



Part of your Community

Prime Super's retirement options

3 January 2012



- We know the rural & regional industries – it's where we come from
- We're not-for-profit... so we are run only to benefit members
- We're industry super... so our fees are typically lower
- We offer commission-free advice in addition to two flexible retirement income options

About this brochure

Part 1 of this brochure has been designed to help you choose a retirement income option that's right for you. Hopefully you will find it simple, easy to understand and helpful.

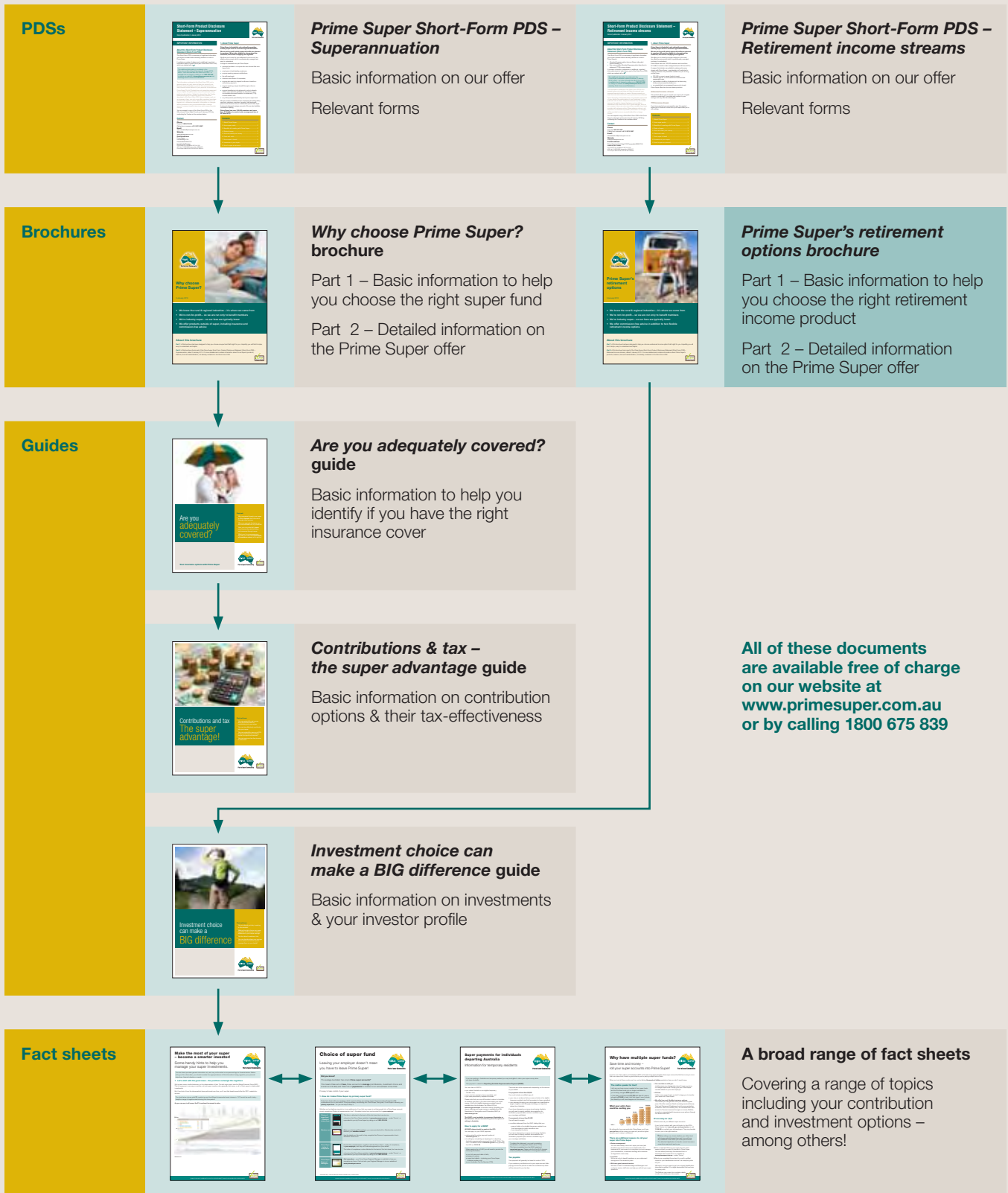
Part 2 of this brochure forms part of the *Prime Super Short-Form Product Disclosure Statement (Short-Form PDS) – Retirement income streams*, dated 3 January 2012. It's more detailed and contains information about Prime Super's products, features, fees and administration, not already contained in the *Short-Form PDS*.



1. KNOWLEDGE IS POWER

Super is one of the **most tax-effective savings vehicles** in Australia. If you understand how super can work for you, you might just be amazed at how much money **you can save** in the long run.

To help you better understand your entitlements, we have created a series of documents. The documents relevant to you will depend on your circumstances.



2. SUPER FACTS AND STATS

Approximately one third of retirees live on or below the poverty line.

This means they are living on around **\$615** per week. Could you survive on that when the median household income is **\$1,539?**¹

If you are a low to middle income earner, you can get **money** from the Government!

This comes in the form of a **co-contribution** if you make after-tax contributions into your super account while you're still working.

This can be during pre-retirement or while you're transitioning into retirement.

The co-contribution can be up to **\$1,000 p.a.**

Read the *Prime Super Government co-contribution scheme fact sheet*.

Two-thirds of retirees rely on the Age Pension as their main source of income.²

This is currently **\$351** per week for singles and **\$548** per week for couples.

Could you survive on that?

Over 80% of Australians have more than one super account.³ This means multiple fees which can result in the loss of thousands of dollars!

It's important to rollover your accounts before you enter retirement as you can't make additional contributions into your account after this point.

It's **easy to rollover** your accounts into Prime Super – just read the *Why have multiple super funds? fact sheet*.

Prime Super's default investment option is more weighted towards growth (i.e. higher risk) assets than other super fund default options.

If you haven't made an investment choice, your savings are invested in this option.

Is this right for you as you **approach retirement?**

Read the *Investment choice can make a BIG difference* guide.

Contents – Part 1

1 Knowledge is power	2
2 Super facts and stats	3
3 Five key considerations	4
4 What to look for in a retirement income stream	6
5 Compare the income stream options	8

¹ OECD (Organisation for Economic Co-operation & Development) – via <http://www.sammyreid.com/retirement.html>

² <http://www.afps.net.au/retirement.html>

³ Fact Sheet 'Why have multiple super funds...' Prime Super – January 2012

3. FIVE KEY CONSIDERATIONS

Before you transition into retirement or retire from the workforce completely, it's important to identify whether you are **fully prepared** for the next stage of your life.

At Prime Super, we believe there are **five key questions** you should ask yourself.

1. Will my super savings last?

To achieve a “comfortable” standard of living in retirement, an individual needs a **\$600,000 lump sum** on retirement at age 65 (or \$815,000 for a couple).¹ This can be made up of super and non-super monies. **Are you ready to retire?**

Another factor to take into account is your health, well-being and life expectancy.

Did you know?

Over 50% of 65 year olds today will live beyond 87 years of age?¹ You could therefore essentially spend well over 20 years in retirement – that's if you don't retire until 65... you may actually retire earlier!

Will your savings last the distance?

✓ Check out our *Contributions & tax – the super advantage* guide, the *Make the most of the Government co-contribution scheme* fact sheet and the *7 ways to grow your super* fact sheet.

2. Am I eligible for help from the Government?

The Government provides the Age Pension to eligible individuals. Eligibility depends on a number of factors, including income, assets, age and residency. However, if relied on solely to fund your retirement, the Age Pension would provide only **25% of the average wage!**

There is additional assistance available – again, eligibility depends on your circumstances – but do you really want to be at the mercy of the Government?

For additional information

- www.centrelink.gov.au
- www.medicare.gov.au
- www.ato.gov.au
- www.seniors.gov.au
- www.nationalseniors.com.au

¹ Westpac-ASFA Retirement Standard – A comfortable retirement – how much super is enough – 22 February 2011 – Trish Power - This is a study which measures the cost of a modest or comfortable lifestyle in retirement, in dollar terms, and adjusts these costs quarterly in line with the cost of living - <http://www.superguide.com.au/superannuation-basics/a-comfortableretirement-how-much-super-is-enough>

3. Am I making the most of my super?

- Q:** Have you made an **investment choice**? It's important you identify the best choice for you as you near retirement.
- Q:** Have you **rolled over** any external super monies into your Prime Super account? If you haven't, you're paying multiple fees which can significantly affect your savings amount.
- Q:** Have you considered boosting your super savings with **additional contributions** – either before or after-tax – while you're still working or if you choose to transition into retirement? Be mindful of the fact that once you enter full retirement phase, you *can't* make additional contributions into your super.

Did you know?

60% of the income you receive from your super in retirement is made up of investment returns achieved **after** retirement.²

So, the more money you have invested at retirement, the better!

✓ Check out our range of guides and fact sheets to help you make the most of your super.

4. Am I aware of my retirement income options?

At Prime Super, we give you the option of either transitioning into retirement or retiring completely.

✓ Go to page 8 for a snap shot of how each option works. This may help you decide which is best for you!

5. Have I dotted all my i's and crossed my t's?

Estate planning is essential as you approach retirement.

Nobody wants to think about death, but ultimately, when this occurs, you want to be sure whatever savings and investments you have are distributed according to your wishes.

There are a number of factors to take into account:

- **tax issues**, such as Capital Gains Tax (CGT) – paid when you dispose of an asset which has increased in value relative to its original cost;
- **a Will** – it's best to have this prepared professionally to avoid any issues later on. If you don't have a Will, your assets may be distributed by a court-appointed administrator;
- **testamentary trusts** – which can be established to provide a tax-effective income for minors; and
- **powers of attorney** – who you can nominate to handle your affairs.

Beneficiaries

It's very important you nominate a beneficiary or beneficiaries to receive your super savings in the event of your death. As above, if you don't, your assets may not be distributed according to your final wishes. Nominate via the application form in the *Short-Form PDS* or use the enclosed *Retirement income streams – Nomination of beneficiaries* form.

We recommend you speak to a financial planner with regards to your estate planning. Prime Super can offer you low cost, commission-free financial planning services through our association with Industry Fund Financial Planning* – contact them today on **1800 675 839**.

² 'The '10-30-60' rule – Invest in retirement, don't retire from investing' - Russell Investments, 2011

* Industry Fund Financial Planning is a division of Industry Fund Services Ltd, ABN 54 007 016 195, AFSL No 232514.

4. WHAT TO LOOK FOR IN A RETIREMENT INCOME STREAM

There are literally hundreds of super funds out there that offer a range of retirement income stream options. So how do you know which one is right for you? The following checklist may help you decide.

Fund feature	Prime Super	Importance to you			Details of other fund/s																						
		High	Medium	Low																							
Industry specialisation	We are Australia's only nationally-operating industry super fund dedicated to serving rural and regional Australia. We therefore know your industry intimately and have the knowledge and experience to help you make the most of your super during, and after your working life.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>																							
Not-for-profit status	We are a not-for-profit fund meaning any profits we make are returned directly to members in the form of investment returns and reduced fees where possible.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>																							
Product choice	We offer two retirement income stream options: Allocated income stream Pays you an income from your super on <i>full retirement</i> . There may be associated tax advantages. Non-commutable allocated (transition to retirement (TTR)) income stream Pays you an income from your super while you are <i>still working</i> , allowing you to supplement your salary if you choose to reduce your working hours. This may have tax advantages.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>																							
Commission-free financial advice	We offer low cost, commission-free financial advice. The first consultation with a financial planner is at no charge – it is then up to you whether you proceed based on the quote provided.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>																							
Investment choice & returns	We offer a choice of nine different investment options, made up of four pre-mixed options and five sector options.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>																							
	<table border="1"> <thead> <tr> <th>Pre-mixed options</th> <th>5 year average return¹</th> </tr> </thead> <tbody> <tr> <td>1. Default</td> <td>-0.14%</td> </tr> <tr> <td>2. Managed growth</td> <td>-3.34%</td> </tr> <tr> <td>3. Conservative</td> <td>0.19%</td> </tr> <tr> <td>4. Target return</td> <td>-8.16%²</td> </tr> <tr> <th>Sector options</th> <th>5 year average return¹</th> </tr> <tr> <td>1. Australian shares</td> <td>1.52%</td> </tr> <tr> <td>2. International shares</td> <td>-2.54%</td> </tr> <tr> <td>3. Property</td> <td>0.04%</td> </tr> <tr> <td>4. Fixed interest</td> <td>5.55%</td> </tr> <tr> <td>5. Cash</td> <td>5.32%</td> </tr> </tbody> </table>	Pre-mixed options	5 year average return ¹	1. Default	-0.14%	2. Managed growth	-3.34%	3. Conservative	0.19%	4. Target return	-8.16% ²	Sector options	5 year average return ¹	1. Australian shares	1.52%	2. International shares	-2.54%	3. Property	0.04%	4. Fixed interest	5.55%	5. Cash	5.32%				
Pre-mixed options	5 year average return ¹																										
1. Default	-0.14%																										
2. Managed growth	-3.34%																										
3. Conservative	0.19%																										
4. Target return	-8.16% ²																										
Sector options	5 year average return ¹																										
1. Australian shares	1.52%																										
2. International shares	-2.54%																										
3. Property	0.04%																										
4. Fixed interest	5.55%																										
5. Cash	5.32%																										
Fees and charges	As an industry fund, we offer some of the lowest fees in the market.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>																							
	Fees when your money moves in/out of the Fund																										
	<ul style="list-style-type: none"> Establishment \$0 Contribution \$0 Switching \$60 per switch made after the first switch in any year Withdrawal \$70 for the first withdrawal. \$35 for subsequent³ Termination Nil 																										

¹ To 30 June 2011

² 4 year return as this option was only offered to members on 1 January 2007

³ Is charged when a full or partial withdrawal is processed unless the payment is a retirement, Death, TPD, compassionate or hardship benefit payment.

Fund feature	Prime Super	Importance to you			Details of other fund/s
		High	Medium	Low	
	<p>Management costs</p> <p>The fees and costs for managing members' investments</p> <p>A member fee of:</p> <ul style="list-style-type: none"> \$1 per week (\$52 pa); and 0.5% pa of your account balance to \$100,000, then \$0 on amounts over \$100,000, plus an Investment option ICR (Indirect Cost Ratio) cost (including a PBF (Performance Bonus Fee)), being a percentage of your account balance depending on the investment option chosen. 	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Contribution options	<p>Allocated income stream Once established, no further contributions can be made into this account.</p> <p>TTR income stream Contributions can continue to be made into the super component of your account. By salary sacrificing (i.e. making before-tax contributions) you could reduce your income tax payable!</p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Benefit options	<p>The following benefit options are available:</p> <p>Regular payments Can be paid monthly, quarterly, six monthly or yearly.</p> <p>Lump sum withdrawals For the allocated income stream product, a \$1,000 minimum applies. Withdrawals can be made at any time. Lump sum withdrawals cannot be made from the TTR income stream product unless certain conditions are met (see pages 11 and 12 for details).</p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Rollover options	<p>Allocated income stream You must roll external funds into your super account <i>before</i> establishing an allocated income stream. Once established, funds can no longer be added to an allocated income stream account.</p> <p>TTR income stream You can roll external funds into the super component of your account at any time.</p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Communications	<p>Prime Super communicates with members through a variety of channels:</p> <ul style="list-style-type: none"> annual report (issued 30 June); annual benefit statements (issued 30 June); half-yearly account summary (issued 31 December); periodic newsletters; significant event notices; website – www.primesuper.com.au 	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Education	<p>Prime Super's Regional Managers (RMs) are located nationally and pay regular visits to client sites. On request, seminars are provided and where possible, financial planners are in attendance.</p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

5. COMPARE THE INCOME STREAM OPTIONS

Generally, you can...	Allocated income stream	TTR income stream
Choose how your money is invested	✓	✓
Use the income stream to reduce income tax and increase savings	X	✓
Access the income stream while still working	X	✓
Change the value of payments after commencement	✓	✓
Have access to your savings at all times	✓	✓ But a 10% p.a. limit applies
Stop the income stream and move your money back into the super fund	X	✓
Receive a 15% tax offset on income if eligible	✓	✓
Use the income stream to defer lump sum tax	✓	✓
Use the income stream to get tax-free income from undeducted super contributions	✓	✓
Earn tax-free investment earnings	✓	✓
Choose the frequency of your income payments	✓	✓
Nominate a reversionary beneficiary if you die	✓	✓
Submit a preferred death benefit nomination	✓	✓
Invest with only \$10,000	✓	✓
Add additional money after payments start	X	✓

Part 2 of this brochure forms part of the *Prime Super Short-Form PDS – Retirement income streams*, dated 3 January 2012

The brochure provides information to help potential members assess the merits of opening a Prime Super income stream account and compare these products with other products they may also be considering. Potential members should read this document carefully before making any decision.

Contents – Part 2

2	How super works	9
3	Benefits of investing with Prime Super	15
4	Risks of super	20
5	How we invest your money	20
6	Fees and costs.....	28
7	How super is taxed	31
9	How to open an account.....	33

2. HOW SUPER WORKS

Allocated income stream

The amount of income you choose to receive from your allocated income stream account must be equal to or greater than a minimum limit set by Commonwealth Government legislation. Minimum limits are calculated as a percentage of your account balance by your age (see page 13). There is currently no maximum limit for the payments.

As you age or Government rules change your minimum payment may change. If this happens, you can either:

- adjust the payments you receive over the next year by completing an *Election form**; or
- leave the payments unchanged if they fall within your new minimum limits.

If you do not advise us of a new amount to be paid by the time the next payment is due and the payments you received last year are lower than the new minimum limit, we will increase your payments to the minimum amount required to ensure that we comply with Government regulations.

Payments to you will continue until your account value reaches zero. How long your payments last will depend on a number of factors including:

- the amount you transfer into your allocated income stream;
- the value of investment earnings (positive or negative);
- the size of regular payments you choose to take;
- the size of any lump sum withdrawals you choose to take; and
- the frequency of your payments and withdrawals.

You will receive a statement at 30 June each year and an account summary at 31 December each year. You can also contact us on **1800 675 839** to obtain a current estimate of your account balance. Current estimates may not include payments recently made, income recently earned or liabilities recently incurred.

Lump sum withdrawals

When you join the allocated income stream you do not give up access to your money and can draw down lump sums when it suits you. The minimum lump sum withdrawal is \$1,000 and a lump sum withdrawal cannot occur until you have received at least one regular income payment. This is a legal requirement that we cannot waive.

Unless you advise us in writing, lump sum withdrawals will be processed from each investment you hold within the allocated income stream, in proportion. This means that if you withdraw \$1,000 and have 75% of your money in investment A and 25% in investment B, then \$750 will come from investment A, and \$250 from investment B. However, if you provide clear written instructions, lump sum withdrawals can be processed from one or more specific investment options in proportions chosen by you.

* Sent to you annually by Prime Super.

Rollovers

You can also rollover the balance of another allocated income stream account or another super fund account into your Prime Super allocated income stream, when you *open* your allocated income stream.

TTR income stream

If you have reached your preservation age (see page 12) you can rollover your super money into the TTR income stream and continue to work. This lets you:

- potentially reduce your tax bill by salary sacrificing more of your income into super. You can then use money from your income stream to supplement your wage;
- reduce your working hours without sacrificing your lifestyle since your salary is supplemented by regular payments from your income stream; and
- continue working and use the additional income from your income stream however it suits you.

There is no work test and no cap on the amount you can rollover to start your TTR income stream. All the money that you pay into the TTR income stream is placed into an account in your name and invested in the investment options that you choose. When you set up your account you select your investment option, or mix of options, and can change this later if you wish.

How much do I have to take each year?

The total annual amount that you choose to receive must comply with a limit set by the Commonwealth Government. For the 2011-12 financial year the maximum limit is 10% of your account balance.

You can continue to draw from your TTR income stream until your account value reaches zero. How long your payments last will depend on a number of factors including:

- the amount you transfer into your TTR income stream;
- the value of your investment earnings (positive or negative);
- the size of the regular payments you choose to take;
- the size of any lump sum withdrawals you *may* be entitled to take; and
- the frequency of your payments and withdrawals.

You will receive a statement at 30 June each year and an account summary at 31 December each year. You can also contact us on **1800 675 839** to obtain an estimate of your account balance.

Contributing to your TTR income stream account

The Trustee will accept money into the super component of your account as either contributions or transfers.

Contributions are monies that are invested into the super system for the first time. Benefit transfers (or rollovers) are monies that have already been invested into the super system (typically in another super fund) that are transferred to Prime Super.

Contributions may be made by direct debit, BPAY®, EFT or cheque.

EFT, direct debit and BPAY®

Please contact us on **1800 675 839** or go online at **www.primesuper.com.au** for information on how to make contributions by EFT, direct debit or BPAY®.

Cheques

Contributions paid by cheque should be made out to 'Prime Super' and posted to:

Prime Super
Locked Bag 5103
Parramatta NSW 2124

Minimum contributions

The Trustee does not impose minimum contribution levels. However this may change in the future.

Contribution types

The Trustee can accept the following contributions:

Employer contributions	The <i>Superannuation Guarantee (Administration) Act 1992</i> requires all employers to pay super contributions on behalf of eligible employees. These compulsory employer payments are called the Superannuation Guarantee (SG). SG is currently 9% of an employee's ordinary time earnings (OTE).
Voluntary personal contributions	Voluntary personal contributions are additional contributions you make to your account to boost your super savings. Voluntary contributions can be made either before or after-tax. Contributions made before-tax are called concessional contributions and those made after-tax are called non-concessional contributions. The Government limits the amount of concessional and non-concessional contributions you can make. For more information see the current <i>Prime Super Short-Form PDS – Superannuation</i> and <i>Why choose Prime Super?</i> brochure.
Rollovers and transfers	The Trustee accepts rollovers and transfers of money from other super funds or retirement savings accounts. To organise a transfer, contact the Trustee or complete the <i>Retirement income streams – Rollover your super form</i> enclosed with this brochure.
Spouse contributions and contribution splitting	We allow you to make contributions to your spouse's super account on their behalf. We also accept contributions your spouse makes to your account on your behalf.
Government co-contribution	If you are a low to middle income earner and make voluntary after-tax contributions to your super, you may be entitled to a Government co-contribution. For more information on co-contributions go to page 31 of this brochure or visit www.ato.gov.au/super .



For further information on the contribution options available to you and the associated potential benefits, read the *Contributions & tax – the super advantage* brochure.



For further information on the super component of your account, please read the current *Prime Super Short-Form PDS – Superannuation*.

Both documents are available to download from our website at www.primesuper.com.au/Publications or call us on **1800 675 839** and we will provide you with free copies.

What happens when I retire?

If you retire after starting a TTR income stream, you have a number of options to choose from, including:

- continuing with your income stream;
- moving your money back into a super fund;
- taking a lump sum; or
- changing to an allocated income stream.

These options may change over time and you should seek financial advice prior to retiring.

Lump sum withdrawals

Lump sum withdrawals cannot be made from a TTR income stream unless you satisfy a condition of release (see when preserved benefits can be paid on page 12).

Please contact Prime Super on **1800 675 839** for more information on the conditions of release.

When benefits can be paid

The Government has placed restrictions on when you can claim your super benefits before entering the retirement phase. In general, access to your super will depend upon the 'preservation' classification that applies.

There are three classes of preservation:

1. Preserved benefits

All contributions (including any voluntary contributions you make) and earnings paid or accruing from 1 July 1999, are 'preserved'. Employer termination payments (ETPs) are also fully preserved. This means that preserved benefits cannot be accessed until you meet a condition of release set by the Government.

2. Restricted non-preserved benefits

These benefits are not preserved but cannot be cashed until you leave your job with your current employer or are otherwise eligible to take a benefit from the Fund.

3. Unrestricted non-preserved benefits

These are benefits that are generally rolled over from another super fund which could have been cashed at a previous point in time. These benefits can be paid out at any time.

Preservation of benefits is complex and the Government may change the rules from time-to-time. Up to date information can be obtained by calling us on **1800 675 839**.



If you require further information we can refer you to a financial planner. Prime Super financial planners are representatives of Industry Fund Financial Planning*, which offers low cost, commission-free financial advice and the first consultation with a planner is **at no charge**.

At the date of this brochure, preserved benefits can generally only be paid upon:

- taking advantage of a transition to retirement (TTR) strategy;
- permanent retirement at or after your preservation age;
- reaching age 65;
- reaching age 60 and ceasing gainful employment with an employer;
- satisfying the compassionate grounds tests;
- meeting the financial hardship requirements;
- suffering total and permanent disability;
- diagnosis of a terminal illness;
- satisfying any other condition of release as specified in superannuation legislation; and
- death.

Preservation age

Your preservation age is as follows:

Date of birth	Preservation age
Before 1 July 1960	55
1 July 1960 – 30 June 1961	56
1 July 1961 – 30 June 1962	57
1 July 1962 – 30 June 1963	58
1 July 1963 – 30 June 1964	59
After 1 July 1964	60

* Industry Fund Financial Planning is a division of Industry Fund Services Ltd, ABN 54 007 016 195, AFSL No 232514.

Payment limits

The Government has set limits on the payments you can receive from your income stream.

For allocated income streams

Payments of a minimum amount must be made at least once a year, but there is no limit on how much can be withdrawn in any year. The minimum amount is a percentage of your account balance based on your age as shown below.

As a result of the global financial crisis, over the last few years, the Government has provided some relief to Australians with an income stream. For the 2011-12 financial year the standard minimum withdrawal amount has been reduced by 25%.

Age at start of income stream	Standard minimum withdrawal	2008-09 2009-10 2010-11	2011-12	2012-13
Under 65	4%	2%	3%	4%
65-74	5%	2.5%	3.75%	5%
75-79	6%	3%	4.5%	6%
80-84	7%	3.5%	5.25%	7%
85-89	9%	4.5%	6.75%	9%
90-94	11%	5.5%	8.25%	11%
95+	14%	7%	10.5%	14%

Note: The reduction in the minimum payment amounts applies to account-based annuities and pensions, allocated annuities and pensions, and market-linked annuities and pensions.

Example: If you are aged 74 and have \$100,000 in your account, you must withdraw a minimum of 3.75% from your member account in the 2011-12 financial year. This means you must withdraw a minimum of \$3,750.

For TTR income streams

The maximum amount that can be withdrawn in any year equals 10% of your account balance at the start of each year. This means that if you have \$100,000 in your account, you can withdraw a maximum of \$10,000 over the year.

Crediting rates for both income streams

Investment earnings are allocated to members' accounts at 30 June each year or upon exit from the Fund. Investment gains or losses are reported to members in dollars. The total investment gains or losses added to an account equals the compound effect of monthly investment returns less all applicable taxes, fees and charges. If a member leaves the Fund during the year (i.e. withdraws their balance as a lump sum and ceases to be a member), the member's account balance will be credited (or debited) with the monthly crediting rates (positive or negative) up to the end of the month of the last determined monthly crediting rate. For the period from this date to the date of withdrawal, the Trustee applies an interim crediting rate which is generally 0%. The Trustee reserves the right to apply a different rate in times of significant market fluctuation.

The Trustee reserves the right to adjust investment earnings where it believes it would be unfair or a breach of fiduciary duty not to act to protect the interests of members of the Fund. A withdrawal fee may apply to the payment of your member account. Please see the *Fees and costs* section of this brochure for further information. If you need more information on the payment of benefits, please call Prime Super on **1800 675 839**.

How to consolidate your super accounts

If you decide that an income stream is right for you, and you have more than one super account, it's a good idea to consolidate them all before you open your Prime Super income stream. Although you can have more than one income stream account, once your benefit has been transferred from your super fund to your income stream account, Government regulations prevent you from adding more to it. This means that all contributions and any rollovers from other super funds should be consolidated into your current super account before starting your income stream account.

Note: this does not apply to the super component of a TTR income stream account.



If you are a member of Prime Super, you can use the *Retirement income streams – Rollover your super form* (enclosed with this brochure) to consolidate all of your super into your Prime Super account before you open your income stream.

It is also advisable to contact the ATO's Lost Members' Register on **13 10 20** or via the ATO website (**www.ato.gov.au**) to check whether the ATO is holding money on your behalf.

When you have gathered all of the super you wish to pay into your account, please complete the aforementioned form. One of the advantages of consolidating all of your super inside Prime Super is that there is no disruption to your investment strategy when you transfer into an income stream.

Social security

You should seek professional advice about how social security rules may apply to your personal circumstances.

Generally, income stream payments are likely to be considered as part of any income test that may apply to a particular social security benefit, whilst the value of your member account may be considered as part of any assets test that may apply to a particular social security benefit. Social security rules may change from time to time.

Please contact the ATO on **13 10 20** or **www.ato.gov.au** for current information.

What happens when I die?

If you die while you are a member of either income stream, the money remaining in your account is not lost.

You can decide what happens to the remainder of your money by nominating a reversionary beneficiary.

Nominate a reversionary beneficiary

If you nominate a reversionary beneficiary, they will automatically continue to be paid from your income stream when you die. A reversionary beneficiary must be:

- your spouse (including de facto);
- a child (including a step-child) who is:
 - under 16;
 - between 16 and 24 (inclusive) and financially dependent on you; or
 - has a disability; or
- another person who is cared for by you or financially dependent on you when you die, where permitted by law.

A reversionary beneficiary has much the same rights as a standard beneficiary. Amongst other things they can:

- commute their income stream and be paid a lump sum;
- set their own level of payment within the limits imposed by regulation; and
- set their own investment strategy.

However, rules relating to reversionary beneficiaries can change over time and reversionary beneficiaries should seek information and advice on their rights. Generally, where a person receiving a TTR income stream dies, the reversionary beneficiary will receive an allocated income stream in its place.

Should a reversionary beneficiary die before the account is empty, the balance will pass:

- as an allocated income stream to one or more reversionary beneficiaries that they nominate;
- as a lump sum to their estate; or
- as directed or permitted by the relevant law at the time.



You can nominate a reversionary beneficiary when you complete the application form to join either income stream or you can do it after you join. You can change your nomination by advising us in writing using a *Retirement income streams – Nomination of beneficiaries form*.

This form is enclosed with this brochure and can be downloaded from our website at **www.primesuper.com.au** or call us on **1800 675 839** for a free copy.

If you don't nominate a reversionary beneficiary

If you die without nominating a reversionary beneficiary or if the person you nominate as a reversionary beneficiary does not qualify to receive payments under the law at the time you die, the Trustee will pay the balance of your account to your estate or as directed or permitted by the relevant law at the time.

3. BENEFITS OF INVESTING WITH PRIME SUPER

Prime Super offers members a range of additional benefits.

Health insurance

Through our alliance with HCF, Prime Super members have access to a special range of corporate health insurance options.

Any Prime Super member who joins or switches to HCF will be able to claim straight away on extras benefits usually requiring two and six month waiting periods[#].

Financial advice

Prime Super assists members with three levels of advice:

1. General advice

This advice is of a general nature only and will not take into account your objectives, personal financial circumstances, or needs. It is typically provided during discussions with Prime Super's Regional Managers or customer service staff – who are available on **1800 675 839**.

Before acting on general advice, you should consider the appropriateness of the advice having regard to your objectives, financial situation and needs.

Further, if the advice relates to the acquisition or possible acquisition of a particular financial product you should obtain and consider the relevant *PDS* before making any decision about whether to acquire the product. You may also wish to seek separate legal and financial advice.

2. Limited advice

The Trustee can assist in providing members with limited financial advice over the telephone.

A qualified financial planner will help you make decisions in relation to your superannuation on the following topics:

- contribution options;
- investment choice; and
- insurance options.

This service is free of charge and available to you by calling **1800 675 839**.

3. Full advice

If you require further advice and potentially a full financial plan based on your personal financial situation and needs, we can refer you to a financial planner.

Prime Super financial planners are representatives of Industry Fund Financial Planning*, which offers low cost, commission-free financial advice and the first consultation with a planner is **at no charge**.

After this you'll receive a quote detailing what your financial plan will cost you. Once you receive the quote it's up to you to decide whether you want to move forward.

You can access this service by calling **1800 675 839**.

Industry Fund Financial Planning was established in 1999 by a group of industry super funds to provide services to members of industry and not-for-profit super funds. This means they have the same philosophy that industry funds do – they value high quality, low cost advice, commitment to education and communication and most importantly, all benefits are returned to members.

They operate on a pure fee-for-service basis and *do not* accept commissions. This means you pay for advice based only on your financial needs. If Industry Fund Financial Planning recommends a product to you with a commission attached to it, they will rebate the commission to your account.

[#] Reduced waiting periods do not apply to pre-existing illnesses or ailments, obstetric conditions or to benefits that have longer waiting periods. This offer only applies to combined hospital & extras cover.

* Industry Fund Financial Planning is a division of Industry Fund Services Ltd, ABN 54 007 016 195, AFSL No 232514.

Communication and information

The Trustee will provide the following information to members:

Annual report

The annual report provides information on the management of the Fund to 30 June each year.

Member benefit statement and account summary

The Member benefit statement is also referred to as the periodic statement. It shows the current balance of your member account and transactions over the period to which the statement relates. Member benefit statements are issued annually at 30 June. You are encouraged to keep your member benefit statements in a safe place.

We also provide members with an Account summary at 31 December each year.

Notices

If significant or material changes occur to the Fund, to the rights of members or to participating employers, we will notify you. Notification may be included in the annual report, a newsletter, a new or supplementary *Short-Form PDS* or through a special notice. If fees increase, you will be provided with 30 days' written notice.

Insignificant or immaterial changes will be advised through one or more of our website, newsletter or the annual report. Notices included on our website will be provided in hardcopy free of charge upon request.

Other information members may receive

From time to time, you will also receive newsletters and can access information updates from www.primesuper.com.au.

Communication preferences

If you prefer, we can communicate with you electronically. If you would prefer to receive communications from us via email, please let us know by calling **1800 675 839**.

Website

Prime Super's website address is www.primesuper.com.au.

You can use the website to:

- access your account details;
- access financial planning information provided by Industry Fund Financial Planning for members;
- access a range of educational material about super; and
- view a range of relevant information about Prime Super.

Information on request

We will assist you with any questions you may have about the income streams and your membership.

Information that is available includes but is not limited to:

- information regarding your account;
- the Trust Deed;
- the risk management plan;
- your transactions; and
- any other information reasonably required to understand your benefit in the Fund.

If you would like more information please contact us:

Mail Prime Super
Locked Bag 5103
Parramatta NSW 2124

Freecall 1800 675 839
Fax 1800 023 662
Email administration@primesuper.com.au
Web www.primesuper.com.au

In some unusual circumstances, the provision of information may be subject to a charge. If this occurs you will be advised of the charge before it is incurred. Information available free of charge includes documents such as:

- the Trust Deed;
- audited financial accounts;
- investment policy information;
- information on enquiries and complaints procedures; and
- the risk management plan.

Privacy

Privacy laws regulate, among other matters, the way we collect, use, disclose, keep secure and give access to personal information. You or your employer will provide personal information about you to the Fund for the primary purpose of establishing and administering your membership of the Fund. The Trustee may use this information for related purposes and may disclose your personal information to ensure the efficient management of membership of the Fund.

The Trustee may send out promotional material it believes may be of interest to you as a member. You may tell us if you do not wish to receive such material. Full details are provided in a privacy policy published by the Trustee. A copy of this privacy policy can be obtained from our website or by contacting us. In summary, the privacy policy provides that:

The Trustee collects personal information about you to:

- process your enrolment in the Fund (in accordance with the *Superannuation Industry (Supervision) Act 1993*);
- administer and manage your participation in the Fund and communicate with you about the Fund;
- provide you with information about other products or services that may be of assistance to you; and
- facilitate business operations, including fulfilment of any legal requirements.

If you do not provide the personal information sought from time-to-time, it may mean that your enrolment in the Fund cannot be processed or that services cannot be provided to you.

In general, the Trustee may disclose your personal information (as necessary):

- to its agents, contractors, or third party service providers that provide financial, administrative, or other services in connection with the operation of the Fund or its business, for example where a Fund administrator is appointed;
- to an insurer where insurance services are arranged in connection with the Fund;
- to any new Trustee as may be appointed from time-to-time;
- to any party which holds amounts on your behalf which will be transferred to the Fund;
- where the law requires or permits us to do so (e.g. to law enforcement agencies); and
- if you consent.

Change of address

It is important that you let us know when you change your address. We can only send you information about the Fund and your membership if we have your current address.

You can contact the Trustee between 8am and 8pm (Sydney time) Monday to Friday on **1800 675 839** to update your details. Alternatively you can update your personal details online using our secure member services facility at **www.primesuper.com.au**.

If we are unable to contact you, you may be designated a 'lost member'. We are required to report lost members to the ATO, where they become part of the Lost Members Register.

Management of the Fund

Who manages the income streams?

The Trustee is responsible for managing both income streams. The Directors of the Trustee meet regularly to discuss management of the Fund and determine important policies and procedures. Directors receive fees and are reimbursed for travelling expenses for attending Board and committee meetings.

Directors are nominated and appointed by the Board of the Trustee. The Trustee has a constitution containing rules for the appointment and removal of Directors.

The current Directors are:

Name	Position	Appointed to the Board on
Alan Bowman	Chairman	26 January 2001
Bradley Crofts	Deputy Chairman	4 January 2010
James Ferguson	Director	7 December 1994
Virginia Collins	Director	2 August 2001
Trevor Dixon	Director	5 April 2004
Russell Higginbotham	Director	5 April 2004
David Cooper	Director	1 July 2009
Duncan Fraser	Director	25 August 2010

Please note: Mr Alan Bowman was appointed Chairman of the Board, effective 1 January 2011. Bradley Crofts was appointed Deputy Chairman effective 22 June 2011.

The Directors may change from time-to-time.

Trust Deed

The Fund is governed by a Trust Deed which, amongst other things, sets out the entitlements of members and the obligations of the Trustee. From time to time we may need to make changes to the Trust Deed and will tell you about any that are important to you.

Important legislation

The Fund is regulated as a complying public offer super fund under Commonwealth Government legislation, principally the *Superannuation Industry (Supervision) Act 1993* and the *Corporations Act 2001*.

Anti-Money Laundering and Counter Terrorism Financing

The Trustee is obligated to comply with the *Anti-Money Laundering and Counter Terrorism Financing Act 2006 (Cth)* (AML/CTF).

In this regard, the Trustee is required to maintain a program that identifies, mitigates and manages money laundering and counter-terrorism risks associated with its business. As a result:

- we may require you to provide additional information in order to verify your identity before providing services to you;
- transactions may be delayed or refused where there are reasonable grounds to believe that the transaction breaches AML/CTF or any other Australian law; and
- where transactions are delayed or refused, we are not, subject to applicable law, liable for any loss you suffer howsoever caused.

From time-to-time, we may be legally required to disclose the information provided by you to regulatory and law enforcement agencies, including the Australian Transaction Reports and Analysis Centre. When undertaking such actions, the Trustee will ensure that members' privacy is respected.

Trustee liability insurance

The Trustee has liability insurance to protect it and the Directors against any losses arising as a result of a claim for a breach of their duties.

Wholly owned companies

James Ferguson, Russell Higginbotham, Alan Bowman, Virginia Collins, Trevor Dixon, David Cooper, Bradley Crofts and Duncan Fraser are all Directors of the Agricultural Company of Australia Pty Ltd (AGRICO), a company established and owned by the Fund to invest a small proportion of Fund assets in the primary industry sector.

Conflict of interests

The Trustee has established procedures to ensure that any conflict of interest in respect of the Directors is disclosed and appropriately dealt with.

Reserving policy

The Trustee operates two reserves:

- the administration reserve; and
- the investment reserve.

Both reserves are invested in the Default investment option.

As a condition of the Trustee's Registrable Superannuation Entity Licence, the Fund also holds at least \$100,000 in a cash account at all times.

All member fees are paid into the administration reserve and used to pay costs. As the Trustee operates the Fund on a not-for-profit basis, any surplus after payment of current costs of the Fund and the Trustee, is applied to the benefit of members at the Trustee's discretion.

The balance of the **administration reserve** across the entire Prime Super Fund is shown below:

Year ended	30 June 2011	30 June 2010	30 June 2009	30 June 2008
Value	\$1,133,000	\$715,000	\$818,000	\$884,000

Investment returns earned by the Fund for all investment options are held in an investment reserve between the time they are received by the Fund and the time they are credited to members.

Any earnings of the investment reserve (whether positive or negative) are investment earnings of the Fund and will also be distributed to members.

Due to the rounding of investment returns to whole cents and occasional unexpected investment distributions, it may not always be practical to entirely distribute the investment reserve from time-to-time. Should this occur, any carry forward balance is likely to be between zero and around 0.5% of Fund assets which will be distributed to members at the earliest practical opportunity.

The balance of the **investment reserve** across the entire Prime Super Fund is shown below:

Year ended	30 June 2011	30 June 2010	30 June 2009	30 June 2008
Value	\$2,525,000	\$3,281,000	\$3,529,000	\$1,752,000

Service providers

The Trustee uses a range of service providers to look after the Fund and its investments. Information on the:

- administrator;
- custodian;
- insurer;
- current investment managers; and
- others associated with the Fund,

is provided in our Annual Report.

At the time of publication, each of the service providers named in the directory at the end of this brochure had given, and not withdrawn consent to be named in this brochure. Service providers were not involved in the preparation and distribution of this brochure and are not responsible for the issue of this brochure or any part of it.

None of the service providers named is responsible for any of the statements made in this brochure unless specifically and clearly attributed to them.

4. RISKS OF SUPER

The relationship between risk and reward

There is a general relationship between investment risk and reward. Growth-oriented investments such as shares tend to go *up and down in value over the short-term*, but generally *outperform* more conservative types of investments over the *long-term*.

The more growth-oriented investments that are included in an investment option, the greater the chance for *short-term fluctuations in value* – this is known as investment volatility or risk. Growth investments may not be suitable for a member with a conservative approach to investing or a member with a short time until retirement. Despite this, some members who are close to retirement continue to use growth investments because they intend to transfer their super to an income stream, giving them a longer investment time-frame.

Conservative investments such as cash and fixed interest tend to provide *greater security*, although they also tend to be *outperformed* by more high-growth options over the medium-to-long term. The level of risk you are prepared to take to potentially earn higher returns, or the more investment security you require, will determine your *investment risk-reward profile*.

Your risk-reward profile may change

It's not unusual for people to adopt different investment risk-reward profiles throughout their lives. As a general rule, a young person could be expected to have a higher investment risk-reward profile than an older person because they have a longer period until retirement, but this is not true for all people.

For example, members who intend to invest in a Prime Super retirement income stream product may be more comfortable taking a longer term view of investments, despite being close to retirement, because they can keep the same strategy in place when they change from the super fund to the income stream.

It's important to periodically review your investment strategy to ensure it is appropriate for your personal circumstances.

5. HOW WE INVEST YOUR MONEY

You can determine your own investment strategy by choosing which investment option or mix of options you would like to invest your super in.

Prime Super offers members a choice of nine different investment options, made up of four pre-mixed options and five sector options.

Pre-mixed options	Sector options
Default	Australian shares
Managed growth	International shares
Conservative	Property
Target return	Fixed interest
	Cash

This section provides general information you should consider when establishing your investment strategy. It is general information only and may not be relied on as personal advice.

To speak to someone about which investment option or mix of options is best suited to your needs please contact us on **1800 675 839**.

Prime Super's investment approach

Our main objective is to maximise members' investment returns to provide for their retirement. To achieve this we utilise a Two Portfolio approach. This means we split our investments across two distinct investment portfolios – the Market Return Portfolio and the Target Return Portfolio. This sets us apart from the majority of our competitors and we believe this allows us to be well placed to take advantage of future gains but offers some protection against future lows.

Market Return Portfolio

The Market Return Portfolio invests across a range of diverse, listed asset classes:

- Australian and international shares;
- property;
- fixed interest; and
- cash.

Each is linked to the performance of the sharemarket and is measured against universal benchmarks. Returns are vulnerable to the usual market fluctuations.

This portfolio allows investors to build wealth over the long-term and limits investment risk through diversification within asset classes.

Target Return Portfolio

The Target Return Portfolio invests in unlisted alternative investments such as infrastructure, direct property, private equity, hedge funds, timber production and collateralised debt obligations. Some investments are so diverse in nature that they may sit across two or more of these categories.

Because these investments aren't tied to movements in the sharemarket, the assets can often help cushion members' returns against short-term market fluctuations.

The portfolio seeks a higher rate of return in exchange for the higher risks involved in its investment strategy. However the Trustee seeks to manage this increased risk by diversifying the portfolio across a number of different individual investments and types of investments.

Full details on how each investment option is managed are contained in the Prime Super Investment Policy Statement. This document is available to members on request by calling **1800 675 839**.

How do I select or change my investment strategy?



When you join the Fund you can choose which investment option or mix of options to invest in when you complete the *Retirement income streams – Member application form* (attached to the *Short-Form PDS*).

Once you make a choice, you are not locked into a particular investment option. You can switch between investment options or change your investment allocation at any time, provided that you choose whole percentages.

You can make a switch:



online at **www.primesuper.com.au** if you have an online member services account; or



over the telephone by calling us on **1800 675 839**; or



by completing a *Retirement income streams – Investment choice form* – enclosed with this brochure and available to download from our website at **www.primesuper.com.au**

The first switch in any calendar year is **free of charge**, with each subsequent switch in that year attracting a \$60 switching fee. Switches take effect on the first day of the month after we receive your request but may not appear on your online account until after all investment returns for the previous month have been applied.

Example

If we receive your *Retirement income streams – Investment choice form* on 25 February, the switch will be effective from 1 March. But it won't show on your account until all February returns are applied (which may be up to 15 business days later).

What happens if I don't choose an option?

If you don't make an investment choice you will be placed in the Default option. As the majority of our members are quite young with many years until retirement, our Default option contains a higher weighting to growth assets than most typical default options. This may therefore not be appropriate for you given you are nearing retirement.

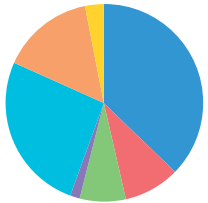
Failing to choose an investment strategy that is appropriate to your circumstances and preferences can be a significant investment risk.

Investment options

All members have access to a range of investment options. You can choose any combination of these options, and can direct future contributions (if eligible) into the same options or a different combination of options.

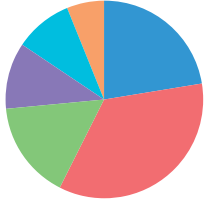
Pre-mixed options

Default

Risk	Medium – High																																																			
Overview	For members who seek moderate to high returns over the medium to long-term and are prepared to accept some fluctuation in returns over the short-term. This option invests in a diversified range of investments.																																																			
Investment objective	To outperform (after tax and investment expenses) CPI by at least 4% over the medium-term. To limit the likelihood of a negative return to approximately four in 20 years.																																																			
Time horizon	Five or more years																																																			
Target asset allocation	 <ul style="list-style-type: none"> ■ Target Return Portfolio ■ International shares ■ Overseas fixed interest ■ Cash ■ Australian shares ■ Australian fixed interest ■ Emerging markets 																																																			
Investment mix	<table border="1"> <thead> <tr> <th>Asset class</th> <th>Ranges %</th> <th>Target %*</th> </tr> </thead> <tbody> <tr> <td colspan="3">Target Return Portfolio</td> </tr> <tr> <td>Property</td> <td>0.0 - 20.0</td> <td>-</td> </tr> <tr> <td>Private equity</td> <td>0.0 - 15.0</td> <td>-</td> </tr> <tr> <td>Natural resources</td> <td>0.0 - 5.0</td> <td>-</td> </tr> <tr> <td>Credit opportunities</td> <td>0.0 - 10.0</td> <td>-</td> </tr> <tr> <td>Infrastructure</td> <td>0.0 - 20.0</td> <td>-</td> </tr> <tr> <td></td> <td></td> <td>37.5</td> </tr> <tr> <td colspan="3">Market Return Portfolio</td> </tr> <tr> <td>Cash</td> <td>0.5 - 30.0</td> <td>6.5</td> </tr> <tr> <td>Australian fixed interest</td> <td>0.0 - 15.0</td> <td>7.5</td> </tr> <tr> <td>Overseas fixed interest</td> <td>0.0 - 15.0</td> <td>1.5</td> </tr> <tr> <td>Australian shares</td> <td>5.0 - 40.0</td> <td>25.5</td> </tr> <tr> <td>International shares</td> <td>5.0 - 35.0</td> <td>16.5</td> </tr> <tr> <td>Emerging markets</td> <td>0.0 - 10.0</td> <td>5.0</td> </tr> <tr> <td></td> <td></td> <td>62.5</td> </tr> <tr> <td></td> <td>Total</td> <td>100.0</td> </tr> </tbody> </table>	Asset class	Ranges %	Target %*	Target Return Portfolio			Property	0.0 - 20.0	-	Private equity	0.0 - 15.0	-	Natural resources	0.0 - 5.0	-	Credit opportunities	0.0 - 10.0	-	Infrastructure	0.0 - 20.0	-			37.5	Market Return Portfolio			Cash	0.5 - 30.0	6.5	Australian fixed interest	0.0 - 15.0	7.5	Overseas fixed interest	0.0 - 15.0	1.5	Australian shares	5.0 - 40.0	25.5	International shares	5.0 - 35.0	16.5	Emerging markets	0.0 - 10.0	5.0			62.5		Total	100.0
Asset class	Ranges %	Target %*																																																		
Target Return Portfolio																																																				
Property	0.0 - 20.0	-																																																		
Private equity	0.0 - 15.0	-																																																		
Natural resources	0.0 - 5.0	-																																																		
Credit opportunities	0.0 - 10.0	-																																																		
Infrastructure	0.0 - 20.0	-																																																		
		37.5																																																		
Market Return Portfolio																																																				
Cash	0.5 - 30.0	6.5																																																		
Australian fixed interest	0.0 - 15.0	7.5																																																		
Overseas fixed interest	0.0 - 15.0	1.5																																																		
Australian shares	5.0 - 40.0	25.5																																																		
International shares	5.0 - 35.0	16.5																																																		
Emerging markets	0.0 - 10.0	5.0																																																		
		62.5																																																		
	Total	100.0																																																		

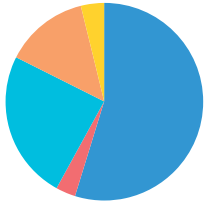
*There is no specific target in each of the asset classes in the Target Return Portfolio due to the illiquid market in which these assets are sourced. Furthermore, flexibility is required so that attractive investment opportunities can be added to the Target Return Portfolio when they present themselves.

Conservative

Risk	Low – Medium																																																			
Overview	For members who value security over returns. This option invests primarily in defensive assets with the aim of protecting the value of a member's net investment.																																																			
Investment objective	To outperform (after tax and investment expenses) CPI by at least 3% p.a. over the medium-term. To limit the likelihood of a negative return to approximately two in 20 years.																																																			
Time horizon	Three or more years																																																			
Target asset allocation	 <ul style="list-style-type: none"> ■ Target Return Portfolio ■ International shares ■ Overseas fixed interest ■ Cash ■ Australian shares ■ Australian fixed interest 																																																			
Investment mix	<table border="1"> <thead> <tr> <th>Asset class</th> <th>Ranges %</th> <th>Target %*</th> </tr> </thead> <tbody> <tr> <td colspan="3">Target Return Portfolio</td> </tr> <tr> <td>Property</td> <td>0.0 - 15.0</td> <td>-</td> </tr> <tr> <td>Private equity</td> <td>0.0 - 12.0</td> <td>-</td> </tr> <tr> <td>Natural resources</td> <td>0.0 - 4.0</td> <td>-</td> </tr> <tr> <td>Credit opportunities</td> <td>0.0 - 8.0</td> <td>-</td> </tr> <tr> <td>Infrastructure</td> <td>0.0 - 15.0</td> <td>-</td> </tr> <tr> <td></td> <td></td> <td>22.5</td> </tr> <tr> <td colspan="3">Market Return Portfolio</td> </tr> <tr> <td>Cash</td> <td>20.0 - 50.0</td> <td>31.0</td> </tr> <tr> <td>Australian fixed interest</td> <td>5.0 - 25.0</td> <td>23.0</td> </tr> <tr> <td>Overseas fixed interest</td> <td>5.0 - 25.0</td> <td>7.5</td> </tr> <tr> <td>Australian shares</td> <td>0.0 - 20.0</td> <td>10.0</td> </tr> <tr> <td>International shares</td> <td>0.0 - 20.0</td> <td>6.0</td> </tr> <tr> <td>Emerging markets</td> <td>0.0 - 0.0</td> <td>0.0</td> </tr> <tr> <td></td> <td></td> <td>77.5</td> </tr> <tr> <td></td> <td>Total</td> <td>100.0</td> </tr> </tbody> </table>	Asset class	Ranges %	Target %*	Target Return Portfolio			Property	0.0 - 15.0	-	Private equity	0.0 - 12.0	-	Natural resources	0.0 - 4.0	-	Credit opportunities	0.0 - 8.0	-	Infrastructure	0.0 - 15.0	-			22.5	Market Return Portfolio			Cash	20.0 - 50.0	31.0	Australian fixed interest	5.0 - 25.0	23.0	Overseas fixed interest	5.0 - 25.0	7.5	Australian shares	0.0 - 20.0	10.0	International shares	0.0 - 20.0	6.0	Emerging markets	0.0 - 0.0	0.0			77.5		Total	100.0
Asset class	Ranges %	Target %*																																																		
Target Return Portfolio																																																				
Property	0.0 - 15.0	-																																																		
Private equity	0.0 - 12.0	-																																																		
Natural resources	0.0 - 4.0	-																																																		
Credit opportunities	0.0 - 8.0	-																																																		
Infrastructure	0.0 - 15.0	-																																																		
		22.5																																																		
Market Return Portfolio																																																				
Cash	20.0 - 50.0	31.0																																																		
Australian fixed interest	5.0 - 25.0	23.0																																																		
Overseas fixed interest	5.0 - 25.0	7.5																																																		
Australian shares	0.0 - 20.0	10.0																																																		
International shares	0.0 - 20.0	6.0																																																		
Emerging markets	0.0 - 0.0	0.0																																																		
		77.5																																																		
	Total	100.0																																																		

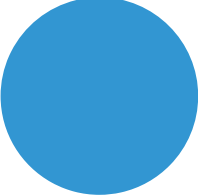
*There is no specific target in each of the asset classes in the Target Return Portfolio due to the illiquid market in which these assets are sourced. Furthermore, flexibility is required so that attractive investment opportunities can be added to the Target Return Portfolio when they present themselves.

Managed growth

Risk	Medium – High																																																			
Overview	For members who seek moderate to high returns over the medium to long-term and are prepared to accept some fluctuation in returns over the short-term. This option has a higher exposure to alternative investments including infrastructure and property investments, than the Default option.																																																			
Investment objective	To outperform (after tax and investment expenses) CPI by at least 5% over the medium-term. To limit the likelihood of a negative return to approximately five in 20 years.																																																			
Time horizon	Six or more years																																																			
Target asset allocation	 <ul style="list-style-type: none"> ■ Target Return Portfolio ■ International shares ■ Overseas fixed interest ■ Emerging markets ■ Cash ■ Australian shares ■ Australian fixed interest 																																																			
Investment mix	<table border="1"> <thead> <tr> <th>Asset class</th> <th>Ranges %</th> <th>Target %*</th> </tr> </thead> <tbody> <tr> <td colspan="3">Target Return Portfolio</td> </tr> <tr> <td>Property</td> <td>0.0 - 37.0</td> <td>-</td> </tr> <tr> <td>Private equity</td> <td>0.0 - 28.0</td> <td>-</td> </tr> <tr> <td>Natural resources</td> <td>0.0 - 10.0</td> <td>-</td> </tr> <tr> <td>Credit opportunities</td> <td>0.0 - 19.0</td> <td>-</td> </tr> <tr> <td>Infrastructure</td> <td>0.0 - 37.0</td> <td>-</td> </tr> <tr> <td></td> <td></td> <td>50.0</td> </tr> <tr> <td colspan="3">Market Return Portfolio</td> </tr> <tr> <td>Cash</td> <td>0.0 - 10.0</td> <td>3.0</td> </tr> <tr> <td>Australian fixed interest</td> <td>0.0 - 0.0</td> <td>3.5</td> </tr> <tr> <td>Overseas fixed interest</td> <td>0.0 - 0.0</td> <td>0.0</td> </tr> <tr> <td>Australian shares</td> <td>10.0 - 30.0</td> <td>22.0</td> </tr> <tr> <td>International shares</td> <td>10.0 - 30.0</td> <td>15.0</td> </tr> <tr> <td>Emerging markets</td> <td>0.0 - 10.0</td> <td>6.5</td> </tr> <tr> <td></td> <td></td> <td>50.0</td> </tr> <tr> <td></td> <td>Total</td> <td>100.0</td> </tr> </tbody> </table>	Asset class	Ranges %	Target %*	Target Return Portfolio			Property	0.0 - 37.0	-	Private equity	0.0 - 28.0	-	Natural resources	0.0 - 10.0	-	Credit opportunities	0.0 - 19.0	-	Infrastructure	0.0 - 37.0	-			50.0	Market Return Portfolio			Cash	0.0 - 10.0	3.0	Australian fixed interest	0.0 - 0.0	3.5	Overseas fixed interest	0.0 - 0.0	0.0	Australian shares	10.0 - 30.0	22.0	International shares	10.0 - 30.0	15.0	Emerging markets	0.0 - 10.0	6.5			50.0		Total	100.0
Asset class	Ranges %	Target %*																																																		
Target Return Portfolio																																																				
Property	0.0 - 37.0	-																																																		
Private equity	0.0 - 28.0	-																																																		
Natural resources	0.0 - 10.0	-																																																		
Credit opportunities	0.0 - 19.0	-																																																		
Infrastructure	0.0 - 37.0	-																																																		
		50.0																																																		
Market Return Portfolio																																																				
Cash	0.0 - 10.0	3.0																																																		
Australian fixed interest	0.0 - 0.0	3.5																																																		
Overseas fixed interest	0.0 - 0.0	0.0																																																		
Australian shares	10.0 - 30.0	22.0																																																		
International shares	10.0 - 30.0	15.0																																																		
Emerging markets	0.0 - 10.0	6.5																																																		
		50.0																																																		
	Total	100.0																																																		

*There is no specific target in each of the asset classes in the Target Return Portfolio due to the illiquid market in which these assets are sourced. Furthermore, flexibility is required so that attractive investment opportunities can be added to the Target Return Portfolio when they present themselves.


Target Return

Risk	Medium – High																																																					
Overview	For members who seek strong returns over the long-term and are prepared to accept a higher level of risk to achieve this. This option invests primarily in unlisted assets and as such investment performance is not expected to closely follow listed share markets.																																																					
Investment objective	To outperform (after tax and investment expenses) CPI by 7% over the long-term. To limit the likelihood of a negative return to approximately five in 20 years.																																																					
Time horizon	Six or more years																																																					
Target asset allocation	 <p>■ Target Return Portfolio</p>																																																					
Investment mix	<table border="1"> <thead> <tr> <th>Asset class</th> <th>Ranges %</th> <th>Target %*</th> </tr> </thead> <tbody> <tr> <td colspan="3">Target Return Portfolio</td> </tr> <tr> <td>Property</td> <td>0.0 - 67.0</td> <td>-</td> </tr> <tr> <td>Private equity</td> <td>0.0 - 50.0</td> <td>-</td> </tr> <tr> <td>Natural resources</td> <td>0.0 - 17.0</td> <td>-</td> </tr> <tr> <td>Credit opportunities</td> <td>0.0 - 34.0</td> <td>-</td> </tr> <tr> <td>Infrastructure</td> <td>0.0 - 67.0</td> <td>-</td> </tr> <tr> <td></td> <td></td> <td>100.0</td> </tr> <tr> <td colspan="3">Market Return Portfolio</td> </tr> <tr> <td>Cash</td> <td>0.0 - 0.0</td> <td>0.0</td> </tr> <tr> <td>Australian fixed interest</td> <td>0.0 - 0.0</td> <td>0.0</td> </tr> <tr> <td>Overseas fixed interest</td> <td>0.0 - 0.0</td> <td>0.0</td> </tr> <tr> <td>Australian shares</td> <td>0.0 - 0.0</td> <td>0.0</td> </tr> <tr> <td>International shares</td> <td>0.0 - 0.0</td> <td>0.0</td> </tr> <tr> <td>Emerging markets</td> <td>0.0 - 0.0</td> <td>0.0</td> </tr> <tr> <td></td> <td></td> <td>0.0</td> </tr> <tr> <td></td> <td>Total</td> <td>100.0</td> </tr> </tbody> </table>			Asset class	Ranges %	Target %*	Target Return Portfolio			Property	0.0 - 67.0	-	Private equity	0.0 - 50.0	-	Natural resources	0.0 - 17.0	-	Credit opportunities	0.0 - 34.0	-	Infrastructure	0.0 - 67.0	-			100.0	Market Return Portfolio			Cash	0.0 - 0.0	0.0	Australian fixed interest	0.0 - 0.0	0.0	Overseas fixed interest	0.0 - 0.0	0.0	Australian shares	0.0 - 0.0	0.0	International shares	0.0 - 0.0	0.0	Emerging markets	0.0 - 0.0	0.0			0.0		Total	100.0
Asset class	Ranges %	Target %*																																																				
Target Return Portfolio																																																						
Property	0.0 - 67.0	-																																																				
Private equity	0.0 - 50.0	-																																																				
Natural resources	0.0 - 17.0	-																																																				
Credit opportunities	0.0 - 34.0	-																																																				
Infrastructure	0.0 - 67.0	-																																																				
		100.0																																																				
Market Return Portfolio																																																						
Cash	0.0 - 0.0	0.0																																																				
Australian fixed interest	0.0 - 0.0	0.0																																																				
Overseas fixed interest	0.0 - 0.0	0.0																																																				
Australian shares	0.0 - 0.0	0.0																																																				
International shares	0.0 - 0.0	0.0																																																				
Emerging markets	0.0 - 0.0	0.0																																																				
		0.0																																																				
	Total	100.0																																																				

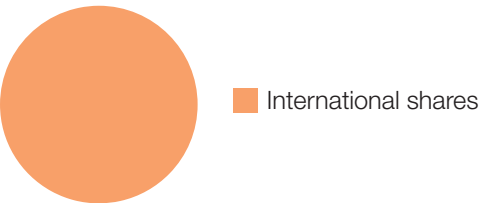
*There is no specific target in each of the asset classes in the Target Return Portfolio due to the illiquid market in which these assets are sourced. Furthermore, flexibility is required so that attractive investment opportunities can be added to the Target Return Portfolio when they present themselves.

Sector options

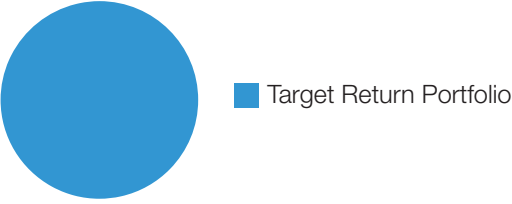
Australian shares

Risk	High
Overview	For members who seek strong returns over the long-term and are prepared to accept a higher level of risk to achieve this. This option invests in Australian listed companies and returns are expected to vary significantly year to year.
Investment objective	To achieve a return (before tax and investment expenses) broadly in line with the ASX 300 Accumulation Index. To limit the likelihood of a negative return to approximately seven in 20 years.
Time horizon	Seven or more years
Target asset allocation	 <p>A pie chart illustrating the target asset allocation for Australian shares. It consists of a single solid blue circle, indicating that 100% of the target asset allocation is invested in Australian shares. A legend to the right of the circle shows a blue square followed by the text 'Australian shares'.</p>

International shares

Risk	High
Overview	For members who seek strong returns over the long-term and are prepared to accept a higher level of risk to achieve this. This option invests in international listed companies and returns, which are subject to foreign exchange risks, are expected to vary significantly year to year.
Investment objective	To receive a pre-hedged return (before tax and investment expenses) broadly in line with the MSCI World ex Australia Index. To limit the likelihood of a negative return to approximately seven in 20 years.
Time horizon	Seven or more years
Target asset allocation	 <p>A pie chart illustrating the target asset allocation for International shares. It consists of a single solid orange circle, indicating that 100% of the target asset allocation is invested in International shares. A legend to the right of the circle shows an orange square followed by the text 'International shares'.</p>

Property

Risk	Medium – High
Overview	For members who have a preference for seeking moderate to high returns through investing in property. Investment is via listed and unlisted property vehicles.
Investment objective	To outperform (after tax and investment expenses) CPI by at least 6% over the long-term. To limit the likelihood of a negative return to approximately five in 20 years.
Time horizon	Six or more years
Target asset allocation	 <p>A pie chart illustrating the target asset allocation for the Property option. It consists of a single solid blue circle, indicating that 100% of the target asset allocation is invested in the Target Return Portfolio. A legend to the right of the circle shows a blue square followed by the text 'Target Return Portfolio'.</p> <p>The Property option is invested in the Property component of the Target Return Portfolio</p>

Fixed interest

Risk	Low – Medium
Overview	For members who seek moderate returns for a low level of risk. This option invests in domestic and international fixed interest securities. Losses however are still likely to occur over some periods.
Investment objective	To achieve a rate of return (before tax and investment expenses) broadly in line with major Australian and international bond indices. To limit the likelihood of a negative return to approximately one in 20 years.
Time horizon	One or more years
Target asset allocation	<p> ■ Overseas fixed interest ■ Australian fixed interest </p>

Cash

Risk	Low
Overview	For members who place the security of their assets over returns. This option invests solely in short-term, low risk money market securities and is expected to produce returns that are moderately higher than inflation.
Investment objective	To match the UBS Australian Bank Bill Index (before tax and investment expenses). To limit the likelihood of a negative return to approximately one in 50 years.
Time horizon	Any time period
Target asset allocation	<p> ■ Cash </p>

More information on investments

Derivatives

The Trustee may directly buy or sell derivative instruments and permits investment managers to use them. However, derivative investments may not be used by the Trustee or investment managers for speculative purposes. The use of derivatives is monitored and a risk management plan has been prepared by the Trustee that limits the use of derivatives to reducing costs, hedging, arbitrage and other defensive purposes.

Investment reviews

We periodically review our investment options. The investment mix for any investment option can change from time to time because of these reviews and may deviate from the asset allocations shown if we consider it prudent to do so. Information on current investment allocations is available online or by calling us on **1800 675 839**.

Investment managers

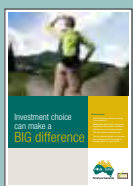
The Fund uses a number of investment managers to manage the assets of each investment option. This is intended to reduce investment volatility. The Trustee may remove or appoint new investment managers at any time. You can obtain information about current investment managers online or by calling us on **1800 675 839**.

Other considerations

We do not take labour standards, environmental, social or ethical considerations into account in the selection or retention of investments, except as they relate to the Fund's overall intention to act legally, act in the best interests of members and deal with parties who, to the best of our knowledge, are reputable organisations.

Your questions answered

A brochure cannot contain all the information that every member might like to know about an investment in the Fund. If you would like additional information, please call us on **1800 675 839**.



Alternatively, read the *Investment choice can make a BIG difference* guide.

This guide can be downloaded from our website at www.primesuper.com.au or call us on **1800 675 839** to obtain a free copy.

6. FEES AND COSTS

This section shows fees and other costs that you may be charged. These fees and costs may be deducted from:

- your member account;
- the returns on your investment; or
- the Fund assets as a whole.

Taxes are set out in another section of this brochure. You should read all of the information about fees and costs because it is important to understand their impact on your investment.

Fee	Amount	How and when paid
Fees when your money moves in and out of the Fund		Note: None of these fees are negotiable
Establishment fee The fee to open your account	Nil	n/a
Contribution fee (entry fee) The fee on each amount contributed into your account either by you or your employer	Nil	n/a
Withdrawal fee The fee on each amount you take out of your account	\$70 for the first withdrawal \$35 for subsequent withdrawals	Is charged to your account in the Fund when a full or partial withdrawal is processed unless the payment is a retirement, death, total and permanent disability, compassionate or hardship benefit payment
Termination fee The fee to close your account	Nil	n/a

Management costs																				
The fees and costs for managing members' investments	<p>A member fee of:</p> <ul style="list-style-type: none"> • \$1.00 per week (\$52.00 p.a.), and • 0.5% p.a. of your account balance to \$100,000, then nil on amounts over \$100,000, is charged together with: • a percentage of your account balance which depends on the investment option chosen as shown below: <p>Investment option ICR cost¹ (where applicable PBFs are included in the ICR cost²):</p> <table border="1"> <tr> <td>Default</td> <td>0.68% p.a. (includes a PBF of 0.13%)</td> </tr> <tr> <td>Managed Growth</td> <td>0.83% p.a. (includes a PBF of 0.11%)</td> </tr> <tr> <td>Conservative</td> <td>0.48% p.a. (includes a PBF of 0.05%)</td> </tr> <tr> <td>Target Return</td> <td>1.04% p.a. (includes a PBF of 0.02%)</td> </tr> <tr> <td>Australian shares</td> <td>0.38% p.a. (includes a PBF of 0.14%)</td> </tr> <tr> <td>International shares</td> <td>0.80% p.a. (includes a PBF of 0.40%)</td> </tr> <tr> <td>Property</td> <td>1.79% p.a. (no PBF was paid)</td> </tr> <tr> <td>Fixed Interest</td> <td>0.28% p.a. (no PBF was paid)</td> </tr> <tr> <td>Cash</td> <td>0.22% p.a. (no PBF was paid)</td> </tr> </table>	Default	0.68% p.a. (includes a PBF of 0.13%)	Managed Growth	0.83% p.a. (includes a PBF of 0.11%)	Conservative	0.48% p.a. (includes a PBF of 0.05%)	Target Return	1.04% p.a. (includes a PBF of 0.02%)	Australian shares	0.38% p.a. (includes a PBF of 0.14%)	International shares	0.80% p.a. (includes a PBF of 0.40%)	Property	1.79% p.a. (no PBF was paid)	Fixed Interest	0.28% p.a. (no PBF was paid)	Cash	0.22% p.a. (no PBF was paid)	<p>The Member fee is deducted on the last working day of each month, except if you are leaving the Fund, in which case it is applied immediately.</p> <p>The component of the Member fee based on your account balance for a 12-month period is capped at \$552 (\$100,000 x 0.5% = \$500 plus \$52.00).</p>
Default	0.68% p.a. (includes a PBF of 0.13%)																			
Managed Growth	0.83% p.a. (includes a PBF of 0.11%)																			
Conservative	0.48% p.a. (includes a PBF of 0.05%)																			
Target Return	1.04% p.a. (includes a PBF of 0.02%)																			
Australian shares	0.38% p.a. (includes a PBF of 0.14%)																			
International shares	0.80% p.a. (includes a PBF of 0.40%)																			
Property	1.79% p.a. (no PBF was paid)																			
Fixed Interest	0.28% p.a. (no PBF was paid)																			
Cash	0.22% p.a. (no PBF was paid)																			
Service fees																				
Investment switching fee The fee for changing investment options	<p>Nil for the first switch in any year, \$60 for any subsequent switch in the year.</p>	<p>Deducted from your account balance at the time the switch is processed.</p>																		

1 ICR means Indirect Cost Ratio. ICR figures provided for all investment options are calculated as at 30 June 2011. Please see the explanation on Investment option ICR in the 'Additional explanation of fees and costs' section.

2 PBF means Performance Bonus Fee. PBF figures provided for all investment options are calculated as at 30 June 2011.

Additional explanation of fees and costs

Investment switch fees

If you make more than one switch during a single calendar year you will be charged \$60 for each additional switch.

Family law fees

Fees apply for processing Requests For Information (RFI) and Payment Splits under the *Family Law Act 1975 (Cth)*. Fees may vary depending upon the difficulty of the request/split or the content of the court order/agreement and members will be notified in advance of any fees being charged. The fee normally charged to process a RFI is \$110.00 and is charged to the party making the request. The fee normally charged to process a Payment Split is \$90.00 and is divided equally between the parties involved.

Unused fees

Fees charged are paid into the administration reserve and used to pay current costs. Any fees deducted that are not needed to pay current costs are applied to the benefit of members at the Trustee's discretion. More information on reserves can be found in the *Management of the Fund* section of this brochure.

Government taxes and charges

Applicable Government taxes and charges will be deducted from your account. These deductions will be shown on your annual member statement or benefit payment statement when you leave the Fund. Please see the *How super is taxed* section of this brochure for more information.

Where it is possible to do so, the benefits of any tax deductions are applied for the benefit of members of the Fund, in the form of reduced fees or costs or higher net earnings.

Commissions to financial planners

The Trustee **does not** pay commissions to financial planners. If a member chooses, they may have a financial plan prepared in relation to their super interest in the Fund for a fee paid from their member account. Payment of the fee is conditional on the advice being confined to the member's relevant super interests.

Due to legal restrictions on when a Trustee may agree to pay a fee for financial planning, the Trustee does not undertake that it will agree to pay this same fee to a financial planner other than Industry Fund Financial Planning - but will consider a request to do so from a member.

Investment option ICR

Indirect Cost Ratio (ICR) is the ratio of indirect management costs to the Fund's total average net assets. Indirect management costs are those which are not deducted directly from member accounts. Rather, they are costs deducted from the Fund's overall investment earnings before earning rates to be credited to member accounts, are declared. ICRs for the investment options offered are shown in the table on the previous page. ICR includes:

- the costs of investment management such as investment manager base fees and Performance Bonus Fees (PBF) sometimes paid to some investment managers; and
- other expenses that are not met from fees deducted from members.

The ICR can change from year to year depending upon:

- fund size;
- investment manager performance; and
- other variables.

ICR figures include PBFs that may become payable to some investment managers from time to time. The PBF is determined as a percentage of the manager's return achieved in excess of the specified target rate for the manager over an agreed period. Therefore, the PBF only applies when the manager performs greater than the specified target. Basically, the PBFs vary according to the amount of out-performance achieved by each applicable investment manager and the weighting of that investment manager in the relevant investment option.

Important note

The PBFs are not additional costs - they are included in the ICR figures. Basically, the ICR represents the cost of making and holding investments. The ICR is not charged to your member account.

Unusual and complex requests

In some unusual circumstances, the provision of information that requires the application of a particularly unusual or complex process or procedure may be subject to a charge. If this occurs you will be advised of the charge before it is incurred. Information about the Fund, Trustee and benefits is normally provided free to participating employers and members.

Increases or alterations in fees

Fees disclosed in this brochure will not be increased or altered without providing members with at least 30 days written notice. In addition to the fees outlined in this section, the Trustee may also pay the following out of the Fund:

- any new, special, unexpected or increased tax, fee or levy required by the Government or a government regulator;
- any new, special, unexpected or increased cost passed on by a service provider; and
- any additional cost deemed necessary or appropriate by the Trustee for the proper operation of the Fund.

Where these are not met by fees charged to members, they will be reflected in ICR calculations.

7. HOW SUPER IS TAXED

Contributions into super

Please note

Contributions can only be made into the super component of a TTR income stream account. If you establish an allocated income stream, you can no longer make any form of contribution into your account.

Tax payable on contributions are paid out of contributions when they are received by the Fund before they are allocated to a member's account.

Key rules for concessional contributions

Some special rules apply to the excess concessional contributions tax (ECCT) i.e. the excess tax you pay on concessional contributions above the cap:

- if super benefits are transferred from an overseas scheme the Fund can pay any tax liability and the transfer amount is excluded from the concessional contributions cap. Members wishing to transfer amounts from overseas schemes should seek professional tax advice from a qualified practitioner; and
- people who are self-employed and wish to claim a tax deduction for concessional contributions are required to complete and lodge a *Deduction for personal super contributions form (NAT 71121)* to the ATO.

Key rules for non-concessional contributions

Certain types of contribution are excluded from the non-concessional contributions cap (NCCC), including:

- small business capital gains tax exemptions up to a life time limit of \$1 million;
- the Government co-contribution; and
- qualifying permanent disability payments.

Government co-contributions

If you're a low to middle income earner, you may be entitled to receive a super co-contribution from the Government. To qualify, you must earn below a specified amount (for the current thresholds, please visit www.ato.gov.au/super) and make personal contributions from your after-tax income. Salary sacrifice contributions are ineligible for co-contributions.

The co-contribution scheme also includes self-employed people who earn no more than 10% of their assessable income from wages or salary.

Co-contributions *do not* count towards your NCCC.

Eligibility for a co-contribution is determined by the ATO and it will advise you of the amount of any co-contribution you may be entitled to. Payments of co-contributions to Prime Super by the ATO may not always be timely and you should contact the ATO for more information on the timing of your co-contribution payment.

Spouse contributions

If you make contributions to your spouse's super account on their behalf, you may be entitled to the spouse tax offset. The offset is subject to the following provisions:

- your spouse is under age 65;
- the contribution is made to a complying super fund;
- you did not claim a tax deduction on the contributions;
- both you and your spouse are residents of Australia at the time contributions are made (and were not living separately on a permanent basis); and your spouse's assessable income is less than \$13,800.

The rebate is currently 18% of contributions up to \$3,000 to a maximum rebate of \$540. The rebate is reduced by \$1 for every \$1 the eligible spouse's assessable income is above \$10,800 and is capped at \$13,800. Reportable fringe benefits are included in the calculation of an eligible spouse's income.

Contribution splitting

You can split certain super contributions made during a financial year with your spouse. This allows your spouse to accumulate their own super, even if they have a low income or are not working.

Not all types of contributions can be split and the rules have changed over time. Generally you are only allowed to split employer contributions (including salary sacrificed contributions) or if you are self-employed, any personal contributions that you are going to claim a tax deduction for. For a full list of contributions that can be split and the limits that apply to contribution splitting, please call us on **1800 675 839** or the ATO on **13 10 20**.

Super contributions surcharge

The Government scrapped the super surcharge for new contributions received after 30 June 2005.

However, surcharge tax assessments relating to past periods may be received by the Fund for some members. If this is the case, your benefit in Prime Super will be reduced by the value of the surcharge tax assessment. The Trustee does not calculate surcharge tax assessments. Members who wish to question a surcharge tax assessment should contact the ATO on **13 10 20**.

Different rules apply to most government super funds.



More information about your contribution options is available in the *Contributions and tax – The super advantage guide*.

Tax File Numbers (TFNs)

The Trustee is authorised by law to collect your TFN under the *Superannuation Industry (Supervision) Act 1993 (Cth)*. The Trustee will only use your TFN for lawful purposes, including identifying or finding your lost superannuation benefits, calculating tax on payments and providing information to the ATO.

These purposes may change in the future as a result of legislative change. By law, we may disclose your TFN to another super fund, when your benefits are being transferred, unless you request otherwise in writing.

It is not an offence to withhold your TFN, however if we do not have your TFN:

- we may have to pay extra income tax on contributions your employer makes for you (including any salary sacrificed contributions) and may take this extra money out of your super account; and
- we may not be able to accept some contributions.

You may provide your TFN orally or in writing (including electronically). Your annual member benefit statement shows whether you have supplied your TFN. If you have not supplied us with your TFN but would like to do so, please contact us on **1800 675 839** or update your details using our secure online member services facility.

Further tax information

For more information on how tax applies to super, go to the ATO website at **www.ato.gov.au**.

9. HOW TO OPEN AN ACCOUNT



To open a Prime Super Retirement income stream account, please complete the *Retirement income streams – Member application form* attached to the *Short-Form PDS*. You should consider which investment options suit your needs and ensure you nominate a reversionary beneficiary (or preferred beneficiaries) to receive your savings in the event of your death. By signing the application form you are confirming you have received the *Short-Form PDS* and have had an opportunity to read it.

Once we accept your membership, we will send you a member card and a welcome letter.

Other forms you should also consider completing:



Retirement income streams – Nomination of beneficiaries form: Use this form to nominate who you would like to receive your death benefit when you die. This form is enclosed with this brochure. Alternatively you can update your preferred nomination of beneficiaries online once you register for an online member services account.



Retirement income streams – Rollover your super form: If you have more than one super fund, you can use this form to transfer super savings from another fund or retirement savings account, into Prime Super. The form is enclosed with this brochure.



Retirement income streams – Investment choice form: You can use this form to change your investment options. The form is enclosed with this brochure.

All of these forms, plus many more are available online at www.primesuper.com.au or by calling us on **1800 675 839**.

Please post completed forms to:

Prime Super
Locked Bag 5103
Parramatta NSW 2124

Membership card

Your membership card contains your unique membership number. You should quote this number whenever you contact us. For TTR members, you should also show this card to each new employer so that your contributions continue to flow into Prime Super.

Contact details

Super enquiries

Mail: Prime Super
Locked bag 5103
Parramatta NSW 2124

Free call: 1800 675 839
Calling from overseas: +61 2 9374 3967
Free fax: 1800 023 662
Email: administration@primesuper.com.au
Web: www.primesuper.com.au

Trustee

Prime Super Pty Ltd
(AFSL 219723) (ABN 81 067 241 016)

Level 15
190 Queen Street
Melbourne VIC 3000
Phone: (03) 8600 9472
Fax: (03) 8600 9480
Web: www.primesuper.com.au

Administrator

Russell Employee Benefits Pty Ltd
(AFSL 220705) (ABN 70 099 865 013)

GPO Box 3279
Sydney NSW 2001
Phone: (02) 9229 5111
Web: www.russell.com

Custodian

National Australia Bank Limited
(ABN 12 004 044 937)

Level 12
500 Bourke Street
Melbourne Vic 3000
Phone: (03) 8641 1624
Fax: 1300 556 414

Asset consultant

Access Capital Advisers Pty Ltd
(ABN 42 691 431 172)

PO Box 6248
Kingston ACT 2604
Phone: (02) 6273 1222
Fax: (02) 6273 1223
Web: www.AccessCapitalAdvisers.com.au

Fund Insurer

MetLife Insurance Limited
(ABN 75 004 274 882)

GPO Box 4528
Sydney NSW 2001
Phone: 1300 134 669
Fax: 1300 131 049
Web: www.metlife.com.au

About this brochure

Information in this brochure was up to date at the time of preparation. However, information can change from time to time. If a change is considered materially adverse or there is a material alteration which would make a statement misleading or deceptive, we will notify members accordingly.

Additional information about the Fund can be obtained by:

Mail	Prime Super Locked Bag 5103 Parramatta NSW 2124	Freecall	1800 675 839
		Fax	1800 023 662
		Email	administration@primesuper.com.au
		Web	www.primesuper.com.au

The registered address of the Trustee is: **Level 15, 190 Queen Street Melbourne Victoria 3000.**

If you received this document electronically, a paper copy will be sent to you free of charge upon request.

General Advice Disclaimer

The Trustee holds an AFSL to provide general advice about the Fund and its features. In preparing this document we did not take into account any person's needs, objectives or financial situation. Before acting on information contained in this Guide you should consider whether it is appropriate for you. You may also wish to obtain independent financial advice.

Glossary

General terms

In this document, unless indicated otherwise, reference to:

Administrator means Russell Employee Benefits Pty Ltd (ABN 70 099 865 013).

Allocated income stream means the Prime Super Allocated superannuation income stream.

APRA means the Australian Prudential Regulation Authority.

ASIC means the Australian Securities and Investments Commission.

ATO means the Australian Taxation Office.

Employer means an employer who joins this Fund by registering as a participating employer.

Fund means Prime Super (ABN 60 562 335 823).

Fund manager/s means one or more investment managers appointed by the Trustee to manage the assets of the Fund.

Income Stream(s) means either or both of the Allocated income stream and the TTR income stream as the context dictates.

Member means a person who is or becomes a member of the Fund.

Prime Super account means a superannuation savings account under the Prime Super Trust Deed.

Trustee means Prime Super Pty Ltd (ABN 81 067 241 016).

TTR income stream means the Prime Super Non-Commutable allocated superannuation income stream.

Us/We/Our means the Trustee.

Investment terms

In this brochure, unless indicated otherwise, reference to:

Asset allocation means the usual mix of assets in a particular investment option. Each investment option has an asset allocation for the assets in which it invests. These may be exceeded from time to time should we consider it prudent.

Index means a measure of investment or economic performance used to set investment objectives; for example, to exceed the UBSA Warburg Bank Bill Index or Consumer Price Index (CPI).

Investment objective means the investment risk and return an investment option is intended to achieve. An investment objective can be to outperform an index.

Time horizon means the minimum time for which we believe it is prudent to invest in an investment option.

Performance means earnings (either positive or negative) credited to members after the deduction of investment fees, costs and taxes.

Contact

Phone

Freecall: **1800 675 839**

Calling from overseas: **+61 2 9374 3967**

Email

administration@primesuper.com.au

Website

www.primesuper.com.au

Postal address

Prime Super
Locked Bag 5103
Parramatta NSW 2124

Issued by the Trustee:

Prime Super Pty Ltd ABN 81 067 241 016

AFSL No. 219723 RSE Licence No. L0000 277

Prime Super ABN 60 562 335 823 RN 1000276

What is a preferred nomination?

- This is a preferred nomination only. The Trustee will take into consideration any nomination you make, however, in this case, the Trustee has final discretion in deciding who will receive your superannuation benefit when you die.
- Should be updated if your circumstances change.
- Requires no witness signatures.

SECTION 3 – ADDITIONAL INFORMATION

You can make your nomination online

To nominate your preferred beneficiary online visit www.primesuper.com.au. You will need to log on to your Member Account and complete the *Preferred nomination of beneficiaries form* online. Your preferred death benefit nomination will only become effective once we receive it and if all the required information has been provided.

Further details

If you need to make a more detailed nomination, please prepare a letter which meets all the conditions in the checklist below:

You must:

- Provide full details of your nominated beneficiaries (if you nominate your estate, record "legal personal representative").
- Clearly state the percentage of the benefit to be paid to each nominee. Percentages must be whole numbers and must add up to 100%. For example, if you split between 3 people, you may wish to show the percentages as 33%, 33% and 34%.
- Sign and date the nomination.
- Send the nomination to: **Prime Super Locked Bag 5103 Paramatta NSW 2124**

Please consider your options and circumstances carefully and seek help from a licensed financial planner before making or altering a death benefit nomination.

A reversionary beneficiary

A reversionary beneficiary must be:

- your spouse (including de facto);
- a child (including a step-child) who is:
 - under 16;
 - between 16 and 24 (inclusive) and financially dependent; or
 - has a disability; and
- another person who is cared for by you or financially dependent on you when you die, where permitted by law.

A reversionary beneficiary has much the same rights as the original beneficiary. Amongst other things they can:

- commute their income stream and be paid a lump sum;
- set their own level of payment within the limits imposed by regulation; and
- set their own investment strategy.

However, rules relating to reversionary beneficiaries can change over time and reversionary beneficiaries should seek information and advice on their rights. Generally, where a person receiving a TTR income stream dies, the reversionary beneficiary will receive an allocated income stream in its place.

Should a reversionary beneficiary die before the account is empty, the balance will pass:

- as an allocated income stream to one or more reversionary beneficiaries that they nominate;
- as a lump sum to their estate; or
- as directed or permitted by the relevant law at the time.

Preferred beneficiaries

Any beneficiary you nominate must be either your legal personal representative (i.e. the executor or administrator of your estate) or dependant at the date of your death.

If you nominate your estate or legal personal representative, your benefit will be paid according to your Will (or according to the law of your state or territory if you have no Will).

In terms of Superannuation Law, the people (dependants) that you are able to nominate to receive your Death benefit are:

- your spouse (including de facto of the same or different sex);
- your children (including biological, step and adopted children, or a child of your spouse);
- any person who is financially Dependant on you;
- any person with whom you have an interdependency relationship including:
 - any person with whom you have a close personal relationship and live with where, one or both of you also provides ongoing financial support, domestic support and personal care; and
 - any person with whom you have a close personal relationship where, because of a disability, the above requirements of living together, financial support, domestic support and personal care are not able to be satisfied.

Have you changed your name or are you signing on behalf of another person?

If you have changed your name or are signing on behalf of the applicant, you will need to provide a certified linking document. A linking document is a document that proves a relationship between two (or more) names.

The following table contains information about suitable linking documents.

Purpose	Suitable linking documents
Change of name	Marriage certificate, deed poll or change of name certificate from the Births, Deaths and Marriages Registration Office.
Signed on behalf of the applicant	Guardianship papers or Power of Attorney

Certification of personal documents

All copied pages of ORIGINAL proof of identification documents (including any linking documents) need to be certified as true copies by any individual approved to do so (see below).

The person who is authorised to certify documents must sight the original and the copy and make sure both documents are identical, then make sure all pages have been certified as true copies by writing or stamping 'certified true copy' followed by their signature, printed name, qualification (eg Justice of the Peace, Australia Post employee, etc) and date.

The following persons can certify copies of the original as **true and correct** copies. This is not a complete list. For a full list of individuals who can certify documents, go to the Prime Super website at www.primesuper.com.au:

- a Prime Super Regional Manager (RM);
- a permanent employee of Australia Post with 2 or more years of continuous service;
- a finance company officer with 2 or more years of continuous service (with one or more finance companies);
- an officer with, or authorised representative of, a holder of an Australian Financial Services Licence (AFSL), having 2 or more years continuous service with one or more licensees;
- a notary public officer;
- a police officer;
- a registrar or deputy registrar of a court;
- a Justice of the Peace;
- a person enrolled on the roll of a State or Territory Supreme Court or the High Court of Australia, as a legal practitioner;
- an Australian consular officer or an Australian diplomatic officer;
- a judge of a court;
- a magistrate; or
- a Chief Executive Officer of a Commonwealth court.

ADDITIONAL INFORMATION

WHAT HAPPENS TO MY FUTURE EMPLOYER CONTRIBUTIONS?

Using this form to transfer your benefits will not change the fund to which your employer pays your contributions (if you are still working and have a TTR account with the Fund) but may terminate your membership of the fund you are transferring your benefits **FROM**.

If you wish to change the fund into which your contributions (if applicable) are being paid, you will need to speak to your employer about choice of fund. For the appropriate forms and information about whether you are eligible to choose the fund to which your employer contributions are made, visit www.ato.gov.au/super or call the Australian Taxation Office on **13 10 20**.

THINGS YOU NEED TO CONSIDER WHEN TRANSFERRING YOUR SUPERANNUATION

When you transfer your superannuation from a fund, your entitlements under that fund may cease. You need to consider all relevant information before you make a decision to transfer your superannuation from a fund. If you ask for information, your superannuation provider must give it to you. Some of the points you may consider are:

- **Fees** – your **FROM** fund must give you information about any exit or withdrawal fees. If you are not aware of the fees that may apply, you should contact your fund for further information before completing this form. The fees could include administration fees as well as exit or withdrawal fees. Prime Super does not charge establishment or contribution fees on transfer. Differences in fees funds charge can have a significant effect on what you will have to retire on. For example a 1% increase in fees may significantly reduce your final benefit.
- **Death and disability benefits** – your **FROM** fund may insure you against death, illness or an accident which leaves you unable to return to work. If you choose to leave their fund, you may lose any insurance entitlements you have. Other funds may not offer insurance, or may require you to pass a medical examination before they cover you. When considering a new fund, you may wish to check the costs and amount of any cover offered.
- If your **FROM** fund is not a public offer fund, you may not be able to rejoin that fund.

WHAT HAPPENS IF I DO NOT QUOTE MY TFN?

Under the *Superannuation Industry (Supervision) Act 1993*, your superannuation fund is authorised to collect your TFN, which will only be used for lawful purposes.

These purposes may change in the future as a result of legislative change. The trustee of your superannuation fund may disclose your TFN to another superannuation provider, when your benefits are being transferred, unless you request in writing to the trustee of your superannuation fund 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 your superannuation fund will have the following advantages (which may not otherwise apply):

- your superannuation fund will be able to accept all types of contributions to your account(s);
- the tax on contributions to your superannuation account(s) 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.

Your TFN will otherwise remain confidential.

WHERE TO SEND THIS FORM

Once completed please return this form to us via mail, fax or email.

Mail Prime Super
Locked Bag 5103
Parramatta NSW 2124

Freecall 1800 675 839
Fax 1800 023 662
Email administration@primesuper.com.au

If you have any questions about this form or Prime Super please call us on **1800 675 839** (8.00am to 8.00pm Monday-Friday Sydney time).



Open from 8.00am to 8.00pm, Mon-Fri Sydney time
Free call: 1800 675 839 Free fax: 1800 023 662
administration@primesuper.com.au
www.primesuper.com.au

asfa member

