the assets or earnings of SMERF.

The benefit of any tax deductions available to SMERF will be passed onto Members through higher earning rates or decreased costs as determined by the Trustee from time to time.

Variation of fees

Fees may be varied without your consent. If such a change would be adverse to you we will provide you with at least 30 days advance notice. As stated above, the Management Costs may

vary from year to year based on the experience of SMERF and this may mean that Management Costs in any given year will be different to those shown in the fee table.

7. How super is taxed

Investing in superannuation generally offers tax advantages as superannuation is taxed at a lower rate than most other forms of income. The information provided covers the main taxes payable in superannuation.

Contributions tax

Concessional contributions are sometimes called 'pre-tax contributions' because the contributor can usually claim an income tax deduction.

Concessional contributions are taxed 15% in the super fund, but if you exceed your concessional contributions cap, an extra tax of 30% (plus any applicable levies) applies to the excess. The amount of excess contributions will also count towards your non-concessional contribution cap.

Non-concessional contributions are generally the after-tax contributions you make to a super fund, including personal contributions you make from your after-tax pay. They aren't usually taxed when received in the super fund, but if you exceed your non-concessional contributions cap, a tax of 45% (plus any applicable levies) applies to the excess.

Please note SMERF **cannot** receive contributions from you (concessional or non-concessional).

Tax on Investment Earnings

Investment earnings are taxed at a maximum rate of 15% during the superannuation phase, however, this rate may be reduced by franking credits, foreign tax offsets and concessions on discounted capital gains.

Tax on Benefits

If you're 60 years of age or over, any super benefits you receive such as lump sums and pensions are tax free if you receive them from a taxed source. This means when you receive a super lump sum, or payments from a super income stream, they are tax free in your hands.

If you're under age 60 when you receive your super benefits, the taxable component is assessable income. If you are under preservation age, it will be taxed at 20% plus any applicable levies. If you have reached your preservation age but are aged less than 60, the first \$200,000 for the 2017/18 financial year is tax free, with the remainder taxed at 15% plus any applicable levies.

Tax on Death Benefits

This type of benefit is tax free if it is paid to a person who is a dependant. If it is paid to a non-dependant, the taxable element of the benefit is taxed at a maximum rate of 15% plus any applicable levies. The untaxed element of the taxable component of the benefits taxed at a maximum rate of 30% plus any applicable levies. A variation to this calculation may occur in certain circumstances.

A death benefit may only be paid as a lump sum.

Transfers from other superannuation funds

Generally, no tax will apply to amounts transferred into SMERF from other superannuation accounts unless the amount transferred contains an 'untaxed element' (for example, where the amount transferred is a payment from certain superannuation funds for government employees). We are required by law to generally deduct tax at the rate of 15% of the untaxed amount.

Providing your tax file number

WARNING – TAX FILE NUMBER

You should provide your Tax File Number (TFN) as part of joining SMERF.

If you do not provide SMERF with your TFN you may be liable to pay additional tax on concessional contributions (additional 30% plus any applicable levies), you may be liable to pay additional tax on withdrawal payments, you could miss out on any government co-contributions (if eligible), and it may be difficult to locate or amalgamate your superannuation benefits in the future.

You can get more information on taxation of super benefits by calling the Australian Taxation Office on 13 10 20 or by visiting their website at www.ato.gov.au/super. Taxation law in relation to superannuation is complex and the above information has been prepared as a guide only and does not represent taxation advice. Please see your tax adviser for independent tax advice taking into account your individual circumstances.

8. How to open an account

How do You become a Member of SMERF?

You will have become a Member of SMERF as a result of your superannuation benefits being automatically transferred to SMERF by another superannuation entity (Transferring Fund).

Your benefit will generally have been automatically transferred to SMERF, due to the fact that your account balance in your previous fund was low, you or your employer had not made a contribution to the fund for some time, or the fund lost contact with you. The circumstances in which your benefits have been transferred to SMERF will depend on the policies and procedures of the Transferring Fund.

Getting Money Into SMERF

The Trustee can only accept money into SMERF as a rollover from other superannuation funds, or the rollover of an employer termination payment. Rollovers are monies that have already been invested into the superannuation system, typically in another superannuation fund, and are transferred from that fund into this Fund, or employer termination payments that you have decided to rollover to your superannuation fund.

SMERF **cannot** accept payments from the Government in the form of the Government Co-contribution and/or Superannuation Guarantee shortfall components (that is, late payments of superannuation guarantee paid to the Australian Taxation Office (ATO) by employers) from the ATO, and will not accept amounts paid from the Superannuation Holding Accounts Special Account ("SHASA").

You or your employer cannot make contributions to SMERF.

Your account balance

All the amounts paid into SMERF on your behalf are placed into your personal account after the deduction of any taxes required by the Government. The money in your account is then invested in line with SMERF's investment policy

There is no minimum balance applicable to your account.

Proof of Identity

You may be required to prove your identity prior to accessing your benefits. Identification and verification requirements may also be applied by the Trustee in relation to the administration of benefits generally under the Plan and/or to comply with legal obligations. You will be notified of any requirements when applicable. If you do not comply with these requirements, the consequences could include the delayed payment of benefits.

Enquiries and Complaints

The Trustee has set up a formal procedure for dealing with enquiries and complaints regarding SMERF's operation and management. You can make an initial enquiry by contacting SMERF or you can formally register a complaint by contacting the:

Enquiries and Complaints Officer
Super Money Eligible Rollover Fund
PO Box 1282
Albury NSW 2640
Phone: 1800 114 380
Email: smerf@diversa.com.au

We aim to resolve all complaints quickly and fairly. If you are not satisfied with the response from us or we have not responded to your complaint within 90 days, you may refer your complaint to the Superannuation Complaints Tribunal (SCT), an independent government body. Strict time limits apply for lodging certain complaints with the SCT; otherwise the SCT may not be able to deal with your complaint. More information about the SCT can be obtained at:

Superannuation Complaints Tribunal
Locked Bag 3060
GPO MELBOURNE VIC 3001
Phone: 1300 884 114
www.sct.gov.au

9. Further Information

Getting money out of SMERF

Subject to being able to access your superannuation by meeting a condition of release (refer to www.ato.gov.au/super), your benefit will be able to be paid out to you in cash or transferred to another superannuation fund.

The value of your benefit payment will be equal to your account balance at the time of payment.

In certain circumstances, a payment may be made if the Trustee determines you are permanently incapacitated. You will be considered permanently incapacitated if, as a consequence of ill health either physical or mental, you have ceased gainful employment and the Trustee is reasonably satisfied that you are unlikely ever to again engage in gainful employment for which you are reasonably qualified by education, training or experience.

Upon death, the Trustee will pay your death benefit to one or more of the following:

- your dependant(s);
- your legal personal representative (such as the executor of your estate); or
- if none of the above apply, then to any person the Trustee determines appropriate.

You may nominate the person(s) (who are your Dependant(s) and/or your legal personal representative) to whom you would like your death benefit paid. To nominate your preferred Beneficiary, please complete a Nomination of Beneficiary Form and provide it to the Administrator. It is important you keep the nomination up to date. The Trustee will take your nomination into consideration, but your nomination is not binding on the Trustee. Nominations can be changed at any time by informing the Trustee in writing.

Because the death benefit payment process is often complicated, it may be some time before the death benefit is paid. A death benefit payment will only be made after the Trustee has all the necessary information which enables it to make payment.

Splitting superannuation upon marriage breakdown

The Family Law Act allows superannuation to be treated as property when deciding a financial settlement in the event of marriage breakdown. You can enquire about your benefit in SMERF for the purposes of considering a financial settlement in the event of a marriage breakdown.

Provided certain requirements are met, your spouse can also enquire about your superannuation. Your spouse may request information from SMERF regarding your benefits in SMERF, without your knowledge or consent. The Trustee is restricted by legislation from informing you about such an enquiry from your spouse.

As part of a financial settlement in the event of a marriage breakdown, your benefit in SMERF can be split between you and your spouse. This must be by instruction to the Trustee via a 'Superannuation Agreement' between you and your spouse or by a Court Order.

Lost Members & Unclaimed Benefits

In certain circumstances, SMERF is required to pay superannuation accounts as unclaimed money to the ATO. This is typically done where a person meets the definition of a lost member, generally meaning that you cannot be contacted (the fund receives two pieces of unclaimed mail in respect of you), you have been transferred as a lost member or the account has been inactive for a period of five years and the fund has insufficient information to identify the owner.

Once a member's account has been transferred to the ATO, the member can reclaim their money by applying to the ATO. You can call them on 13 10 20 or visit their website at www.ato.gov.au/super.

Communicating with you

We will send the following communications if SMERF has your contact details or is otherwise able to locate you:

- Joining SMERF – a letter confirming your membership and this Product Disclosure Statement;
- Transactions – rollovers received by SMERF will be confirmed to you in writing;
- Changes to SMERF – we will notify you of any material changes in accordance with the law. Any changes that are not materially adverse or that are clearly positive will be updated on the SMERF website www.smerf.com.au and advised to you at the earliest time practical;
- Member Benefit Statement – will be issued annually as at 30 June each year;
- Annual Report – will be issued annually as at 30 June each year and will be made available on the SMERF website www.smerf.com.au.

The SMERF website www.smerf.com.au and the Trustee's website www.diversa.com.au/Trustee contains a range of relevant Fund information. If you do not wish to, or are unable to access the information available on the website, you may obtain hard copies of the above documents, free of charge, by calling the Administrator.

Note: the annual report will not be issued to you in hard copy unless you notify us of your request for a hard copy.

Privacy

The Trustee recognises the importance of protecting personal information and is bound by the relevant legislation. The Trustee collects personal information from you, or your previous Fund, for the purposes of:

- processing your enrolment in SMERF;
- administering and managing your participation in SMERF and providing you with information about other products or services to assist you.

The Trustee may disclose your personal information (as necessary):

- to its agents, contractors or third party service providers that provide services in connection with the operation of SMERF or its business;
- to any party which holds amounts on your behalf which will be transferred to SMERF; and
- where the law requires or permits us to do so or if you consent.

By becoming a member of SMERF, you agree to the Trustee collecting, using storing and disclosing personal information about you in accordance with this privacy statement or as otherwise permitted or required by law. You are entitled to know what information we hold about you and to ensure that this information is correct. Our privacy policy contains this information and details of how you may complain about a breach of the Australian Privacy Principles.

Contact Details for General Enquiries

Diversa Superannuation Services
PO Box 1282
Albury NSW 2640
Freecall: 1800 114 380
Email: smerf@diversa.com.au
Website: www.smerf.com.au