



## Expand Essential Super and Pension Product Disclosure Statement

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[myexpand.com.au](https://myexpand.com.au)

Issuer: IOOF Investment Management Limited ABN 53 006 695 021, AFS Licence No. 230524.

**EXPAND** Essential

This Product Disclosure Statement (PDS) has been prepared and issued by IOOF Investment Management Limited (IIML) ABN 53 006 695 021, AFSL 230524. IIML is the Trustee of the IOOF Portfolio Service Superannuation Fund (Fund), ABN 70 815 369 818. Expand Essential Super and Expand Essential Pension are superannuation and pension products forming part of the Fund. The terms 'our', 'we', 'us' and 'Trustee' in this PDS refer to IIML.

Target market determinations (TMD) have been issued by us which consider the designs of these products, including their key attributes, and describes the target market for these products. A copy of the TMD for the products within this PDS can be obtained from your financial adviser or is available at [myexpand.com.au](https://myexpand.com.au).

## About the Trustee

IIML is a part of the Insignia Financial Group comprising Insignia Financial Ltd ABN 49 100 103 722 and its related bodies corporate (Insignia Financial Group). In fulfilling its duties as trustee, IIML has investment, service and other contracts with the Insignia Financial Group of companies, further details of which are set out in the Expand Essential General Reference Guide (**General Reference Guide**).

As Insignia is a large financial institution, conflicts of interest, both real and perceived may arise. We have policies in place that contain appropriate measures to identify, document and manage conflicts.

IIML is solely responsible for the content of this PDS. This PDS was prepared by IIML based on its interpretation of the relevant legislation as at the date of issue.

Contributions made to, and investments in, Expand Essential Super and Pension do not represent assets or liabilities of IIML (other than as trustee of the Fund) or any other company or business within the group.

Neither IIML, nor any other related or associated company, the third-parties named in this PDS, service providers or the related bodies corporate of the parties mentioned, guarantee the repayment of capital or the performance or any rate of return of the investment options chosen in Expand Essential Super and Pension. Investments made into the investment options are subject to investment risks and other risks. This could involve delays in the repayment of principal and loss of income or principal invested.

IIML operates Expand Essential Super and Pension on the terms and conditions outlined in this PDS and in accordance with the Fund's Trust Deed. We may change any of the terms and conditions set out in the PDS at any time where permitted to do so under the Trust Deed and superannuation (super) law.

Where an investment option is issued by an Insignia Financial Group related entity, the fees received by the Insignia Financial Group entities are charged in accordance with the constitutions of the investment options.

Expand Essential Super and Pension are only available to persons receiving this PDS (electronically or otherwise) within Australia. We may refuse an application to join the Fund without providing reasons for the refusal. You become a member of the Fund when we accept your completed application and record you as a member.

## Investment options offered

Information relating to the investment options offered is contained in the 'Investment Options offered' section in the **General Reference Guide**.

## Updated information

The information referred to in this PDS may change from time to time. We will inform you of any significant changes that could affect you, or other significant events which may affect the information in this PDS. Any updated information that is not materially adverse may be obtained by:

- checking our website [myexpand.com.au](https://myexpand.com.au)
- emailing us at [clientfirst@myexpand.com.au](mailto:clientfirst@myexpand.com.au)
- calling us on 1800 517 124.

A paper copy of the updated information will be provided, at no additional cost to you, on request.

## Who is the Insignia Financial Group?

The Insignia Financial Group consists of Insignia Financial Ltd ABN 49 100 103 722 and its related bodies corporate. Insignia Financial Ltd is listed in the top 200 on the Australian Securities Exchange (ASX: IFL). IIML is part of the Insignia Financial Group.

As one of the largest financial services groups in Australia, with over 170 years' experience in helping Australians secure their financial independence, the Insignia Financial Group provides services to approximately 2 million clients and had approximately \$293 billion in funds under management, advice and administration (as at 30 September 2023). The 'MLC' brand represents superannuation, pension, investment and other capabilities across the Insignia Financial Group.

You can find more information about the Insignia Financial Group, director details, executive remuneration and other documents by visiting [insigniafinancial.com.au](https://insigniafinancial.com.au).

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This PDS is a summary of significant information you need to help you decide whether Expand Essential Super or Expand Essential Pension meets your needs. It includes references to additional important information contained in the **General Reference Guide**, **Expand Essential Investment Guide (Investment Guide)**, and if applicable the **Expand Super Insurance Guide (Insurance Guide)**, each of which forms part of the PDS. You should consider the PDS in its entirety before making a decision to join Expand Essential Super or Expand Essential Pension. In addition to the PDS you should consider the information contained in the Expand Essential Investment Menu (**Investment Menu**) before making a decision to invest in this product. The **Investment Menu** shows the available investment options.

The information contained in this PDS is of a general nature only and does not take into account your individual objectives, financial situation or needs. You should consider seeking advice from a financial adviser before making a decision about Expand Essential Super or Expand Essential Pension. These products are only available to persons receiving this PDS (electronically or otherwise). IML may refuse an application to join the Fund without providing reasons for the refusal.

There may be words in this PDS and guides you may not be familiar with. To help you understand these terms, we have defined them in the 'Key words explained' section of the **General Reference Guide**.

# Introducing Expand Essential Super and Pension

## Why invest in Expand Essential Super and Pension?

Expand Essential Super is a service that can help build your superannuation (super) savings in a tax-effective way.

You can convert your accumulated super from Expand Essential Super into an income stream in Expand Essential Pension once you reach your preservation age or meet another condition of release.

Expand Essential Pension provides you with a tax-effective pension in retirement. It is an account-based pension that has a pension option to suit your needs. You can choose either a Retirement phase pension or a Transition to retirement (TTR) pension. An account-based pension, otherwise known as an allocated pension, is required to make a minimum payment at least annually (maximum payments only apply to TTR pensions).

With an Expand Essential Super or Expand Essential Pension account, you can select an investment strategy using one convenient administration facility. This includes having access to:

- **Investment choice** – Expand Essential Super and Pension give you access to:
  - A range of multi-manager investment options; and
  - A Separately Managed Account (SMA) providing access to a range of SMA Model Portfolios (available from 30 March 2024).
- For further details about the investment options available please refer to the **Investment Guide** and **Investment Menu**.
- **Value for money** – A simple fee structure that includes an Administration Fee cap.
- **Full-featured online services** – Securely manage and view your account anytime via Expand Online or the Expand mobile app. You can access a range of information including your portfolio summary, performance reporting, transactions, account information and historical statements. Expand Online uses a single sign-on so that you can easily access multiple accounts. You can also update your beneficiary nomination, contact details and more.
- **Comprehensive insurance offering (Expand Essential Super only)** – choose the insurance that is right for you with a choice of insurance offerings from multiple insurers.

## Snapshot of Expand Essential Super and Pension

The following table provides a snapshot of the key features and benefits.

Investing	
Investment options <sup>1</sup>	<ul style="list-style-type: none"> <li>• A range of multi-manager and sector investment options managed by our experienced Investments team.</li> <li>• An SMA providing access to a range of SMA Model Portfolios (available from 30 March 2024).</li> </ul>
Investment strategy	When you apply for membership in Expand Essential Super or Expand Essential Pension you are required to make an investment choice as part of your application. If you have not made a decision about your future investment strategy, you can choose to invest in the Cash Account until you make another investment choice.
Cash Account	The Cash Account records all transactions related to your account.
Income preferences	The following options are available to managed investment income and income generated within your SMA Model Portfolio: <ul style="list-style-type: none"> <li>• Re-invest the income back into the same managed investment or SMA Model Portfolio (default option).</li> <li>• Retain the income in your Cash Account.</li> <li>• Choose to have your income re-invested into one or more managed investments.</li> </ul>
Options	
Superannuation account	You can take your Expand Essential Super account from job to job and through to retirement.
Retirement phase pension (Pension only)	If you have met a condition of release (such as retirement after reaching your preservation age or turning age 65) you can commence a Retirement phase pension.
Transition to retirement pension option (Pension only)	You can use the TTR pension option to commence a pension once you have reached your preservation age, regardless of your employment status.
Death benefit pension (Pension only)	You can commence a pension with the rollover of a death benefit either from another super fund or from another account within the Fund.

<sup>1</sup> A listing of all available investment options can be obtained from the **Investment Menu**.

Options continued	
Estate planning options	<p>Choose from the following estate planning options:</p> <ul style="list-style-type: none"> <li>• Non-lapsing Binding Death Benefit Nomination (Non-lapsing Binding Nomination)</li> <li>• Binding Death Benefit Nomination (Binding Nomination)</li> <li>• Non-Binding Death Benefit Nomination (Non-Binding Nomination)</li> <li>• Reversionary Pensioner (Pension only).</li> </ul> <p>Under the Non-lapsing Binding Nomination, Binding Nomination and Non-Binding Nomination options, we retain the flexibility to pay your benefit as a lump sum or pension.</p> <p>Under the Reversionary Pensioner option, we are bound to pay your remaining account balance as a continuing pension to your nominated Death Benefits Dependant after your death. However, the Reversionary Pensioner may choose to make a lump sum withdrawal rather than continue to receive pension payments.</p>
Managing your account	
Online Access	View your account 24 hours a day, seven days a week with secure access to your account via Expand Online or the Expand mobile app.
Movement between Expand Essential Super and Expand Essential Pension <sup>2</sup>	You can transfer between an Expand Essential Super and Expand Essential Pension account without selling your investment options.
Pension Payments	
Pension payment options	<p>You can choose to receive your pension payments:</p> <ul style="list-style-type: none"> <li>• fortnightly</li> <li>• monthly</li> <li>• quarterly</li> <li>• half-yearly</li> <li>• yearly.</li> </ul> <p>All pensions are reviewed annually on 1 July.</p>
Minimum amounts	
Initial contribution	<p>Super – No minimum contribution for super accounts.</p> <p>Pension – Minimum of \$10,000 per pension account.</p>
Investment options limits	<ul style="list-style-type: none"> <li>• Managed investments – no minimum applies.</li> <li>• SMA – variable by model portfolio on initial investment.</li> </ul>
Cash Account	You are required to allocate at least 1% to the Cash Account as part of your Deposit Instructions and elect a minimum percentage allocation to the Cash Account. If we are required to top-up your Cash Account, we will top-up to the lower of your dollar-based or percentage-based minimum (1% default).
Pension income	<p>Your annual pension payments are subject to a minimum level set by the Commonwealth Government.</p> <p>Annual pension payments made under a TTR option are also subject to a maximum level set by the Commonwealth Government.</p>
Lump sum withdrawals <sup>3</sup>	No minimum applies. <sup>4</sup>

2 When you move money in or out of a managed investment (including when you make a switch), you may incur a 'buy-sell spread' which is included in the unit price of the investment option you choose.

3 Commonwealth Government regulations impose restrictions on when you can make lump sum (cash) withdrawals where you have selected the TTR pension option.

4 Partial lump sum withdrawals/rollovers to external funds must maintain a remaining balance of \$6,000 plus any liabilities or \$10,000 plus any liabilities where funds are being rolled-over or transferred to accounts or products within the Insignia Financial Group.

# How does Expand Essential Super and Pension work?

## Opening your account

Expand Essential has been designed to provide you and your financial adviser with an easy online application process which includes the ability to consolidate your super, nominate beneficiaries and set up your ongoing investment strategies.

You are only able to open an Expand Essential Super or Pension account if you have a financial adviser.

## How does your Expand Essential Super account work?

Super is a means of saving for retirement that is compulsory for most people. To encourage people to save for their retirement, the Federal Government provides a range of incentives for savings in super. This means super is taxed differently to other investments and there can be significant tax advantages with using super to save for retirement. Please refer to the 'What taxes apply and how do they work?' section for more information.

There are different types of contributions that can be made into super which are outlined in the 'Contributing to your account' section of this PDS.

Generally, it's compulsory for employers to make contributions to super on behalf of their employees. Most employees have the right to choose which super fund the employer should pay those compulsory contributions into. If you have the right to choose your super fund, you can nominate your Expand Essential Super account to receive compulsory employer contributions using the 'Choice of Fund' form we provide or, you can nominate online with the Australian Taxation Office using your myGov account.

Withdrawals of money from super are generally not allowed until you retire after reaching your preservation age (a pre-determined age based on your date of birth). In retirement your super can be taken either as a lump sum or an income stream or both. Although access to your super is restricted before retirement, you can withdraw voluntary contributions to help purchase your first home under the First Home Super Saver (FHSS) scheme. Please refer to the **General Reference Guide** for further information about the FHSS scheme.

## Commencing an Expand Essential Pension account

Commencing an Expand Essential Pension is easy. As long as you have met a condition of release such as retiring after reaching your preservation age or turning age 65, you can make an initial contribution to your new Retirement phase pension and start receiving your pension straight away. Your initial contribution can include the transfer of benefits from Expand Essential Super to Expand Essential Pension.

Alternatively, if you have reached your preservation age but you have not retired, you can commence an Expand Essential Pension using the TTR option but the amount of cash you can withdraw will be limited until you tell us you retire or reach age 65.

Finally, you can transfer a death benefit from another superannuation fund or another super account within the Fund and commence a new Death benefit pension. The eligibility rules for starting a new Death benefit pension are set out in the 'Death benefit pensions' section of the **General Reference Guide**.

## What are conditions of release and how do they affect the commencement of your benefit?

Super funds can only release benefits, such as commencing a pension or paying a cash lump sum, in certain circumstances. Benefits in super are 'preserved'<sup>5</sup> until you meet a condition of release. Once you have met a condition of release, your super benefits become unrestricted non-preserved and you can commence a Retirement phase pension.

The main conditions of release are:

- permanently retiring after reaching your preservation age
- leaving employment after reaching age 60
- reaching age 65
- permanent incapacity.

Once you have reached your preservation age but have not retired, you can access your preserved benefits by commencing an Expand Essential Pension using the TTR pension option.

See the 'Accessing your super' section of the **General Reference Guide** for further information about conditions of release and preservation age.

5 Benefits that are preserved can also include restricted non-preserved benefits. Restricted non-preserved benefits have an additional condition of release which may apply, which is termination of employment with an employer who has contributed to the super fund.

## Dependants – paying benefits if you die

If you die while you are a member, super law requires we pay your Death Benefit (the remaining balance of your super or pension account) to one or more of your dependants and/or your estate.

To provide greater certainty as to who will receive your benefit in the event of your death there are four estate planning options (only one option can be selected):

- Non-lapsing Binding Death Benefit Nomination (Non-lapsing Binding Nomination).
- Binding Death Benefit Nomination (Binding Nomination).
- Non-Binding Death Benefit Nomination (Non-Binding Nomination).
- Reversionary Pensioner option (Pension accounts only).

If you do not select one of the above options, then we will pay your Death Benefit to your estate, unless your estate is insolvent or you do not have a Legal Personal Representative. Refer to the **General Reference Guide** for further information.

The most appropriate nomination will depend on your personal circumstances. Any person you nominate must be a dependant as defined by super law or your Legal Personal Representative. Dependants include your spouse, de facto spouse, same-sex partner and children (including a natural child, stepchild, adopted child or child of your spouse).

If you choose to make a Non-lapsing Binding Nomination, Binding Nomination or Non-Binding Nomination, you can nominate one or more people and allocate a percentage of your benefit between them in any proportion.

See the 'Death Benefit Nominations' section of **General Reference Guide** for further information about dependant nominations, how each nomination works and the available payment options.

# Contributing to your account

## Types of contributions

There are different types of contributions that can be made into super including:

- Compulsory employer contributions (super guarantee contributions).
- Voluntary personal contributions.
- Concessional contributions (made with before tax money, eg salary sacrifice contributions or tax deductible personal contributions).
- Non-concessional contributions (made with after tax money, eg spouse contributions or non deductible personal contributions).
- Government co-contributions.
- Downsizer contributions (made from age 55 from the proceeds of selling your home).
- Rollovers/transfers.

There are some limitations on contributions to super:

- caps on the amount that can be contributed while retaining concessional tax treatment;
- limits on the age at which you can continue to make contributions; and
- no additional non-concessional contributions are permitted if you have \$1.9 million or more in combined super and pension benefits.

## Investing your initial contribution

For new members, your initial contribution is credited first to your Cash Account. This contribution (less any nominated Member Advice Fee – Upfront<sup>6</sup> and applicable taxes) will be invested in accordance with your Deposit Instruction on your Application form.

Information on how your Cash Account balance is invested is contained in the 'Managing your account' section of the General Information Guide.

You can transfer your current investment options directly into your new account if those investment options are available in Expand Essential Super and Pension. The value of your account will not be reduced by the impact of buy-sell spreads if you maintain your investment options, nor will it create a capital gains tax event. Please note you are required to provide a Deposit Instruction as part of your application. If you have not made a decision about your investment strategy, you can choose to invest in the Cash Account until you make another investment choice.

You may also request your existing investment options be aligned (or re-weighted) to your new investment strategy.

## What can the initial contributions to the Expand Essential Pension be made up of?

We can accept a wide range of contributions to commence your pension. These are:

- Personal contributions you make yourself.
- Spouse contributions made by your spouse (legal or de facto) for your benefit.
- Downsizer contributions from the proceeds of selling your family home from age 55<sup>7</sup>.
- Transfer of super or pension benefits from other super funds, ADF's or superannuation annuities.
- Transfers from other super or pension accounts within the Fund.
- Death benefit pensions can commence with the transfer of a death benefit from another super fund or super/pension account within the Fund.

If you wish to claim a tax deduction for any personal contributions made to fund your pension, you must lodge a notice of intent to claim a tax deduction with the Fund at the same time as your Expand Essential Pension application form. Note once your pension has been commenced, we will be unable to acknowledge any notice given in respect of these contributions or vary any acknowledged amounts. If you are 67 or over you must have met the work test or work test exemption to be able to claim a deduction.

Please note, no additional contributions or transfers can be made to an existing pension account once your pension has commenced.

A new pension account and application are required if you are:

- combining pension accounts
- changing your nominated Reversionary Pensioner
- adding further contributions or transfers (including to a TTR pension).

## Are there restrictions on contributions used to commence your pension?

You can commence your pension with transfers of benefits from other super funds or other super or pension accounts within the Fund at any age. If you are making downsizer contributions, you must be at least age 55 and it is subject to a cap of \$300,000.

However, to make personal or spouse contributions, you will need to be eligible to contribute to superannuation. To be eligible to contribute to superannuation you generally must be under age 75 when you make the contribution.

<sup>6</sup> For more information regarding the Member Advice Fees available, refer to the 'Additional explanation of fees and costs' section of this document.

<sup>7</sup> Downsizer contributions are currently capped at \$300,000.



More information on making contributions to superannuation is available from the **General Reference Guide**.

Personal and spouse contributions are non-concessional contributions and the Commonwealth Government sets an annual cap on the amount of non-concessional contributions that can be made to your super each year. For 2023/24 the non-concessional contributions cap is \$110,000. If you are under age 75 on 1 July of the financial year, you may be able to bring forward the next two years' entitlements and contribute up to \$330,000.

Additionally non-concessional contributions cannot be made if your current super and pension benefits (total super balance) is already \$1.9 million or more. If your 'total super balance' is \$1.9 million or more, any new non-concessional contributions will be treated as excess contributions. For details about contribution caps and how to calculate your total super balance please refer to the **General Reference Guide**.

A Death benefit pension can only commence with the rollover or transfer of a death benefit. No other types of contributions can be added to commence the Death benefit pension, including transfers from your own super.

# Pension options explained

Expand Essential Pension is a flexible retirement product. It provides an account-based pension with a TTR pension option, increasing your financial planning alternatives as you near retirement.

## What types of account-based pension options are there?

### 1. Retirement phase pension

This is an account-based pension that is payable when you have met a condition of release and your super benefits are unrestricted non-preserved. Earnings on investments for Retirement phase pensions are tax-free. The Government sets a limit on the amount of benefits that can be transferred into Retirement phase pensions. This limit is called the transfer balance cap and is currently \$1.9 million. You can find more information about how the transfer balance cap works in the **General Reference Guide**. Retirement phase pensions are subject to a minimum annual pension payment and you can take cash lump sum withdrawals at any time.

### 2. Transition to retirement (TTR) pension

This is an account-based pension that is payable if you have reached your preservation age but you haven't met a condition of release. Earnings on investments for TTR pensions are taxable at 15 per cent. TTR pensions are subject to minimum and maximum annual pension payments and cash lump sum withdrawals are severely restricted. When you meet a condition of release (such as turning age 65), your TTR pension will become a Retirement phase pension and will then be assessed under the transfer balance cap.

### 3. Death benefit pension or Reversionary pension

A reversionary pension is the transfer of an existing pension to a nominated reversionary beneficiary on death of the primary pensioner. A Death benefit pension is a new pension that commences with the transfer of death benefits from another super fund or from another account within the fund (including the commutation of a Reversionary pension or a Death benefit pension). As earnings on investments are tax-free, Death benefit pensions and Reversionary pensions are treated as Retirement phase pensions and assessed under the recipient's transfer balance cap.

For details about how the transfer balance cap applies to Retirement phase pensions and income streams payable on death please refer to the **General Reference Guide**.

## How is the minimum annual pension calculated?

The Commonwealth Government has set a minimum annual payment that you must withdraw from your pension account each financial year based on your age. The minimum is a percentage of your account balance and is measured at commencement and on 1 July each year.

You are able to select any amount of pension payment above this minimum (unless you have a TTR pension).

If you select 'Minimum' in the 'Pension amount' section of the Application form, the minimum level of payment as per the following table will apply to your pension for the remainder of the financial year unless you notify us otherwise when submitting your application.

Age	Default minimum drawdown rates (%)
Under 65*	4
65-74	5
75-79	6
80-84	7
85-89	9
90-94	11
95 and older	14

\* This minimum also applies to payments made under the TTR pension option.

For Reversionary Pensioners, the minimum applying to the original pension applies for the remainder of the financial year. On 1 July of the year following the death of the original pensioner, the minimum pension will be calculated using the Reversionary Pensioner's age.

The percentage factor is determined by the age of the account holder on 1 July of a financial year or the date of commencement of the pension in that year as shown in the table above.

## Selecting your annual pension payments

You can nominate your annual pension payment to be:

- your age-based minimum annual payment in the table, rounded to the nearest \$10; or
- a fixed dollar amount.

Where you nominate a fixed dollar amount, which does not meet your age-based minimum annual payment, your pension will be adjusted upwards to meet the minimum.

If you have nominated a fixed dollar amount, you can also elect to automatically index your pension by the consumer price index (CPI) or a fixed percentage each year, provided the pension meets the Commonwealth Government's regulated pension payment limits.

If your needs change, you can increase or decrease your selected pension payments at any time provided they meet the minimum annual pension payment. You can request a change to your selected pension payments at any time. However, any lump sum withdrawal requests will not be treated as a change to your pension payments unless you specify otherwise.

For Reversionary Pensioners, the current pension payments will continue in your name. However, you can choose to change the current pension selection (subject to meeting the Government minimum).

Depending on your selection, your annual pension payment will change over time<sup>8</sup>. Please consult a financial adviser about how to select your required annual pension payment.

**i**

**Important note:** Your first year's pension payment amount will be reduced in proportion to the number of days between the date your pension account was established and the following 1 July, unless you request otherwise.

## Frequency of pension payments

You may elect to receive your pension payments based on one of the following frequencies:

- fortnightly
- monthly
- quarterly
- half-yearly
- yearly.

Irrespective of the frequency you select, where necessary, we will withhold any PAYG tax liability on the gross pension payment for that frequency as required by law. For more information, see 'What taxes apply and how do they work?' section in this PDS.

We will deduct the required pension payments from your Cash Account and credit them electronically to your nominated account with a financial institution. Payments can be made on any day<sup>9</sup> of the month for fortnightly, monthly, quarterly, half-yearly and yearly pension payments. We may process your pension payment earlier than the specified date to ensure it reaches your nominated financial institution on time.

If you choose an annual amount paid in fortnightly instalments, the number of payments and the payment amount you receive will vary between financial years.

Alternatively, if you choose an amount per frequency paid in fortnightly instalments, your total annual pension amount will vary based on the amount of fortnights per financial year.

## What is the Transition to retirement (TTR) pension?

### Special rules for TTR Pensions

When you reach your preservation age you can acquire an income stream under the TTR pension option without having to permanently retire, change employment or reach age 65.

A TTR pension has the following restrictions:

- A maximum of 10 per cent of the account balance may be paid to you in pension payments each financial year. This means your nominated pension payments need to be within the minimum 4 per cent and maximum 10 per cent limits.
- Cash lump sum withdrawals can only be made in very limited circumstances (see the 'Can a lump sum withdrawal be made?' section of this PDS).
- Investment earnings are taxable at 15 per cent, on the same basis as other accumulation superannuation investments.

<sup>8</sup> Depending on your investment selection, nominated level of pension payments and the amount of any lump sum withdrawals, your pension account balance may rise or fall.

<sup>9</sup> If the selected pension payment date is unavailable for any month, we'll aim to make the payment on the nearest available business day prior to the specified date. There may be delays in early July as we recalculate pensions for the new financial year.

Once you meet a condition of release, such as letting us know you have retired or turning age 65, these additional restrictions will no longer apply. In this situation, if you have been receiving the maximum pension payment, we will convert your current annual pension payment to a fixed dollar amount and continue to pay the amount of pension until you advise us otherwise. Also your TTR pension account will automatically convert to a retirement phase pension account in a tax-free investment environment and will therefore be assessed against the transfer balance cap.

### How the preservation components of your TTR pension are treated?

Your TTR pension can commence with preserved benefits, restricted non-preserved benefits and unrestricted non-preserved benefits. These components will retain their existing status on transfer into your pension. However, investment earnings will be allocated to the preserved component. Your pension payments and lump sum withdrawals will reduce each component in a prescribed order. Payments will be made first from your unrestricted non-preserved benefits, then from your restricted non-preserved benefits; and lastly, from your preserved benefits.

### Can I commence a TTR pension and also contribute to super?

You can continue to make contributions to a superannuation account while you hold a TTR pension account.

An advantage of using Expand Essential Pension for TTR purposes is that the investment option(s) you choose in your Expand Essential Super account can normally be transferred directly into your Expand Essential Pension account without being redeemed and without triggering capital gains tax if those investment options are available. On transfer, you can either retain your existing investment option(s) or provide us with new instructions to change your investments.

If you choose to transfer only part of your benefit from your Expand Essential Super account to your Expand Essential Pension account, a minimum balance of at least \$10,000 must remain in your Expand Essential Super account to allow for further contributions to be made and to meet the cost of fees and any insurance premiums. The minimum balance may be higher where greater fees and insurance premiums are required to be paid in respect to your super account.

# Making investment choices

## Your investment strategy

Expand Essential offers access to a range of investment options.

Your investment strategy should be a reflection of your attitude to investing, the level of risk you are comfortable accepting and your investment timeframe.

You can obtain a list of investment options from the Investment Menu at [myexpand.com.au](https://myexpand.com.au). Further information about the investment options can be found in the Investment Guide.

## What investment options can I choose?

You may choose from the following investment options:

- A range of multi-manager managed investments.
- An SMA providing access to a range of SMA Model Portfolios (available 30 March 2024).

## Managed investments

The managed investments available vary in risk, investment objectives (goals), strategies (ways of achieving those goals) and the types of assets in which investments are made.

You can normally switch between different managed investments at any time.

The list of managed investment options is set out in the **Investment Menu**. The list may change from time to time.

## SMA (available from 30 March 2024)

An SMA is a registered managed investment scheme that allows you to access a number of professionally constructed and managed portfolios (known as 'SMA Model Portfolios').

The SMA is only available through your financial adviser.

Information about how to invest in the SMA can be found in the **Investment Guide**.

**i**

**Important note:** Buy-sell spreads may be incurred when buying and selling investment options. Please refer to the 'Fees and other costs' section for more detail.

**i**

**Important note:** More information about each investment option available is detailed in the **Investment Menu** and the PDS for the particular investment option. The information relating to investments in **Investment Guide** and **Investment Menu** may change between the time you read the PDS and the day the Application form is signed or submitted. The most recent updates appear on our website.

PDSs include information about performance objectives, asset allocation, costs and the risks associated with investing in a particular investment option and must be read and considered before selecting a managed investment.

Before investing, you should consider the PDS for the investment option(s) you have selected. You can obtain a copy, at no additional cost to you, by requesting it from our contact centre (ClientFirst) by calling 1800 517 124 or downloading directly from our website.

It is recommended you consider consulting a financial adviser prior to selecting the investment options that you would like to invest in.

## More about risks

All investments carry risk. There are risks involved in investing in super and pensions as well as specific risks that may arise with your chosen investment option(s).

### What are the risks?

If you leave the product shortly after joining or switch out of an investment option shortly after selecting it, you could get back less than the amount put in because of the level of investment returns and the effect of fees, costs and taxes.

Other key risks that may adversely affect your investment in Expand Essential include the possibility of negative investment returns, insufficient diversification of investments and changes to super and taxation law. There are also investment risks that may affect the investment options, like market risk or credit risk and general risks associated with changing economic conditions. In the case of an investment in an illiquid investment, your ability to make a lump sum withdrawal from that illiquid investment may be delayed, reduced or unavailable until sufficient assets from that investment can be redeemed to fund the withdrawal.

### How can investment risk be reduced?

An important way to help reduce your investment risk is to spread your investment over a number of assets, asset classes and even different fund managers. This process is called diversification. It is designed to help you achieve more consistent investment returns over time. Expand Essential offers you a choice of investment options across all the major asset classes. When determining your investment strategy, this choice allows you to create a level of diversification in your investment portfolio. A financial adviser can help you understand the various types of investment risk and assess which investment options are appropriate for your specific requirements considering your risk tolerance and risk/return investment objectives.

### Risks when investing in super and pensions

- Your investment may not be sufficiently diversified if you do not spread your selection of investment option(s) across different asset classes, sectors, managers and styles.
- In the case of an investment in an illiquid investment, your ability to make a lump sum withdrawal from that investment may be delayed, reduced or unavailable until sufficient assets from that investment can be sold to fund the withdrawal.
- System failures may cause a delay in the processing of transactions to your account (or with fund managers).
- There may be a delay in purchasing or redeeming your investments if we do not receive a properly completed and authorised instruction from you.
- Delays may occur where minimum investment or withdrawal limits are imposed by fund managers.

- Economic conditions, interest rates and inflation may cause adverse investment returns.
- Changes can occur in super, taxation or other law that may adversely affect your investment (such as, they may affect your ability to access your investment). These changes may also affect the operation of your super or pension product or of any investment option(s) into which you invest.
- The Trustee could be replaced, or the Fund could be wound up. There is also a risk that we will not carry out our duties as Trustee properly. To minimise this risk, we have implemented a number of risk management strategies and corporate governance policies and procedures to assist us to meet our obligations. As Trustee we are always required to act in the best interests of members.

### Risks specific to pensions

- Depending upon the amount of pension required, pension payments may be delayed, reduced or unavailable until sufficient assets from that illiquid investment can be redeemed to fund the pension payment.
- You may not receive the level of income for the whole of the period that you want, as annual pension payments are not guaranteed (payments are based on the value of your pension account, which reflects the ongoing fluctuating value of your investment portfolio and payments will cease when your pension account is exhausted).
- Pension payments are subject to Commonwealth Government retirement income payment rules that control the amount of payments that must be received from each pension account irrespective of investment returns.
- Where you have selected the transition to retirement pension option, access to your capital is restricted under Commonwealth Government regulations until you satisfy a condition of release.

### Risks associated with insurance within super

If you intend to apply for insurance cover, there are a number of risks associated with insurance that you should be aware of. These include a risk that the insurance cover will cease if your account balance is insufficient to meet the cost of premiums and the risk that the level of insurance cover is not adequate in the event of your death, injury or illness. There is also a risk that the Insurer could refuse to pay the insured benefit if you do not comply with your duty of disclosure or any other requirements under the Policy or the relevant legislation. The Trustee may also be required to stop paying premiums for your cover if you become inactive for 16 months, resulting in your cover lapsing.

You should read the **Insurance Guide** to make sure you understand the main terms and conditions of the Policy that could apply.

## Risks that may affect your investment options

Type of risk	Explanation
Company or security-specific risk	Company or security-specific risk refers to the many risks that can affect the value of a specific security (or share).
Concentration risk	The risk of poor performance or loss that may occur from having a large portion of a member's holding in a single investment, asset class or market segment relative to the member's overall portfolio. Diversification generally reduces the impact of any single investment or asset type negatively affecting the value of a member's overall portfolio.
Credit risk	Credit risk is the risk of a decline in the credit quality of a fixed interest security or the ability of the issuer to pay the interest or principal on that security, adversely affecting the value of that security and resulting in a financial loss. Where money has been lent, there is the risk that the borrower will not pay the interest and/or repay the principal owing. For borrowers or issuers with lower credit ratings this risk is generally higher.
Currency risk	Investments in international markets can be exposed to changes in exchange rates. If foreign currencies fall in value relative to the Australian dollar, they have an adverse impact on investment returns from investments denominated in those currencies, if those currencies are unhedged.
Derivatives risk	The risk associated with the use of financial derivatives including an adverse movement in the asset or index underlying the derivative, the possibility of a derivative position being difficult or costly to reverse, or that the parties do not perform their obligations under the contract. Gains and losses from derivative transactions can be substantial.
Fund manager risk	Each managed investment option has one or more fund managers to manage the investments. There is a risk that a fund manager may not perform to our expectations, meet its stated objectives or underperform as compared to other fund managers.
Gearing risk	Geared investments may significantly underperform equivalent non-g geared investments when the underlying assets experience negative returns and in extreme market declines all capital invested could be lost.
Inflation risk	The risk that money may not maintain its purchasing power due to increases in the price of goods and services (inflation).
Interest rate risk	The risk that the value of a fixed income investment, such as a semi-government bond, will decrease because of an increase in interest rates or changes in interest rate spreads.
Legal and regulatory risk	Changes in laws or their interpretation, including taxation and corporate regulatory laws, practice and policy could have a negative impact on your investment.
Liquidity risk	Liquidity risk is the risk that a member may be unable to redeem their investment into cash at their chosen time or faces a loss in the event that an investment is redeemed. Liquidity risk arises when it is difficult to sell an investment at short notice without resulting in a loss or a reduction in the value of the investment. For a managed fund, in exceptional circumstances the Responsible Entity may extend the redemption period to beyond 1 month.
Longevity risk	The risk associated with outliving retirement assets.
Market risk	Investment returns are influenced by the performance of the market overall. Unexpected changes in conditions (such as economic, technological or political developments) can have a negative impact on the returns of all investments within a particular market.
Political risk	The risk of political upheavals or government policy changes adversely impacting on domestic and international investments.
Portfolio risk	Your financial adviser or SMA Model Portfolio manager (where applicable) may be unsuccessful in meeting the investment objectives of the model portfolio they provide for you.
SMA risk	You can get more information by going to the SMA PDS at <a href="https://myexpand.com.au">myexpand.com.au</a> . This will be available from 30 March 2024.
Specific asset risk	There are risks associated with specific assets, for example certain managed funds may use leverage (borrowing to invest), undertake short selling (selling listed securities they don't actually own) or invest in sophisticated financial products such as derivatives, futures, foreign exchange contracts and options. Use of these methods could cause large losses in proportion to the money invested in them. Before selecting these types of assets as part of an investment strategy, members must read the relevant PDS or disclosure document.
Volatility risk	Generally, the higher the potential return for the investment, the higher the risk, and the greater the chance of substantial fluctuation in returns (including the possibility of losses) that may occur over time. Equity markets may experience sharp declines and become more volatile, at times to very high levels. Investing in such volatile conditions implies a greater level of risk than an investment in more stable markets.

# Withdrawing through Expand Essential Super and Pension

## Can a lump sum withdrawal be made?

Withdrawals from a superannuation account can only be made if you have met a condition of release. You can make a lump sum withdrawal from a non-TTR pension at any time.

Under the TTR pension option, the following restrictions apply to cash withdrawals. No lump sum cash withdrawals are permitted except:

- to give effect to a Release Authority from the Australian Taxation Office (ATO)
- to cash in unrestricted non-preserved benefits
- to give effect to a payment split under the *Family Law Act 1975*.

Once you meet a condition of release, such as permanently retiring from the workforce or reaching age 65, the withdrawal restrictions cease and you can make cash withdrawals at any time.

For more information, please refer to the 'Accessing your super' section of the **General Reference Guide**.

Partial withdrawals or transfers can be made providing the remaining account maintains a balance of \$6,000 plus any liabilities (or \$10,000 plus any liabilities where the withdrawal or transfer is being made to an account within the Insignia Financial Group).

You can transfer your benefit at any time:

- to a personal super or pension product in the Fund
- to a personal super or pension product in other super funds
- to purchase an annuity<sup>10</sup>
- to purchase a new Death benefit pension on the commutation of an existing Death benefit pension or Reversionary pension.

If you make a withdrawal, part of the withdrawal may be paid to you as a pension payment. This will apply if you have not already received the minimum pension payments specified by the Commonwealth Government for the current year and the amount remaining in your pension account after the withdrawal would be insufficient to allow the minimum level of annual payments to be made.

<sup>10</sup> If you have a TTR pension and have not met a condition of release, you can only transfer to another income stream that also applies restrictions on cash withdrawals.



# Fees and other costs

## Did you know?

Small differences in both investment performance and fees and costs can have a substantial impact on your long-term returns.

For example, total annual fees and costs of 2% of your account balance rather than 1% could reduce your final return by up to 20% over a 30-year period (for example, reduce it from \$100,000 to \$80,000).

You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs.

You may be able to negotiate to pay lower administration fees. Ask the fund or your financial adviser.

## To find out more

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

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

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

Taxes are set out in another part of this document. Further information on taxes can be found in the 'What taxes apply and how do they work?' section of this document.

You should read all the information about fees and other costs because it is important to understand their impact on your investment.

The fees and other costs for each managed investments offered by the entity, are set out in the **Investment Menu**.

In certain circumstances, where it is reasonable for us to do so, we may alter the fees and costs applied to your pension account (subject to law) without your consent. However, before doing so, we will provide you with 30 days' notice of any change (subject to law). We also have the right to introduce new fees. The fees quoted in this section are inclusive of GST and any applicable reduced input tax credits unless otherwise stated.

## Fees and costs summary

Expand Essential Super and Pension								
Type of fee or cost	Amount	How and when paid						
Ongoing annual fees and costs <sup>11</sup>								
Administration fees and costs	<table border="1"> <thead> <tr> <th>Account balance</th> <th>Administration Fee (pa)</th> </tr> </thead> <tbody> <tr> <td>First \$1 million</td> <td>0.10% (\$1.00 per \$1,000 invested)</td> </tr> <tr> <td>Above \$1 million</td> <td>Nil</td> </tr> </tbody> </table>	Account balance	Administration Fee (pa)	First \$1 million	0.10% (\$1.00 per \$1,000 invested)	Above \$1 million	Nil	<p>The <b>Administration Fee</b> is a percentage-based fee calculated daily on your account balance<sup>12</sup>. It is charged monthly in arrears and is deducted from your Cash Account at the end of each month.</p> <p>The <b>Account Keeping Fee</b> is the dollar-based fee charged monthly in arrears and is deducted from your Cash Account at the end of the month. Where you are only a member for a portion of the month, the Account Keeping Fee will be charged on a pro-rata basis.</p>
	Account balance	Administration Fee (pa)						
	First \$1 million	0.10% (\$1.00 per \$1,000 invested)						
Above \$1 million	Nil							
<p>Maximum Administration Fee of \$1,000 pa (excluding Account Keeping Fee).</p> <p><b>Account Keeping Fee</b> of \$90 pa.</p>								
	<p><b>Interest retained on Cash Account</b></p> <p>Interest is also retained on your cash account, estimated between 0.50% and 1.20% pa on the balance of the Cash Account<sup>13</sup>.</p>	<p>We retain a part of the interest that is earned on the <b>Cash Account</b>. The interest retained is the difference between the net rate of interest we credit to your Cash Account and the total interest earned in relation to pooled assets of the Cash Account. Note: interest credited to you is subject to change in line with the official rate set by the Reserve Bank of Australia or changes to interest retained.</p>						
	<p><b>Administration costs paid from the reserve</b></p> <p>Other administration costs paid from reserves estimated between 0% and 0.03% pa of your account balance.</p>	<p>You won't see these costs as direct charges to your account. They reduce the balance held in reserves and are used to cover certain costs related to the running of the IOOF Portfolio Service Superannuation Fund.</p>						
Investment fees and costs	<p>The Trustee does not charge investment fees and costs for Expand Essential Super and Pension. The fees and costs charged by us relate only to gaining access to the underlying funds through Expand Essential Super and Pension and do not include the fees and costs that relate to investing in underlying investment options.</p> <p>Investment fees and costs will apply and the amount of these fees and costs will depend on the investment options selected by you from the <b>Investment Menu</b>.</p> <p>Performance fees may also apply to some investment options when the investment return generated by the fund exceeds a specific criteria or benchmark.</p>	<p>Please refer to the investment option's PDS at <a href="http://myexpand.com.au">myexpand.com.au</a>.</p>						
Transaction costs	<p>The Trustee does not charge any transaction costs, however transaction costs will apply and the amount of these transaction costs will depend on the investment options selected by you from the <b>Investment Menu</b>.</p>	<p>Please refer to the investment option's PDS at <a href="http://myexpand.com.au">myexpand.com.au</a>.</p>						

<sup>11</sup> If your account balance for a product offered by the superannuation entity is less than \$6,000 at the end of the entity's income year, certain fees and costs charged to you by the superannuation entity in relation to administration and investment are capped at 3% of the account balance. Any amount charged in excess of that cap must be refunded. The Trustee does not charge investment fees and costs for Expand Essential.

<sup>12</sup> Your account balance comprises your Cash Account together with the value of your investment options.

<sup>13</sup> The interest we retain on pooled Cash Account assets is considered an indirect cost for administering your Cash Account. It is not deducted from your Cash Account directly, but through the interest generated from its underlying investments prior to crediting the 'net' interest to your Cash Account.

Type of fee or cost	Amount	How and when paid
<b>Member activity related fees and costs</b>		
<b>Buy-sell spread</b>	The Trustee does not charge buy-sell spreads, however buy-sell spreads will apply to the managed investments you select (and to managed investments within an SMA Model Portfolio).  The amount of the buy-sell spread will depend on the investment options selected by you from the <b>Investment Menu</b> .	Please refer to the investment option's PDS at <a href="http://myexpand.com.au">myexpand.com.au</a> .
<b>Switching fee</b>	Nil.	Not applicable.
<b>Other fees and costs<sup>14</sup></b>	Refer to the 'Additional explanation of fees and costs' section on page 18 for details of other fees and costs. Other fees and costs include: <ul style="list-style-type: none"> <li>• Member Advice Fees</li> <li>• Corporate notices</li> <li>• Dishonour Fees</li> <li>• Insurance Fee (Super accounts only).</li> </ul>	

The information in the 'Fees and costs summary' can be used to compare costs between different superannuation and pension products.

### Example of annual fees and costs for a superannuation product

This table gives an example of how the combined effect of the ongoing annual fees and costs for the MLC MultiActive Balanced investment option through this superannuation product can affect your superannuation investment over a 1-year period. You should use this table to compare this superannuation product with other superannuation products.

EXAMPLE – MLC MultiActive Balanced		BALANCE OF \$50,000
<b>Administration fees and costs</b>	Administration Fee: (0.10% x \$50,000) Interest retained on Cash Account: (1.20% x \$500) Account Keeping Fee: \$90 Administration costs paid from reserve (0.03% x \$50,000)	For every \$50,000 you have in the superannuation pension product, you will be charged or have deducted from your investment <b>\$71.00</b> in administration fees and costs, <b>plus \$90</b> regardless of your balance
<b>PLUS Investment fees and costs</b>	1.08%	And, you will be charged or have deducted from your investment <b>\$534.60</b> in investment fees and costs
<b>PLUS Transaction costs</b>	0.09%	And, you will be charged or have deducted from your investment <b>\$44.55</b> in transaction costs
<b>EQUALS Cost of product</b>		If your balance was \$50,000 at the beginning of the year, then for that year you will be charged fees and costs of <b>\$740.15</b> for the superannuation product.

**Note:** Additional fees may apply. This example assumes \$49,500 is invested in MLC MultiActive Balanced and \$500 in the Cash Account. This is an example only and the fees and costs will vary depending on the investment options selected by you. Additional costs may be charged by the issuers of the products that you decide to invest in. For more information, please refer to the PDS of the investment options selected by you.

**Warning:** If you consult a financial adviser you may agree to pay your adviser an advice fee, which is disclosed in the statement of advice provided by your adviser. The amount of the fee may be deducted from your Cash Account if agreed with your financial adviser.

You should read the 'Additional explanation of fees and costs' on page 18 before making a decision. The material relating to 'Fees and other costs' may change between the time when you read this PDS and the day you acquire the product.

<sup>14</sup> Refer to the 'Additional explanation of fees and costs' section on page 18 for more details.

## Example of annual fees and costs using the full investment menu for a \$250,000 balance

This table gives an example of how the combined effect of the ongoing annual fees and costs using a choice of investments in these products can affect a \$250,000 superannuation investment over a 1-year period. You should use this table to compare these products with other superannuation products.

Investment held	Account balance
Cash Account	\$2,500
Managed Investment 1	\$147,500
Managed Investment 2	\$50,000
SMA Model Portfolio 1	\$50,000
<b>TOTAL</b>	<b>\$250,000</b>

EXAMPLE – Expand Essential Super and Pension using a range of investments on the investment menu		Balance of \$250,000
Administration fees and costs	Administration Fee: (\$250,000 x 0.10%) Account Keeping Fee: \$90 Interest retained on Cash Account: (\$2,500 x 1.20%) Administration costs paid from reserve (\$250,000 x 0.03%)	For every \$250,000 you have in the superannuation product, you will be charged or have deducted from your investment <b>\$355.00</b> in administration fees and costs, <b>plus \$90</b> regardless of your balance
PLUS Investment fees and costs	Managed Investment 1: (\$147,500 x 0.60%) Managed Investment 2: (\$50,000 x 0.70%) SMA Model Portfolio 1: (\$50,000 x 0.60%)	<b>And</b> , you will be charged or have deducted from your investment <b>\$1,535.00</b> in investment fees and costs
PLUS Transaction costs	Managed Investment 1: (\$147,500 x 0.06%) Managed Investment 2: (\$50,000 x 0.08%) SMA Model Portfolio 1: (\$50,000 x 0.13%)	<b>And</b> , you will be charged or have deducted from your investment <b>\$193.50</b> in transaction costs
EQUALS Cost of Expand Essential Super and Pension		If your balance was \$250,000 then for that year you'll be charged fees of <b>\$2,173.50</b> for Expand Essential Super and Pension.

**Note:** Additional fees may apply. This is an example only and the fees and costs will vary depending on the investments selected by you. For more information, please refer to the PDS of the investments selected by you.

- Assumes that the estimated investment fees and cost for Managed Investment 1 is 0.60% pa, the estimated investment fee and cost for Managed Investment 2 is 0.70% pa and the estimated fees and costs for SMA Model Portfolio 1 is 0.60% pa.
- Assumes that the transaction costs for Managed Investment 1 is 0.06% pa, the transaction costs for Managed Investment 2 is 0.08% pa and that the transaction costs for SMA Model Portfolio 1 is 0.13% pa.
- For this example, the contribution of \$250,000 is made at the start of the year.

## Additional explanation of fees and costs

This section explains the fees and costs set out in the Fees and costs summary. It also provides a brief explanation about any additional fees and costs that may apply to your account. The fees and other costs for each underlying investment option offered by the entity, appear on our website in the relevant PDS for each investment option. To understand all the fees and costs that may be payable under a particular investment strategy, you should look at this PDS and the relevant PDS for each investment option.

## Your fees may be different

In certain circumstances, your fees may be different from those described in the PDS. This can also apply for various historical reasons, including where you joined the Fund as a result of a successor fund transfer or your account was transferred to Expand Essential Super or Expand Essential Pension from another product within the Fund. Often in these circumstances, the Trustee of the Fund agrees to adopt the same fees as the old super fund or product. This allows the Trustee to transfer the super benefits as a whole, while protecting existing rights of transferring members. If this is

the case, your fees may be different than those described in the Fees and costs summary. You can confirm whether your fees may be different from those described in this PDS by contacting your financial adviser or ClientFirst.

Where you transfer your account balance to a new account within Expand Essential any historical fee arrangement will be removed and your account will be set up as per the fees and other costs described in this PDS.

## Administration Fees and costs

Administration fees and costs are made up of administration fees charged to your account and other administration costs paid from Fund reserves. This fee includes a percentage-based component and dollar based Account Keeping Fee. It includes all administration and other expenses we incur, excluding any Member Advice Fees (outlined in the following pages) and the fees and costs charged by the fund managers for each managed investment.

## Investment fees and costs

The Trustee does not charge investment fees and costs. However, investment fees and costs will apply and the amount of these fees and costs will depend on the investment options selected by you.

Refer to the PDSs for the underlying investment options available at [myexpand.com.au](https://myexpand.com.au).

Where applicable, an estimate of the investment fees and costs for your investment options will be shown in your annual statement.

## Performance fees

As Trustee of the Fund, we do not charge any performance fees. However, a fund manager may charge a performance fee for a particular managed investment when the investment return generated by the managed investment exceeds a specific criteria or benchmark referred to in the Fee Table as a 'performance fee'.

How performance fees are charged will vary between managed investments, as different calculation methods are adopted and different performance targets are set by each individual fund manager. The fee is generally deducted on a monthly, quarterly or annual basis. A fund manager would normally incorporate the cost into the unit price of the managed investment. The unit price may reduce as a result of performance fees or increase as a result of negative performance fees.

Any applicable performance fee is included in the investment fees and costs stated in the **Investment Menu** and is current at the date of publication. For up to date information please refer to the relevant PDS for each managed investment.

## Transaction costs

Transaction costs may be incurred in managing the investment options selected by you. These transaction costs may include brokerage, buy-sell spreads, settlement costs, clearing costs, stamp duty, and custody costs. The costs of trading in over the counter derivatives may also give rise to transaction costs.

## Transaction costs – managed investments

Transaction costs are in addition to investment fees and costs but are not charged separately to your account – they are generally included in the unit prices of each managed investment. The transaction costs that applies to each managed investment can change from time to time. Details of the transaction costs applicable to each managed investment are outlined in the **Investment Menu**, and the PDS and/or other disclosure documents issued by the fund manager for the particular managed investment, which are available on our website.

In addition, some managed investments have a difference between their entry (buy) and exit (sell) unit prices and this is referred to as the buy-sell spread. This difference is an allowance for the transaction costs (such as brokerage, clearing and settlement costs and stamp duty, if applicable) of buying and selling the underlying securities/assets incurred by the fund manager of the particular managed investment.

The buy-sell spread (if applicable) is incurred when you purchase or redeem units in a managed investment (at the time of a switch or when you move money in or out of your account). However, the buy-sell spreads are not charged separately to your account – they are generally included in the unit prices of each managed investment. The buy-sell spread that applies to each managed investment can change from time to time. Details of the buy-sell spread (or how to obtain the current buy-sell spread) applicable to each managed investment are outlined in the PDS issued by the fund manager for the particular managed investment which are available at [myexpand.com.au](https://myexpand.com.au).

## Transaction costs – SMA

When listed investments within an SMA are bought and sold, brokerage and settlement costs will be incurred. These will be deducted from the cash holding within your SMA Model Portfolio on settlement of the transaction.

Transactions costs and buy-sell spreads may also apply to underlying investments within your SMA Model Portfolio.

You can get more information on these fees and costs by going to the SMA PDS at [myexpand.com.au](https://myexpand.com.au). This will be available from 30 March 2024.

## SMA related fees and costs

The fees you pay for investing in SMA Model Portfolios will be set out in the PDS of the SMA.

Any SMA Management Fee will be deducted from the cash account managed by your SMA provider and deducted on the last day of the month.

Where the fee cannot be deducted from the SMA's cash account (for example, you exit the SMA Model Portfolio mid-month) you authorise us to obtain that payment from your Cash Account.

## Member Advice Fees

You can request that we acquire and pay for the services of a financial adviser selected by you to provide financial advice in relation to your Expand Essential account. The following optional fees are available for you to select the most appropriate remuneration with your financial adviser:

- Member Advice Fee – Upfront
- Member Advice Fee – Ongoing
- Member Advice Fee – Fixed Term Arrangement (FTA)
- Member Advice Fee – One-Off
- Member Advice Fee – Insurance (Expand Essential Super only).

You may agree to one or more of these options. For any agreed Member Advice Fee, it must only be applied where the financial advice or services received relate solely to benefits held in your Expand Essential Super or Expand Essential Pension account.

For each option, we set a maximum amount that we will pay to the financial adviser. You and the financial adviser must agree on the amount of each Member Advice Fee within these relevant limits. The amount of any Member Advice Fees that we pay to the financial adviser, as authorised by you, will be an additional cost to you and charged against your Cash Account. IIML, as Trustee of your super fund, is required to obtain specific written consent before a fee for financial advice can be deducted from your account. You are not under any obligation to consent to the fee being deducted. Any agreed Member Advice Fee(s) will be charged by us to your account and paid in full to the financial adviser, until you instruct us otherwise or we are notified of your death. In the event of your death, any Member Advice Fees will be refunded back to date of death.

The Member Advice Fees quoted in this section are inclusive of GST. However, the actual amount deducted from your account may be different due to the effects of any applicable reduced input tax credits (RITCs).<sup>15</sup>

On termination of an advice fee agreement accrued but undeducted Member Advice Fees may be deducted after the termination date.

If appropriate, the Trustee, may review the arrangements in place with your financial adviser and request further documentation from your financial adviser to support any Member Advice Fees in place including to validate that the advice meets the sole purpose test.

### Member Advice Fee – Upfront

You can agree that this advice fee is to be deducted from contributions and transfers/rollovers made to your account. This amount is charged by us and we deduct the net cost from your account. We then pay the full amount to the financial adviser for financial advice and services provided to you in relation to the establishment of your account.

You can agree with the financial adviser on the amount of this fee up to a maximum of 5.5% (inclusive of GST) of each contribution made. For example, on an initial contribution of \$50,000, we would pay the financial adviser up to a maximum of \$2,750.

You can agree to a different amount for contributions and transfers/rollovers made to your account. The amount of this fee is deducted from your Cash Account at the time of each contribution. This fee is not applied to:

- transfers from existing accounts within the Fund on the same technology
- any income distributions credited to your Cash Account
- switches between investment options
- any transfer from your spouse's account in the Fund under a contribution splitting arrangement, or
- contributions or rollovers paid for or facilitated by the Government or the Trustee (e.g. Government co-contributions; Low Income Superannuation Contribution).

### Important Note

You cannot elect to have a Member Advice Fee – Upfront at the same time as a Fixed Term Arrangement.

### Member Advice Fee – Ongoing

You can agree to have this advice fee to be deducted based on the value of your account and/or a fixed dollar amount on an ongoing basis. This amount is charged by us and we deduct the net cost from your account. We then pay the full amount to the financial adviser for ongoing financial advice and services provided to you in relation to your account. You can agree with the financial adviser on the amount of this fee which can be:

- flat percentage fee of up to a maximum of 2.2% per annum (inclusive of GST) of your account balance (calculated daily), or
- tiered percentage fee up to a maximum of 2.2% per annum (inclusive of GST) to apply at different account balance (calculated daily) subject to a maximum of 7 tiers, and/or
- flat dollar fee of up to a maximum of \$18,000 per annum (inclusive of GST).

The amount of this fee is calculated based on your daily balance and/or the number of days in Expand Essential Pension and is deducted from your Cash Account on the last day of each calendar month. For example, on an average monthly account balance (over 12 months) of \$50,000, we would pay the financial adviser up to a maximum of \$1,100 per annum (based on a Member Advice Fee – Ongoing of 2.2% per annum) (inclusive of GST).

Whilst the Member Advice Fee – Ongoing can continue indefinitely, we will require your consent to continue the fee every year. Your financial adviser will arrange for this annual renewal each year. If we do not receive your consent by the 'consent end date' as advised when the fee was established or last renewed, your Member Advice Fee – Ongoing will cease.

<sup>15</sup> From 1 April 2024, the Australian Tax Office (ATO) intends to stop allowing reduced input tax credits (RITC) to be claimed on Member Advice Fees. Therefore, up until 1 April 2024, the actual amount deducted from your account may be different due to the effects of any applicable RITC.

## Member Advice Fee – Fixed Term Arrangement (FTA)

You and your adviser may agree for a fee to be charged for financial advice services that are to be provided within a fixed period. A Member Advice Fee – FTA will have a specified start date and end date, where the end date cannot be more than 12 months from the start date. The fee can be calculated based on the value of your account and/or a fixed dollar amount for the period. You can agree on the amount of this fee, up to:

- flat percentage fee of up to a maximum of 2.2% per annum (inclusive of GST) of your account balance (calculated daily), or
- tiered percentage fee up to a maximum of 2.2% per annum (inclusive of GST) to apply at different account balance (calculated daily) subject to a maximum of 7 tiers, and/or
- flat dollar fee of up to a maximum of \$18,000 per annum (inclusive of GST).

The amount of this fee is calculated based on your daily balance and/ or the number of days in Expand Essential and is deducted from your Cash Account on the last day of each calendar month. For example, on an average monthly account balance (over 12 months) of \$50,000, we would pay the financial adviser up to a maximum of \$1,100 per annum (based on a Member Advice Fee – FTA of 2.2% per annum) (inclusive of GST). Where a fixed term starts or ends partway through a month, the fee will be proportioned based on the number of days in the month.

### Note:

- You cannot elect to have a Member Advice Fee – Upfront or a Member Advice Fee – Ongoing at the same time as a Member Advice Fee – FTA. Your account can only have one active FTA at any time.
- You must sign the FTA within 90 days of the start date, and the FTA must be received within 90 days of the date signed.
- The FTA start date cannot be backdated, as such if the start date is prior to the processing date, then the FTA will start on the date that it is processed.

## Member Advice Fee – One-Off

You can agree to a one-off advice fee. This amount is charged by us and we deduct the net cost from your account. We then pay the full amount to the financial adviser for one-off financial advice and services provided in relation to your account.

The amount of this fee can be up to:

- a maximum of 10% of the account balance up to a fee of \$11,000 (inclusive of GST), or
- a maximum of \$3,300 (inclusive of GST) where the fee is greater than 10% of the account balance.

A new request must be supplied each time you wish this fee to be applied.

## Member Advice Fee – Insurance (Expand Essential Super only)

This fee is charged by us and we deduct the net cost from your account. We then pay the full amount of the fee to the financial adviser for ongoing financial advice and services provided to you in relation to your insurance. You can agree with the financial adviser on the amount of this fee which can be either:

- Up to a maximum of 50% per annum (inclusive of GST) of your insurance premium (calculated daily) for each type of insurance cover you hold.
- Up to a maximum of \$18,000 per annum (inclusive of GST).

The amount of this fee is calculated based on your daily balance and/ or the number of days in Expand Essential Super and is deducted from your Cash Account on the last day of each calendar month. For example, on an insurance premium of \$1,000 per annum for Death Cover, we would pay the financial adviser up to a maximum of \$500 per annum (based on a Member Advice Fee – Insurance of 50% per annum) (inclusive of GST). This fee relates to insurance purchased via policies with the Insurer and will only be charged if an insurance premium has been deducted from your Cash Account.

The Member Advice Fee – Insurance is able to be charged as an ongoing advice fee or as an FTA. We are required by law to receive your consent each year to continue a Member Advice Fee – Insurance. Your financial adviser will arrange for this annual renewal each year. If we do not receive your consent by the 'consent end date' as advised when the fee was established or last renewed, your Member Advice Fee – Insurance will cease.

## What happens if IIML does not receive consent to continue fees?

If you have a Member Advice Fee on your account (excluding Member Advice Fee – One-Off) and either you do not provide your consent to continue the fee, or do not apply for a new Member Advice Fee – FTA before the expiry of your current fee, IIML may seek to confirm with your adviser as to whether they are still providing services to you. Should your adviser either confirm no further services are to be provided, or does not provide IIML with any confirmation, we may remove your adviser's access to your account.

## What happens if I change my mind in relation to an advice fee?

Should you wish to revoke your consent to the deduction of any fees, please contact us and/or your adviser to terminate the fee arrangement. Note this will prevent any further deduction of Member Advice Fees from your account after the consent has been revoked, but does not reverse any fees paid before revocation. We may also confirm with you or your adviser whether to remove the adviser's access to your account.

## Other fees and costs

### Expense Recovery Fee

The Trustee is entitled to recoup out-of-pocket expenses from the assets of the Fund, where such expenses are properly incurred (such as certain regulatory levies or government imposts, professional fees and other expenses). The amount charged is the actual amount of the expense incurred. Such expenses will be recovered from the Fund, where practicable, and may flow through as a deduction from your account at the time the expense is applied.

### Corporate notices

We receive all communications such as corporate notices and annual reports. You may at any time request us to provide you with copies of any such communications.

If you elect to receive any such communications, we may charge you a reasonable fee for providing the communications.

### Dishonour Fees

If any direct debit transaction from your nominated account with a financial institution is returned unpaid or your cheque is dishonoured, we are entitled to pass on to you any fees associated with the dishonour. This fee will be deducted from your Cash Account at the time of the dishonour.

### Operational Risk Financial Reserve

The Government requires super funds to keep a financial reserve to cover any losses that members incur due to operational risk events. A Reserve has been established and is currently maintained within the fund by the Trustee. We may require members to contribute to the Reserve in the future. If we do, we will notify you in advance of any deductions.

### Insurance premiums and fee (Expand Essential Super only)

Insurance premiums are deducted from your Cash Account monthly in arrears. Your annual insurance premium is shown on your Account Schedule as well as on your Annual Statement. Within the premium we receive an Insurance Fee of up to 9.35% (inclusive of GST) of the insurance premium deducted from your Cash Account. This fee is to cover the costs associated with administering the insurance arrangement. For further information on insurance please refer to the **Insurance Guide**.

## Low account balances

If there are insufficient funds in your account to pay the fees and costs due in any month, partial payment may be deducted from your account. Where a fee paid to a third party cannot be deducted, no further fee will be paid until there are sufficient funds to meet the fees. Fees not paid to a third party due to a low account balance will not be recovered by the Trustee. We will waive any Administration Fee or Account Keeping Fee that cannot be deducted due to a low account balance.

Where there are insufficient funds to pay fees and costs, fees will be deducted in the following order: Account Keeping Fee, Administration Fee, Member Advice Fees, and SMA related fees and costs.

### Fee rebate for low account balances

You will receive a fee rebate if:

- Your account balance is less than \$6,000 at the end of the financial year; or
- The withdrawal benefit on closure of your account is less than \$6,000.

In these cases, a fee cap of 3% of your account balance will apply to the total administration fees, expense recovery and investment fees and costs incurred during that financial year. If excess fees are charged, you will be paid a fee rebate to your account at the end of the financial year or to your benefit prior to withdrawal.

Fees and costs related to the underlying investment options charged by Fund Managers, for example any fees and costs factored into the unit price, are excluded from this calculation.

The Trustee does not charge investment fees and costs for Expand Essential.

## GST and taxes

The fees quoted in this section are inclusive of GST, less any applicable RITCs, unless otherwise stated. The benefits of any available input tax credits are passed on to you in the form of reduced fees or costs. See the 'What taxes apply and how do they work' section of this document.

## Netting

We often buy and sell units in a managed investment on the same day. We intend to deal as a net buyer or net seller of units on any given day. As a result, no transactions may need to be made at all to give effect to your investment instructions. However, you will still receive the prevailing sell or buy price applied to your particular investment transaction. We are entitled to retain any benefit that may arise from the netting of transactions.



## Fund manager payments

We may receive a fee from the fund managers of certain investment options for administration and investment related services. The fees for arrangements are in line with government reforms and will be charged on a flat dollar basis but may vary between fund managers. They are an administration-related fee retained by us and are not an additional cost to you.

## Managed investment rebates

Some fund managers provide a rebate on the management fee for some of the investment options which they issue, which we pass entirely back to your Cash Account typically monthly or quarterly depending on the frequency set by the fund manager.

In general, your entitlement to the rebate is determined by the fund manager and will be based on your holding of the managed investment at the payment date of the rebate. However, where you instruct us to close your account prior to us processing the rebate, you will not be entitled to that rebate.

Rebates may change or cease to be offered without prior notice to you.

Rebates may also be applicable to the managed investments within your SMA Model Portfolio. These will be paid to the cash account managed by your SMA Model provider.

## Alteration to fees

In certain circumstances, where it is reasonable for us to do so, we may alter the fees and costs applied to your account (subject to law). However, before doing so, we will provide you with 30 days' notice of any change (subject to law). We also have the right to introduce new fees. External cost pressures such as increased regulatory complexity and the introduction of new or improved member services are but two of the circumstances that may give rise to an increase in fees and other costs. The Trust Deed does not impose maximum limits in relation to fees and costs for Expand Essential.

# What taxes apply and how do they work?

This section provides you with some general information about the tax implications of investing in Expand Essential Super and Expand Essential Pension, including:

- how contributions will be taxed
- how earnings will be taxed
- how pension payments will be taxed
- how super benefits will be taxed if a cash withdrawal is made.

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

This section sets out a summary of the key taxes that affect super and pensions. If you would like more information on specific super taxation rules, please see the 'How super is taxed' section of the **General Reference Guide**.

## Tax on contributions

The Government has set a maximum limit that you can contribute in each financial year for each type of contribution before additional tax is payable.

Concessional (before-tax) contributions including compulsory employer, salary sacrifice contributions and tax-deductible personal contributions are taxed at the rate of 15 per cent in the Fund until you reach the concessional contributions cap. Individuals with income above \$250,000 per annum will pay an additional 15 per cent tax on concessional contributions. Concessional contributions are subject to a cap of \$27,500 per annum. Contributions over the cap are included as taxable income and taxed at the marginal tax rate (with tax offsets available for the tax already paid by the super fund).

Non-concessional (after-tax) contributions including personal after-tax and spouse contributions are not taxed in the Fund, but are capped at \$110,000<sup>16</sup> per person, per year (or \$330,000 over three years for those individuals under age 75)<sup>17</sup>.

Downsizer contributions are also not taxed in the Fund and have a separate cap of \$300,000.

If your total superannuation balance (combined super and pension benefits) is greater than or equal to \$1.9 million at the end of 30 June of the previous financial year, the non-concessional contributions cap will be reduced to nil. In this case, if you make non-concessional contributions in that year, you will have excess non-concessional contributions and be taxed at the highest marginal tax rate.

You are assessed personally for any tax on excess contributions. Therefore it is your responsibility to ensure that you do not exceed these concessional and non-concessional contribution caps.

There are limits on the amount of contributions which can be made to super and you may pay extra tax if these limits are exceeded.

## Tax on contributions made to commence your pension

Non-tax deductible personal contributions, spouse contributions and downsizer contributions used to directly purchase a pension are non-concessional contributions and are not taxed when credited to your pension account. Also most rollovers and transfers into your account are not taxable, however 15 per cent tax may apply if you are transferring an untaxed element from an unfunded public sector scheme into your pension account.

If you commence your pension with the transfer of investment options from another Expand Essential super or pension product, your investment assets are not realised on transfer and therefore no capital gains tax (CGT) event occurs.

## Tax on investment earnings in your account

The tax treatment of investment earnings within your account will depend on whether your account is a superannuation account, Retirement phase pension or a TTR pension.

## Superannuation accounts and Transition to retirement pensions

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

Investment earnings in a TTR pension are taxed at the same rate as in accumulation phase. Note that the income stream paid to you from your TTR pension is tax-free in your hands once you reach age 60.

When you meet a condition of release (such as turning age 65) your TTR pension becomes a Retirement phase pension and the investment earnings will then become tax-free. At this point the ATO will assess your pension against the transfer balance cap.

## Retirement phase pensions

If you have commenced a Retirement phase pension (including a Death benefit or a Reversionary pension), your investments will be held in a tax-free environment. No tax is payable on your investment earnings. Plus, as your pension investments are held within a tax-free environment, no CGT applies if you choose to switch your investments or redeem any investments to provide for pension payments or cash lump sums.

## Tax Optimisation

Your tax optimisation method tells us the order you would like your investment holdings to be sold when redeeming part

<sup>16</sup> Assuming your total superannuation balance is under \$1.9 million on 30 June of the previous financial year

<sup>17</sup> If you are under 75 on 1 July of a financial year, you can access the bring-forward arrangement and contribute up to \$330,000 in a single financial year. Your total super balance must be under \$1.68 million to access this. More information is available in the **General Reference Guide**.

of an investment option and allows you to optimise the tax position of your account.

There are three tax optimisation methods available:

**First In, First Out:** The parcel(s) with the oldest purchase date at the time of submitting are selected for disposal first.

**Minimise Gain/Maximise Loss:** The parcel(s) with the lowest estimated capital gains/highest estimated capital losses are selected for disposal first.

**Maximise Gain/Minimise Loss:** The parcel(s) with the highest estimated capital gains/lowest estimated capital losses are selected for disposal first.

If no method is selected the default tax optimisation method is First In, First Out.

SMA Model Portfolios use the same tax optimisation method as your account, however when assets are redeemed within an SMA Model Portfolio, only parcels within the applicable SMA Model Portfolio will be able to be selected.

The capital gains estimate is calculated when a sale request is submitted after factoring indexing. A CGT discount rate of 33.3333% applies to eligible parcels held for more than 12 months.

Retirement phase pension investments are held within a tax-free environment. No CGT applies if you choose to redeem any investments.

You and your adviser can view or change your tax optimisation method via Expand Online.

## Tax on pension payments and lump sum withdrawals

### When you are aged 60 and over

Pension payments and lump sum withdrawals are tax-free.

### If you are under age 60

We are required to deduct tax, depending on your age and the tax components of your benefit. The tax components are calculated on a proportional basis<sup>18</sup> as follows.

Component	Pension payment	Lump sum withdrawal
Tax-free	Tax-free and not included in assessable income.	
Taxable	Included in assessable income. 15% tax offset applies if received after reaching preservation age or if totally and permanently disabled.	Under preservation age: 20% (+ Medicare Levy) Preservation age to age 59: Up to \$235,000 <sup>19</sup> threshold: 0% Excess over threshold: 15% (+ Medicare Levy) <sup>18</sup>

## Tax on benefits paid as a result of death

The tax payable depends on whether the benefit is paid as a pension or a lump sum.

## Death benefit pensions

A Death benefit pension is tax-free if either the deceased person or the beneficiary is aged 60 or over. Death benefit pensions, where both the deceased person and the beneficiary are under age 60, are taxed on the same basis as pensions paid to members under age 60. However, the 15 per cent offset applies even if the beneficiary is under preservation age. When the beneficiary turns age 60 the pension becomes tax-free.

Death benefit pensions can be commuted to a tax-free cash lump sum or rolled over to commence a new Death benefit pension at any time. However Death benefit pensions paid to dependent children must be fully commuted to a tax-free cash lump sum benefit once the child turns age 25 (unless the child is disabled).

## Lump sum Death benefits

If the payment is made directly to your Death benefits dependants it will be tax-free.

If the lump sum benefit is to be paid direct to a beneficiary who is not a Death benefits dependant, the tax-free component is paid tax-free. However, the entire taxable component is taxed at 15 per cent (plus Medicare).

For super accounts with insurance, an untaxed element may be created which is taxed at 30 per cent (plus Medicare).

For more information regarding the tax on lump sum Death benefits see the 'How super is taxed' section of the **General Reference Guide**.

## Tax file numbers

Please provide your tax file number (TFN) when acquiring this product. Under the *Superannuation Industry (Supervision) Act 1993*, the Trustee is authorised to collect your TFN, which will only be used for lawful purposes and in accordance with the *Privacy Act 1988*. It is not an offence if you choose not to provide your TFN, but providing it has advantages, including:

- we will be able to accept all permitted contributions
- other than the tax that may ordinarily apply, you will not pay more tax than you need to, and
- it will be easier to find different super accounts in your name.

The Trustee requires your TFN in order to process your application. You can notify us of your TFN on your application form.

## If you are under age 60 and opening an Expand Essential Pension account

You will need to complete a TFN declaration. You can obtain a copy of the TFN declaration form by calling ClientFirst on 1800 517 124 or by emailing [clientfirst@myexpand.com.au](mailto:clientfirst@myexpand.com.au).

Please complete this form even if we already have your TFN, as the form includes additional tax information for us to appropriately deduct tax from your pension.

<sup>18</sup> The proportion of tax-free component and taxable component of the pension is determined at commencement and applies to all payments from your account. For super, the tax-free and taxable proportions are calculated at the time of the withdrawal and again with each subsequent withdrawal.

<sup>19</sup> Threshold increases annually with movements in Average Weekly Ordinary Time Earnings rounded down to the nearest \$5,000. Rates apply to 2023/24 financial year, please refer to the ATO website for current rates.

# Insurance in Expand Essential Super

It is important to understand how insurance works to ensure that you and your family are financially protected in the event of serious injury or illness, permanent disablement, or to provide a lump sum to your beneficiaries in the event of your death.

You can choose to purchase insurance either through the group life and income protection insurance policies or via a separate retail insurance policy. Either way, this can be achieved tax-effectively by paying the premiums for the life insurance you need with pre-tax dollars through your super account. Before deciding whether to hold insurance through Expand Essential Super, you should read the **Insurance Guide**, available at [myexpand.com.au](https://myexpand.com.au).

## Group life and Income Protection insurance

Type of insurance and how much?	What is it?
<b>Death</b> There is no limit to the amount of Death Cover you can apply for.	Death Cover provides your family with financial security in the event of your death. If you die, your insured benefit will be paid to your dependants or estate in addition to your super account balance.
<b>Terminal Illness (included in the Death Cover)</b> The maximum Terminal Illness Cover available is the lesser of your Death Cover level or \$5 million.	Terminal Illness Cover provides you and your family with financial security in the event you become terminally ill. If this happens, your insured benefit may be paid to you in addition to your super account balance.
<b>Total &amp; Permanent Disablement (TPD)</b> The maximum TPD Cover available is \$5 million.	TPD Cover provides you and your family with financial security in the event you become totally and permanently disabled and are unable to work. If this happens, your insured benefit may be paid out to you in addition to your super account balance.
<b>Income Protection</b> You can choose a Benefit Payment Period of two or five years or to age 65 after a 30, 60 or 90 day waiting period. The maximum amount of Income Protection insurance you can apply for is 75% of your Declared Earned Income (plus 10% of your Declared Earned Income as Superannuation Contributions Benefit) not exceeding \$30,000 per month.	Income Protection Cover provides you with a regular monthly income if you become Totally Disabled or Partially Disabled because of illness or injury and are unable to work and earn your income.

## How do I apply for group life and income protection insurance?

The first step is to read the **Insurance Guide** carefully as it provides a comprehensive explanation of the features and benefits available. You need to understand the costs involved, any exclusions or limitations and when a claim may be payable.

You can apply for new cover, or increase existing cover, by completing the Expand Essential Super 'Application for Insurance' form or the 'Insurance Tele Interview Request' form available on our website or through insurance online with your financial adviser. The 'Application for Insurance' form also includes an election. By choosing insurance through super, you may elect to continue cover even if you stop contributing to your super account.

If your circumstances change, Expand Essential Super offers the ability to increase your insurance cover due to Life Events or Salary Increase. To apply, please complete the 'Insurance application – Life events and Salary increase' form available at [myexpand.com.au](https://myexpand.com.au).

You can cancel your insurance cover by completing the 'Insurance cancellation' form available at [myexpand.com.au](https://myexpand.com.au).

## Retail insurance

Applications for insurance cover via a retail insurance policy are made under a specific PDS for the retail policy. PDSs for the retail insurance policies available through Expand Essential Super are available via your financial adviser.

### How do I apply for retail insurance?

To apply for retail insurance cover please speak with your financial adviser.



**Warning:** To understand eligibility requirements or cancellation, conditions, and exclusions that are applicable to your insurance cover you should read the **Insurance Guide** available at [myexpand.com.au](https://myexpand.com.au) or the respective retail insurance PDS before making a decision. The material in the **Insurance Guide** may change between the time when you read this PDS and the day you acquire the product.

## Cost of insurance

There are costs associated with insurance cover. These costs are known as insurance premiums and are usually at your own expense. Premiums may differ depending on factors including:

- your age and gender
- the type and amount of cover
- your occupation
- your health and medical history
- whether or not you smoke
- your leisure activities, and/or
- any loadings placed on your cover by the Insurer.

# General information

## Cooling-off period

To ensure you are happy with your Expand Essential Super or Pension account, you have a 14 day cooling-off period to ensure it meets your needs. The 14 day period starts from the earlier of the date you receive your welcome letter, or five business days after your pension account has been established.

If you want to close your pension account during the 14 day cooling-off period, you must provide written notice to us.

The amount returned (if applicable) will be adjusted for any market movements in your chosen investment option(s) (up or down) up to the date we receive your notification. We will not refund taxes and reasonable transaction or administration fees and costs incurred by us in issuing your investment (excluding the payment of any Member Advice Fee or similar fee). As a result, the amount received may be more or less than the amount of your initial contribution.

Please note, the cooling-off period ceases to apply if you exercise your rights or powers in Expand Essential Super or Pension, such as if you make an investment switch during the 14 day cooling-off period.

If you have selected the TTR pension option, we cannot repay your initial contribution directly to you. You must nominate another complying income stream or a provider that offers a TTR pension option so your initial contribution can be transferred.

If you do not make a nomination within one month after notifying us of your intention to seek the return of your initial contribution or your nominated provider does not accept the transfer, the contribution will be retained in the Cash Account until you provide us with alternative instructions.

## Managing your account

Additional information to assist you in managing your account is contained in the 'Managing your account' section in the **General Reference Guide**.

## Centrelink/Department of Veterans' Affairs information

The Commonwealth Government determines whether you are eligible for a Centrelink or Department of Veterans' Affairs (DVA) pension or allowance payment.

If you are receiving a social security benefit from Services Australia or DVA your Expand Essential Super or Expand Essential Pension account may impact your benefit.

For more information see the 'How is super treated for Centrelink/Department of Veterans' Affairs purposes' section of the **General Reference Guide**.

Centrelink or DVA may require the Trustee to provide information directly to Centrelink/DVA about your pension on an ongoing basis.

## Your instructions and communications

Information relating to providing instructions and communications is contained in the 'Your instructions and communications' section of the **General Reference Guide**.

## Electronic communications

Information relating to electronic communications is contained in the 'Electronic communications' section of the **General Reference Guide**.

## Keeping track of your investments

Information to assist you in keeping track of your investments is contained in the 'Keeping track of your investments' section of the **General Reference Guide**.

## Transferring from another Expand product or product from within the Fund

If you apply to transfer to Expand Essential Pension or Expand Essential Super, or another product from within the Fund, you are authorising us to transfer each investment option (where possible), and the balance of your Cash Account (together comprising the full balance of your existing account), to your new account.

Any investment options you may have held in your existing product that are not currently available in Expand Essential Super or Pension, will be redeemed and invested in the Cash Account until you provide us with new Investment Instructions. If any of those investments are redeemed prior to the transfer, you may incur capital gains tax.

A Member Advice Fee – Upfront will not be charged on the transfer of your existing account balance to your new account.

If you would like to transfer your benefit from another super or pension product, please complete the relevant section of the Application form.

Where you wish to make a partial transfer to Expand Essential Super or Pension from an existing Expand Essential product or product from within the Fund, you will need to maintain a minimum balance of \$10,000 in the remaining account.

## Transferring assets into your Expand Essential Pension account

Any external assets that you currently hold may be able to be transferred into your account in the Fund on commencement of your pension. As a transfer of external assets is treated as a contribution to the Fund, tax and super rules may apply to the transfer. The Trustee will treat the contribution as having been received by the Fund when legal title passes to the Trustee.

## Transfers from pension accounts within the Fund

For transfers from pension accounts within the Fund, your current pension will automatically continue in your new Expand Essential Pension account, but under the investment and fee options and other terms set out in this PDS.

If you would like to commence a new pension account, you can indicate this in the relevant section of the Application form.

A new pension account will automatically commence if you are:

- making a partial transfer
- transferring more than one pension
- changing your nominated Reversionary Beneficiary
- adding further contributions.

Please note that no additional contributions or transfers can be made to an existing pension account once your pension has commenced.

## Financial adviser authority

Information relating to financial adviser authority is contained in the 'Financial Adviser Authority' section of the **General Reference Guide**.

## Resolving Complaints

We value your feedback and we're committed to resolving any concerns you may have. If you have a complaint, our service representatives can usually resolve it quickly over the phone on 1800 517 124.

If you'd prefer to put your complaint in writing, you can email or send a letter using the contact details below.

**Email:** [clientfirst@myexpand.com.au](mailto:clientfirst@myexpand.com.au)

**In writing to:** The Complaints Resolution Manager  
GPO Box 264  
Melbourne VIC 3001

An assigned case manager will conduct a fair review and provide you with a full response in writing.

## Further Help – The Australian Financial Complaints Authority (AFCA)

You have the option to lodge a complaint with AFCA directly rather than lodging a complaint with us. You can also lodge a complaint with AFCA if you are not satisfied with our response or if your complaint has not been resolved within the maximum timeframe prescribed by the Australian Securities and Investment Commission (ASIC). AFCA provides fair and independent financial services complaint resolution that is free to consumers.

**Website** [www.afca.org.au](http://www.afca.org.au)

**Email** [info@afca.org.au](mailto:info@afca.org.au)

**Phone** 1800 931 678

**In Writing** The Australian Financial Complaints Authority  
GPO Box 3  
Melbourne VIC 3001

Time limits may apply to complain to AFCA so you should act promptly or otherwise consult the AFCA website to find out if or when the time limit relevant to your circumstances expires.

## Your privacy

We are committed to protecting your privacy. Any personal information we collect about you (including your sensitive information, where authorised and required) will be handled in accordance with our privacy policy, which outlines how we manage your personal information, how you may access or correct your personal information, and how you may complain about a breach of your privacy. To obtain a copy of our privacy policy, please contact ClientFirst on 1800 517 124 or visit [myexpand.com.au/privacy](http://myexpand.com.au/privacy).

More information about how we manage your personal information can be found in the 'Your privacy' section of the **General Reference Guide**.

## Anti-Money Laundering and Counter-Terrorism Financing (AML/CTF) requirements

We are required by law to carry out proof of identity procedures before establishing a pension. These requirements arise under the *Commonwealth Government's AML/CTF Act 2006*.

We are also required to carry out proof of identity procedures for persons completing forms on your behalf such as a Power of Attorney.

Where you have not already provided us with appropriate identification, we will be required to collect customer identification information and to verify it by reference to a reliable independent source. You will be notified of these procedures during the application process and/or when you request a pension payment. We may also be required to collect customer identification at other times. You must provide us with all information and documentation we reasonably require in order for us to: confirm your identity or the identity of any other person related to the account or service; manage money laundering, terrorism-financing or economic and trade sanctions risk; comply with any laws in Australia or any other country.

If you do not provide the information or we are unable to verify the information, payment of benefits (including your pension) may be delayed or refused.

Further information on AML/CTF requirements can be found in the **General Reference Guide**.

## How do I apply?

Your financial adviser will be able to complete an online application form on your behalf.

## Contact us

### Postal address

Expand Essential  
GPO Box 264  
Melbourne VIC 3001

### Telephone

1800 517 124

### Email

[clientfirst@myexpand.com.au](mailto:clientfirst@myexpand.com.au)

### Website

[myexpand.com.au](http://myexpand.com.au)

### Trustee

IOOF Investment Management Limited  
ABN 53 006 695 021  
AFS Licence No. 230524

### Registered address

Level 1, 800 Bourke Street  
Docklands VIC 3008