

# Mason Stevens Super Additional Information Guide



Mason Stevens Super  
Product Disclosure Statement  
USI 34 422 545 198 001

Date Issued: 1 November 2021

## Contents

1	About Mason Stevens Super .....	3
2	How super works .....	5
3	How super is taxed .....	13
4	Insurance in super .....	16
5	Risks of super .....	18
6	How we invest your money .....	21
7	Investments available in your Self-Directed Portfolio .....	27
8	Managed Portfolios .....	29
9	Fees and other costs .....	30
10	How to open to an account .....	36
11	Additional information .....	39

### Contact Details

Trustee  
Diversa Trustees Limited  
GPO Box 3001  
Melbourne VIC 3001

Mason Stevens Super  
GPO Box 5003  
Sydney NSW 2001  
T: 1300 491 766  
E: [admin@mssuper.com.au](mailto:admin@mssuper.com.au)  
W: [masonstevens.com.au](http://masonstevens.com.au)

### Issuer and Trustee

This Guide is issued by Diversa Trustees Limited ABN 49 006 421 638 AFSL 235153 RSE Licence No.L0000635, (**Trustee, we**) in its capacity as Trustee of Mason Stevens Super (**Fund**) an APRA-regulated fund ABN 34 422 545 198.

The Trustee is required to disclose certain Trustee and Fund information and documentation on a website. This includes, but is not limited to the trust deed, the Mason Stevens Super Product Disclosure Statement (**PDS**), the most recent Annual Report and the names of each material outsourced service provider to the Fund. Please see the Fund's website [masonstevens.com.au/super](http://masonstevens.com.au/super). Further Trustee documentation can be obtained from [diversa.com.au/governance](http://diversa.com.au/governance)

### Sponsor and Promoter

Mason Stevens Limited ABN 91 141 447 207 AFSL 351578 (**Mason Stevens**) is the Sponsor and Promoter of the Fund.

An investment in the Fund is neither a deposit nor liability of Mason Stevens Group of companies, or the Trustee or any of their associated entities.

Fund members and their advisers can access account and investment information, and transact through services provided by Mason Stevens (**Service**).

### Investment Manager

Mason Stevens Asset Management Pty Ltd ABN 92 141 447 654 (**MSAM**) is the Investment Manager of the Fund. MSAM delegate all or some of its investment functions to other investment managers for specific financial products or strategies within Mason Stevens Super. These investment managers are appointed by MSAM through a due diligence selection process and approved by the Trustee.

### Custodian

Mason Stevens is the custodian of all Fund assets and has appointed National Australia Bank Limited ABN 12 004 044 937 AFSL 230686 (**NAB**) as its primary sub-custodian.

### Administrator

FNZ (Australia) Pty Limited ABN 67 138 819 119 (**Administrator**) is the administrator of the Fund.

### Important Information

This Guide contains important information about the Fund. The information contained in this Guide is incorporated by reference into the PDS. It should be read in conjunction with the PDS, and the disclosure documents of any insurance policies, managed funds or Managed Portfolios. These documents are available from your adviser or [masonstevens.com.au/super](http://masonstevens.com.au/super).

As at the date of issue the information contained in this Guide is correct under superannuation laws and regulations. These laws may change and in the event of a material change to any information in this Guide the Trustee will notify existing members either via the Fund's website or in writing within the timeframes required by law.



The information in this Guide is general information only and has been prepared without taking into consideration of your investment objectives, circumstances, or your personal financial situation or needs. This Guide, and other documents, are not intended to be, and should not be construed in any way as investment, legal, taxation or financial advice. Before acting on the information in this Guide you should consider seeking financial advice tailored to your own objectives, circumstances, financial situation and needs.

As permitted by the trust deed, the terms and conditions of the Fund may change from time to time. The Trustee may also add, change or close any investment choices or insurance option and this may include making changes to asset allocations, benchmarks and investment strategies without prior notice to you.

All investment involves risk, potentially resulting in (but not limited to) delays in payment of withdrawal proceeds and the loss of income and capital invested. Past performance is not necessarily indicative of future performance.



## About Mason Stevens

Mason Stevens Limited is part of the Mason Stevens group of companies (Mason Stevens Group). The Mason Stevens Group is a privately owned financial services firm based in Sydney, founded in 2010. Mason Stevens Group specialises in offering separately managed accounts supported by a comprehensive investment service, as well as bespoke investment solutions to both retail and wholesale clients. For further information about Mason Stevens visit our website [masonstevens.com.au](http://masonstevens.com.au).

## Benefits of investing with us

Depending on your life stage, you may choose from three types of accounts when investing with Mason Stevens Super – accumulation (Super), transition to retirement (TTR), or an income stream (Pension) account.

To assist your investment needs, Mason Stevens Super offers:

- » a wide range of investment choices
- » consolidated custody, administration and reporting of your super, TTR or pension account
- » a competitive fee structure
- » personal insurance options covering death, Total and Permanent Disablement (TPD) and income protection from a selection of leading insurance providers.

## Choosing the account that suits your life stage

By working closely with your adviser, you can invest in one of the following three types of accounts.

### » Super (accumulation)

The Super account allows you to save and build your wealth for retirement. Mason Stevens Super accepts all types of contributions and rollovers from other super funds. If you require insurance, you can choose from a number of different insurance providers.

### » Transition to retirement (TTR)

If you have reached preservation age but have not made the decision to retire, a transition to retirement account allows you to continue to accumulate your super while receiving an income stream, provided that you meet certain criteria such as continuing to work to be eligible to make contributions. See *How super works - Preservation age* for details about your preservation age.

### » Pension (income stream)

The account-based pension allows you to draw a regular income once you reach retirement. Pensions can only be funded from the super benefit you have accumulated. The regular income you receive may be subject to nominal tax or be tax-free.

## A wide range of investment choice

A wide range of investment choices including Australian and international listed securities, fixed income securities, managed funds, Managed Portfolios, term deposits and cash are offered through Mason Stevens Super.

With recommendation from your adviser you can build a diverse portfolio of investments tailored to suit your circumstances and retirement goals.

## Next generation technology

Mason Stevens provides you with the latest technology, allowing you to access detailed market information, ability to transact (if access is granted by your adviser), view details of your investments, portfolio performance and a selection of reports.

## Competitive fees

Mason Stevens Super offers a competitive fee structure that encompasses the administration, reporting and online access for your account. Your adviser can help you link multiple Mason Stevens Super accounts (conditions apply), including your own and those of immediate family members, which may go towards reducing the administration fees payable. Please refer to the *Fees and other costs* section of this Guide for further information.

## Insurance choice

If you need insurance such as death, TPD and income protection cover, a selection of leading insurance providers is offered for you to choose from. This allows you and your adviser to consider an insurance solution that will meet your needs and complement your investment objectives. Please refer to the *Insurance in Super* section for more detail.

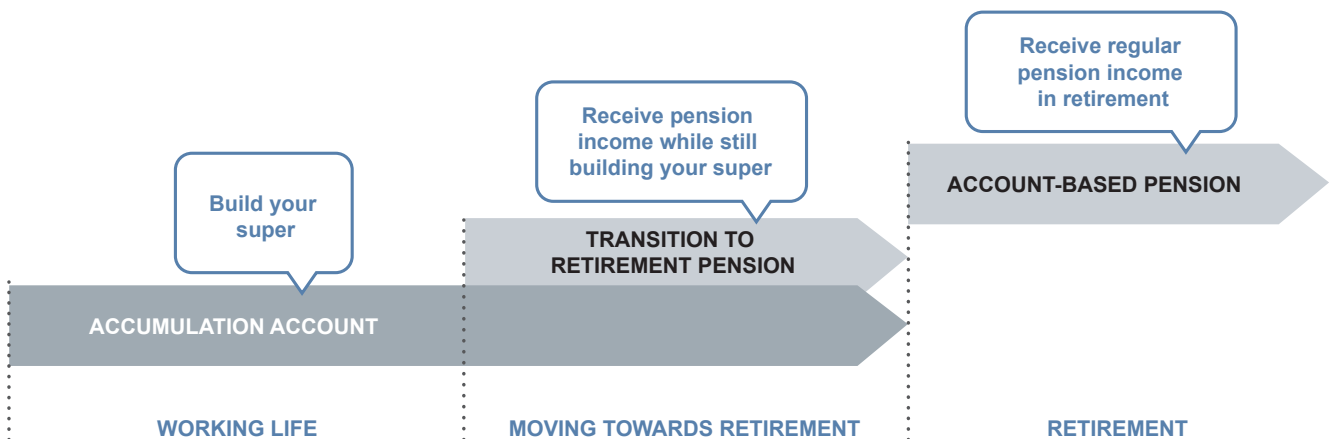


## Key Features

<b>Account types</b>	<ul style="list-style-type: none"> <li>» Super (accumulation)</li> <li>» Transition to retirement</li> <li>» Pension (income stream)</li> </ul>
<b>Investment choice</b>	<p>You can choose to invest in the following, subject to investment limits set by the Trustee as outlined in this Guide:</p> <ul style="list-style-type: none"> <li>» Australian listed securities</li> <li>» International listed securities</li> <li>» Fixed income securities</li> <li>» Managed funds</li> <li>» Managed Portfolios</li> <li>» Term deposits</li> <li>» Cash</li> </ul>
<b>Minimum initial investment</b>	<p>Super: \$20,000 Pension: \$50,000</p>
<b>Minimum ongoing balance</b>	<p>You must maintain a minimum balance of \$10,000 in any of your accounts at all times.</p>
<b>Minimum additional contribution</b>	<p>\$100 per month (this may include your Super Guarantee contribution)</p>
<b>Fees and costs</b>	<p>Refer to the <i>Fees and other costs</i> section.</p>
<b>How to contribute</b>	<p><b>Employer contributions</b></p> <p>Your employer can make your SG, employer additional and salary sacrifice contributions via SuperStream into the Fund.</p> <p><b>Personal contributions</b></p> <p>You can make personal contributions using Electronic Funds Transfer (EFT) or BPAY®</p> <p>Pension accounts can only accept rollovers from another fund or a transfer from your accumulation account within the Fund.</p>
<b>Methods of withdrawal</b>	<p>You can make a lump sum withdrawal on meeting a condition of release, or you may rollover to another complying super fund.</p> <p>Pension payments are made electronically to your nominated bank account.</p>
<b>Interest rate on your cash balances</b>	<p>Interest is paid on Australian dollar cash balances (calculated daily and paid monthly in arrears).</p>
<b>Insurance options</b>	<p>A range of insurers are offered that provide death, TPD and income protection cover. See the <i>Insurance in Super</i> section of this Guide.</p>
<b>Death benefit nominations</b>	<ul style="list-style-type: none"> <li>» Binding nomination (lapsing and non-lapsing)</li> <li>» Non-binding nomination</li> <li>» Reversionary nomination (for Pension accounts only)</li> </ul>
<b>Account operation</b>	<p>When you set up your account you will need to authorise your adviser to provide investment instructions as your nominated representative. You may also provide investment instructions directly to Mason Stevens.</p>
<b>Online access</b>	<p>Members and their advisers may access market information, provide investment instructions and see details of your investment holdings, portfolio performance and produce a range of reports through the Mason Stevens online portal.</p>
<b>Self-Directed Portfolio</b>	<p>When your application is accepted, a Self-Directed Portfolio (SDP) will be established to accept your rollovers and regular contributions (only for Super). The cash held in your SDP represents the cash you have available to invest directly or allocate to any Managed Portfolios that you have selected. If an investment instruction is not received from you or your adviser, it will remain in cash in your SDP.</p> <p>Through your SDP you can access a variety of investment choices and strategies directly. Alternatively, you can invest by selecting a Managed Portfolio. Through a Managed Portfolio you can access the same investment choices through a professionally managed portfolio designed that aims to meet a certain investment objective or risk profile.</p>



Super is generally regarded as a key investment vehicle to support your financial needs and independence when you retire from the workforce, and is one of the most important investments you will make.



Super is compulsory for most working Australians and some tax concessions are provided by the Government, which is why it is important for you to understand the basic principles of how super works. The following section provides you with information about the options available to you regarding contributing to super, transitioning to retirement and estate planning.

## Who can contribute?

Contributions are usually dependent on your age and whether you are currently in the workforce (a work test will apply for people over the age of 67). There are also other types of contributions that can be made by your spouse or your employer.

The following table outlines who is eligible to make contributions to the Fund.

Age	You (personal)	Your spouse	Your employer
0-66	No test applies	No test applies	No test applies
67-74	Work test applies <sup>1</sup>	Work test applies <sup>1</sup>	Super Guarantee: no test applies Non-SG: work test applies <sup>1</sup>
75+	Not eligible	Not eligible	Super Guarantee: no test applies Non-SG: not eligible

<sup>1</sup> The work test is applicable once you turn 67 years old until you turn 75 years old. You must have worked at least 40 hours within 30 consecutive days in a financial year before we can accept any non-concessional contributions for you. This includes personal contributions, spouse contributions and government co-contributions. No work test is required in the financial year following the year you retire, provided your total balance in super is less than \$300,000 as at 30 June of the previous financial year and you were gainfully employed for at least 40 hours in 30 consecutive days in the year of retirement.

## Super (accumulation)

There are different types of contributions that you can make into your super account subject to limits set by the Government as outlined below. Also refer to the *How super is taxed* section of this Guide for further information on the tax treatment of your contributions.

Contribution type	Description
<b>Concessional</b>	<p>Concessional contributions are made from pre-tax money, which include:</p> <ul style="list-style-type: none"> <li>» Super Guarantee (SG) contributions by an employer – mandatory contributions paid by your employer</li> <li>» salary sacrifice contributions - additional employer contributions paid by your employer from your pre-tax salary, and</li> <li>» personal contributions for which you claim a tax deduction.</li> </ul> <p>There are limits (caps) that apply to concessional contributions.</p>
<b>Non-concessional</b>	<p>Non-concessional contributions are made from after-tax money, which include:</p> <ul style="list-style-type: none"> <li>» personal contributions (after tax money) for which you are not claiming a tax deduction</li> <li>» spouse contributions (from after tax money) into your account, and</li> <li>» contributions made with proceeds from the sale of small business assets that are in excess of the CGT cap.</li> </ul> <p>The Fund generally does not pay tax on your behalf for contributions made from after-tax money including personal and spouse contributions. There are limits (caps) that apply to non-concessional contributions.</p>
<b>Capital Gains Tax (CGT) exempt contributions</b>	<p>A contribution made from certain amounts arising from the disposal of qualifying small business assets may count against the CGT cap, provided that it is a personal contribution for which no tax deduction is claimed and an ATO election form is provided at the time the contribution is made.</p> <p>Eligible contributions will only be counted against the CGT contribution limit if you send a CGT election notice before or with the contribution, and you haven't already used up the limit (your CGT contribution limit is reduced by the amounts you elect to exclude from the non-concessional contributions cap).</p> <p>There is a lifetime cap on the amounts of CGT exempt contributions you can contribute to super. This limit may change from time to time.</p> <p><b>To access up to date information in relation to contribution caps please refer to <a href="http://ato.gov.au">ato.gov.au</a>.</b></p>
<b>Contributions from personal injury payments</b>	<p>There are certain amounts you can receive from a structured settlement payment, a court order for a personal injury payment or a workers' compensation payment (taken as a lump sum). These will be excluded from your non-concessional contributions cap if you provide a valid election notice before or with the contribution. You must have also made the contribution within 90 days of the day:</p> <ul style="list-style-type: none"> <li>» you receive the personal injury payment, or</li> <li>» an agreement for settlement or a court order for the personal injury payment was made, whichever is later.</li> </ul> <p>You must also receive certification from two medical practitioners.</p> <p>This exclusion only applies to that part of the payment that is compensation or damages for a personal injury.</p>



Contribution type	Description
<b>Government Co Contributions</b>	<p>You may receive a matching contribution from the Government when you make an after-tax super contribution, subject to you satisfying eligibility criteria set out by the Government relating to your employment and income.</p> <p>For the 2021/22 financial year, if you earn less than \$41,112 the maximum co-contribution is \$500 based on 50c from the Government for every \$1 you contribute. The amount of the co-contribution reduces as your earnings increase and stops once your income reaches \$56,112 (before tax).</p> <p>To receive the co-contribution you will need to lodge a tax return for the year. The Government will then work out how much you are entitled to. If you are eligible, the Government will pay the co-contribution directly to your fund.</p> <p><b>For up-to-date information and eligibility rules please refer to the ATO website, <a href="http://ato.gov.au">ato.gov.au</a>.</b></p>
<b>Spouse</b>	<p>Your spouse may make contributions to your super, if the contribution is paid from an account in the name of your spouse or a joint account where your spouse is an account holder.</p> <p>The contributing spouse may be able to get a tax rebate of up to \$540 if the spouse's assessable income plus reportable fringe benefit and reportable employer super contributions are under \$37,000, and the contributions were not deductible to you.</p> <p>An eligible spouse can be:</p> <ul style="list-style-type: none"> <li>» a legal spouse</li> <li>» a de facto or same sex spouse, or</li> <li>» another person with whom the member is in a relationship where they are living together on a genuine domestic basis as a couple.</li> </ul> <p>The following conditions apply when making a spouse contribution and you confirm that:</p> <ul style="list-style-type: none"> <li>» your receiving spouse is not an employee of yours, and</li> <li>» the contribution is made by an Australian resident taxpayer earning assessable income, and</li> <li>» the contribution is being made for the receiving spouse who is an Australian resident: <ul style="list-style-type: none"> <li>– under the age of 67, or</li> <li>– between the ages of 67 and 74 and is employed on at least a part-time basis during the year.</li> </ul> </li> </ul>
<b>Low income superannuation tax offset</b>	<p>To qualify for the low income superannuation tax offset:</p> <ul style="list-style-type: none"> <li>» you or your employer must make concessional contributions to the Fund</li> <li>» your adjusted taxable income for the financial year must be \$37,000 or less</li> <li>» you must earn 10% or more of your total income from eligible activities, including being an employee, running a business or both, and</li> <li>» you must not hold a temporary resident visa at any stage during the year (unless you are a New Zealand resident or the holder of a prescribed visa).</li> </ul> <p>If you qualify, the low income superannuation tax offset is 15% of the total of your concessional tax offset for the financial year up to a maximum of \$500. However, if you are eligible for a low income superannuation tax offset that is less than \$10 for the financial year, the low income superannuation tax offset will be rounded up to \$10 for that financial year.</p> <p>The low income superannuation tax offset effectively refunds the tax paid on concessional contributions by eligible individuals, go to <a href="http://ato.gov.au">ato.gov.au</a>.</p>



Contribution type	Description
<b>Downsizer contributions</b>	<p>If you are 65 years old or above and meet the eligibility requirements, you may be able to choose to make a downsizer contribution into your superannuation of up to \$300,000 from the proceeds of selling your home.</p> <p>This limit may change from time to time. To access up to date information (including the eligibility requirements) please refer to <a href="http://ato.gov.au">ato.gov.au</a>.</p> <p>To make a downsizer contribution, you will need to complete the downsizer contribution form available from the ATO's website <a href="http://ato.gov.au">ato.gov.au</a> and provide this to the Administrator when making - or prior to making - your contribution.</p>
<b>Rollovers</b>	<p>You can generally transfer other super money from most other funds to your account in the Fund at any time.</p> <p>You should consider the impact your rollover may have on any insurance cover you hold in your other fund as well as other significant benefits before deciding to rollover your super benefits.</p>





## Contribution splits

You can choose to split your contributions with your spouse and transfer the money into an account in the name of your spouse or partner (de facto or same sex partner) if they are below their preservation age or if they are between their preservation age and age 64 and not yet retired.

The maximum amount that can be split and paid to your spouse is the lesser of:

- » 85% of your total concessional contributions to your account in the last financial year before the split application is made, or in the current financial year if the entire benefit is to be transferred or rolled out, and
- » the concessional contributions cap for that financial year.

## Accessing your super

The Government sets restrictions when you can withdraw your super benefit. Generally, your super benefit is preserved until you reach your preservation age. If you have not reached your preservation age you must satisfy a specific condition of release. Under super legislation all or part of your super benefit can be withdrawn under the following circumstances:

- » upon your death
- » you have reached age 65
- » you have ceased employment on or after age 60
- » you have retired on or after your preservation age
- » you become permanently disabled
- » you have been diagnosed with a terminal illness
- » you have been given a release authority to pay excess contributions tax
- » you have been granted approval under compassionate grounds by the ATO
- » you have obtained early release due to severe financial hardship
- » you have permanently departed Australia and you're an eligible temporary resident
- » you are purchasing your first home under the First Home Super Saver Scheme, or
- » you have reached your preservation age and your super benefit is rolled over to a non-commutable income stream such as a TTR account or an account-based pension account.

Your super benefit may have components that may include unrestricted non-preserved benefits or restricted non-preserved benefits. In certain cases, members may be able to access their unrestricted non-preserved or restricted non-preserved balances, however conditions may apply. For more information about restrictions on accessing your super benefit, referred to as the preservation rules, contact your adviser.

### Temporary residents

If you are or have been a temporary resident, you can generally only withdraw your benefits as a single lump sum after your visa has expired and you have left Australia permanently. There are exceptions, such as if you become permanently disabled or suffer a terminal medical condition as set out in law. If you do not claim your super benefit within six months of your departure from Australia or your visa expires, whichever is later, we may have to transfer your benefit to the ATO as unclaimed money.

If this happens you will no longer be a member of the Fund and you may lose any insurance cover. You will then need to apply to the ATO to claim your benefit. If you are a former temporary resident whose super benefit is transferred to the ATO as unclaimed money, you may not be notified of this or receive an exit statement after the transfer occurs.

The Trustee will rely on relief provided by the Australian Securities and Investments Commission (ASIC) Class Order (CO 09/437) which provides that the trustee of a super fund is not obliged to meet certain disclosure requirements in relation to non-residents that have ceased to hold an investment in the Fund because of the payment of unclaimed super to the Commissioner of Taxation. For further information please refer to the ATO website.

### First Home Super Saver (FHSS) Scheme

Under the FHSS scheme, you can apply to release your voluntary contributions, along with associated earnings, to help you purchase your first home. You may apply for the release of voluntary contributions up to a maximum of \$15,000 from any one financial year and \$30,000 in total across all years. There are eligibility requirements to be met for the release of these amounts.

You will need to apply to the Commissioner of Taxation for a FHSS determination and a release. You can apply online via the ATO's website [ato.gov.au](http://ato.gov.au).



## Preservation age

The following table shows your preservation age as prescribed by super legislation. Your preservation age depends on your date of birth and will affect when you can make withdrawals from your super benefit and the amount you are required to withdraw, and any tax payable.

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

### Transition to retirement (TTR)

If you have reached preservation age but have not made the decision to retire, the transition to retirement account allows you to continue accumulating your super up to the \$1.7m cap and receive an income stream at the same time.

The TTR account is designed to enable members who have reached their preservation age to make a gradual move into retirement by allowing you access to your preserved super benefits to supplement your income without having to retire from the workforce. You can access your super by commencing a TTR before meeting a full condition of release. The maximum income limit for the first financial year is up to 10% of your account balance.

The minimum level of income that must be taken from your TTR each year is calculated as described in the *Minimum pension payment factors* table.

Once you reach age 65, and if you have not transferred into a pension account your TTR will be automatically converted to a pension account.

### Pension (income stream)

The Pension account allows you to draw a regular income once you reach retirement from the super benefit you have accumulated.

To open a Pension account, at least one of the following must apply:

- » you are at least 65 years old
- » you are at least 60 years old and have left an employment arrangement since turning 60 (you may currently be employed by another employer or planning to do so in the future)
- » you have reached your preservation age, being less than 60, and you do not intend to work more than 10 hours a week in the future, or
- » the money transferred into the pension account is unrestricted non-preserved.

Under super legislation, we are required to pay you a minimum pension amount each year based on your age. Your minimum pension payment is calculated by applying the relevant age-based pension payment factor to your account balance, and recalculated each year using your account balance at the start of the financial year. If you commence your income stream part way through a financial year, the minimum payment for that year will be calculated on a pro-rata basis. Minimum pension payment factors are adjusted from time to time. Please refer to [ato.gov.au](http://ato.gov.au) for the latest figures.

### Minimum pension payment factors

Age at commencement date then each 1 July	Minimum pension payment factors for 2021/22
Under 65	2.0%
65 – 74	2.5%
75 – 79	3.0%
80 – 84	3.5%
85 – 89	4.5%
90 – 94	5.5%
95 or more	7.0%

There is no maximum pension that applies to the pension account. Full or partial withdrawals can be made at any time by completing the required form available online. Please speak with your adviser before making any withdrawals.

The regular pension payment you receive will be subject to a nominal or a tax-free status. Regular pension payments can continue until the balance of your pension account is reduced to zero.



## Estate planning

Part of your estate planning involves deciding who will receive your super benefit when you die. Unlike other assets your benefit will not automatically be paid to your estate upon death and therefore it is important to provide direction as to who will receive your benefit. Under super legislation the Trustee is required to assess to whom the super benefit will be paid in the event of a death of a member.

### Nominating a beneficiary

You can nominate one or more of your dependants or your legal personal representative (either the executor under your will or administrator for your estate) to be the recipient of your super benefit.

A dependant under super legislation includes:

- » your spouse (including a de facto or same sex partner)
- » your children (including an adopted child, a step-child or ex-nuptial child)
- » any person who is financially dependent on you, or
- » any person with whom you have an interdependency relationship with.

**Please note there are specific conditions for electing a child beneficiary for a pension account.**

### Types of nominations

You can add or change your nominations by submitting a completed *Nomination of beneficiary form* to us. The following table outlines the types of nominations you can elect.

<b>Non-binding nomination</b>	<p>A non-binding death benefit nomination is a written instruction to the Trustee which sets out the dependants and/or legal personal representative you nominate to receive your super benefit in the event of your death.</p> <p>The Trustee will consider the nominated beneficiaries provided by you but is not legally bound to follow the nomination in the event of your death. The Trustee will consider your nominated beneficiaries along with any other dependants as permitted by law, and whether or not your personal circumstances had changed since providing your nomination.</p>
<b>Binding nomination (non-lapsing)</b>	<p>If a valid nomination is made, it is binding on the Trustee to ensure that your super benefit is paid to the beneficiary nominated in accordance with your instruction. A non-lapsing binding nomination will remain in effect unless you amend, revoke or make a new binding nomination.</p>
<b>Binding nomination (lapsing)</b>	<p>If a valid nomination is made, it is binding on the Trustee to ensure that your super benefit is paid to the beneficiary nominated in accordance with your instruction.</p> <p>A lapsing binding nomination will remain in effect for three years unless you advise us accordingly. At the end of three years, the nomination becomes a non-binding nomination and you can choose to renew, amend or make a new beneficiary nomination.</p>
<b>No nomination</b>	<p>The Trustee will, in its absolute discretion, pay the super benefit to one or more of either, your dependant/s or your legal representative.</p> <p>If you have no dependant or legal representative, the Trustee may pay the benefit to any other person that the Trustee determines appropriate subject to Government legislation.</p>
<b>Reversionary nomination (Pension accounts only)</b>	<p>Your pension payments will be paid to your nominated reversionary beneficiary. You can nominate your spouse including a de facto or same sex partner, or your child as a reversionary beneficiary.</p> <p>You can elect to add, change or remove your reversionary nomination at any time. If you have a reversionary nomination in place for your pension account and subsequently make a binding nomination it will replace the existing reversionary nomination.</p> <p>Please speak to your adviser before deciding to add, change or remove a reversionary nomination.</p>



## Other information

### Family law

Under family law legislation, couples separating or divorcing, can divide their super benefits by agreement or by court order. This extends to de facto couples (including same sex couples) under changes to family law legislation (depending on the State or Territory).

We recommend you seek legal advice with regards to the splitting of super benefits in this context.

### Transferring your benefit

You can transfer your super balance at any time to another complying super fund. There may be delays in the transfer due to restrictions applying to the redemption of, or delays in receiving declared income for, some of the underlying investments.

### Unclaimed monies

The Trustee may be required to pay your benefit as unclaimed money to the ATO in the following circumstances:

- » We have lost contact with you and your account balance is less than \$6,000, or
- » Your account balance has been inactive for 12 months and, with the information reasonably available to us, we are satisfied that we will never be able to pay your account balance to you.
- » Unclaimed super balances in the following categories:
  - Members 65 years or older
  - Nonmember spouse
  - Deceased member, or
  - Former temporary resident.

The circumstances outlined above may change in the future. The Trustee is required to follow any changes to super unclaimed money as determined by the ATO. For further information, go to [ato.gov.au](http://ato.gov.au).



The taxation of super can be complex and can also change on a regular basis. Generally super has a range of tax concessions in order to provide incentives for members to contribute towards their retirement.

Tax is charged on:

- » any contributions you make
- » any investment earnings earned, and
- » any lump-sum withdrawals you make.

This section provides a high-level summary of the key considerations as at the date of this Guide and relates to the financial year 1 July 2021 to 30 June 2022. We recommend you seek taxation advice before deciding to invest or any other decision that may have a tax consequence on your account.

## Tax on contributions

Contribution type	Comments	Tax rate
<b>Concessional (pre-tax) contributions</b>	<p>The general concessional contribution cap is \$27,500 for all individuals.</p> <p>For further information, go to <a href="http://ato.gov.au">ato.gov.au</a>.</p>	<p>Concessional contributions are generally taxed at 15%.</p> <p>If the contribution cap is exceeded, the rate charged is the top marginal rate plus the Medicare Levy.</p>
<b>Non-concessional contributions</b>	<p>Non-concessional contributions are made from after-tax money. The contributions that make up non-concessional are:</p> <ul style="list-style-type: none"> <li>» personal after tax contributions</li> <li>» personal contributions for which you are not claiming a tax deduction</li> <li>» spouse contributions (from after tax money) into your account, and</li> <li>» contributions made with proceeds from the sale of small business assets that are more than the CGT cap.</li> </ul>	<p>The Fund generally does not pay tax on contributions made from after-tax money including personal after-tax contributions and spouse contributions. However, there are limits (caps) that apply to these contributions.</p> <p>If you exceed the concessional contributions cap, any excess concessional contributions will also be counted against the non-concessional contributions cap.</p> <p>Non-concessional contributions in excess of this limit will be taxed at the top marginal rate.</p> <p>For more information, please visit <a href="http://ato.gov.au">ato.gov.au</a>.</p>



## Excess Contributions Tax

It is your responsibility to ensure that any contributions made to your super account are within the relevant contribution caps set by the Government. If your contributions exceed the allowable caps within a financial year you may have to pay excess contributions tax. For further information regarding the contribution caps visit the ATO website, ato.gov.au.

## High Income Earner Tax

If you earn more than \$250,000 you may be subject to an additional 15% contributions tax on non-excessive concessional contributions ("High Income Earner Contributions Tax").

If you are subject to this tax you will receive a Division 293 assessment from the ATO and the tax levied must be paid within 21 days. The ATO will issue you with a release authority. On receipt of this authority you should send this to the Administrator (Member Services) so that the funds may be released within 30 days. Alternatively, you can choose to pay the tax yourself.

## No TFN tax

You are not required by law to provide your Tax File Number (TFN). However, the Trustee requires your TFN to match within the ATO client register to validate your member details. The Administrator **will not be able to accept your application without a valid TFN**. If it is later found that your TFN was incorrectly provided, the Trustee will be required to refund non-concessional contributions from your account, and deduct an additional tax at the rate of up to 34% from your concessional contributions.

## Tax on investment earnings

Investment earnings	Comments
<b>Investment earnings (including realised capital gains)</b>	<p>The rate is 15%, however the rate may be lower due to tax credits or other tax rebates.</p> <p>Tax on investments earnings includes:</p> <ul style="list-style-type: none"> <li>» interest earnings</li> <li>» capital gains on managed investments when they are sold or redeemed</li> <li>» distributions, coupons and dividends from securities</li> <li>» gains made from the sale of fixed income securities, and</li> <li>» gains made from the sale of foreign exchange.</li> </ul> <p>Investment earnings supporting account based pension accounts are not subject to tax. However, investment earnings supporting transition to retirement pensions are subject to tax.</p>

Tax is withheld at the time of making taxable pension payments and lump sum withdrawals.

Each time securities are sold you may trigger a capital gains event, which may result in a taxable capital gain or a loss.

If you have a realised capital gain and have held the security for 12 months or less, tax will be withheld at a rate of 15% of the amount of any realised capital gain (nil for pension accounts). If you have held the security for greater than 12 months, the CGT discount will apply and the tax withheld will be 10% of any capital gain (nil for pension accounts). If you have carried forward capital losses in your account from previous transactions the tax withheld may be further reduced.

If the disposal of securities has resulted in a capital loss this may reduce the tax payable on any capital gains you may have in the relevant financial year. If you have assessable current year capital gains at the time of incurring the loss you will be able to offset your capital losses. This amount

will be credited to your Self-Directed Portfolio after the end of the financial year. If you have no assessable capital gains in the current year, the capital loss will be carried forward in your account and may be used to offset capital gains in future years.

Any tax payments applicable to your account, will be deducted from your SDP. You are required to ensure that you have sufficient cash available to meet any deductions or expenses (see the section *How to open an account - maintaining a minimum cash balance*).

If you close your account, other than by transferring to another account or product in the Fund, you may not receive the benefit of any tax adjustments that have not yet been processed. You will also forfeit any carry-forward capital losses that have resulted from transactions in your investments, as well as any outstanding dividends or distributions and their associated tax adjustments.





## Tax on withdrawals

If you make a lump sum withdrawal, part or all the withdrawal may be taxed depending on your age. The tax rate depends on whether you have reached your preservation age. If you have not reached your preservation age you must be able to meet a condition of release to make a withdrawal.

The information below is correct as at the date of publication. For additional information regarding the contribution caps please refer to [ato.gov.au](http://ato.gov.au).

Withdrawal (lump sum)	Comments	Tax rate
<b>Withdrawal (lump sum):</b> Taxable component	Up to 55 years of age:	20% plus the Medicare Levy
	55 to 59 years of age:	No tax up to \$205,000 Over \$205,000, 15% plus the Medicare Levy
	60 years of age and over:	Nil
<b>Withdrawal (lump sum):</b> Tax-free component	No tax is payable	Nil

## Claiming tax deductions for your contributions

You may be eligible to claim a tax deduction for personal contributions you made after your account is opened, depending on your age and level of taxable income. If you are eligible and intend to claim a deduction on some or all of your personal contributions you must give a notice of intent to claim a tax deduction to us within certain timeframes. You can do this by completing a Notice of intent to claim form, available online or from your adviser.

The notice must be submitted before you lodge your income tax return (for the year in which the contribution was made), and before the end of the financial year following that in which the contribution was made. You may vary an earlier notice in certain circumstances but only to reduce the amount you intend to claim. You can also use the Notice of intent to claim form to vary an earlier notice.

A notice of intent to claim a tax deduction or to vary an earlier claim will be invalid and will not be able to be accepted by us if:

- » all or part of the contribution has been claimed through a prior valid notice
- » at the time you submit the notice, you are no longer a member of the Fund
- » at the time you submit the notice, we no longer hold the contributions (this can occur where you have partially or fully withdrawn or rolled over the amount from your account after making the contributions)
- » at the time you submit the notice, you have partially or fully rolled over the contributions to a pension and commenced the pension, or
- » you have applied to split the contributions with your spouse (and we have accepted your application).

All personal contributions made into your account are initially processed as non-concessional contributions. Upon receiving a valid deduction notice that we are able to accept under tax law, the applicable contributions tax will be deducted from your account and an acknowledgement of your notice will be sent to you. Please ensure you have sufficient available cash in your Self-Directed Portfolio to allow us to process the deduction notice. You should obtain professional tax advice if you are considering claiming a deduction for your contributions.

To find out more about claiming a deduction on your personal contributions, or for information on other types of contributions you may be eligible to make, please go to [ato.gov.au](http://ato.gov.au)



**A range of flexible insurance arrangements is offered for you in the super phase that can be tailored with your adviser to suit your needs.**

You can apply for insurance through the Fund under the following arrangements:

- » Personal insurance for death
- » Total and Permanent Disablement (TPD), and
- » Income protection cover

through personal insurance policies issued by registered life insurance companies as determined by the Trustee from time to time.

The suitability of insurance cover available to you via the Fund depends on your personal circumstances and objectives. Neither the Trustee nor Mason Stevens are able to provide personal financial advice to you in relation to insurance cover. You must consult an adviser before applying for insurance cover.

The following insurance companies are offered:

<b>AIA</b>	<b>Priority Protection for Platform Investors</b>	
Contact AIA Adviser Services 1800 033 490 AIA Customer Services 1800 333 613 <a href="http://aia.com.au">aia.com.au</a>		

<b>TAL</b>	<b>Accelerate Protection for Investment Platform</b>	
Contact TAL Adviser Services 1300 286 937 TAL Customer Services 1300 209 088 <a href="http://tal.com.au">tal.com.au</a>		

<b>Zurich</b>	<b>Wealth Protection</b>	
Contact Zurich Adviser Services 1800 500 655 Zurich Customer Services 131 551 <a href="http://zurich.com.au">zurich.com.au</a>		

**Applying for personal insurance**

You can apply for death, TPD and income protection cover insurance under a personal insurance policy as determined by the Trustee from time to time. Insurance is provided through an individual agreement (individual policy) between the Trustee and the relevant insurer. The Trustee will be the owner of the individual policy.

**How do you obtain personal insurance cover?**

When obtaining personal insurance, you:

- » must be in the super or TTR phase of the Fund or in the process of completing an application to become a member of the super or TTR phase of the Fund
- » can only select an insurance policy issued by an insurer which is available via the Fund as determined by the Trustee from time to time, and
- » must complete the insurer's application form.

The personal insurance policies available via the Fund have been determined suitable for super (that is, they can provide cover only for death, TPD, income protection or other circumstances permitted under super legislation).

This does not mean that the Trustee considers that the personal insurance policies available via the Fund are suitable for your personal situation or needs, or that the performance of the relevant insurer or personal insurance policy is guaranteed. Before applying for insurance cover under a personal insurance policy, you should carefully read the applicable product disclosure document which sets out:

- » important information about the insured benefits provided
- » the cost of cover
- » the terms and conditions of those benefits, and
- » exclusions and restrictions on the payment of those benefits.

You and your adviser should determine your insurance needs and whether the insurance cover offered under a personal insurance policy is suitable for you. You should consider the applicable product disclosure statement for information about insurance costs and other terms and conditions. You can obtain the product disclosure documents free of charge for the available personal insurance policies from the relevant insurer or your adviser.

The Trustee reserves the right to change or add to the conditions applicable to personal insurance cover available via the Fund from time to time. You will be notified of any new or different conditions involved in applying for personal insurance cover. If the Trustee agrees to own the policy, the Trustee will hold it on your behalf (i.e. you are not the owner or holder of the insurance policy). This means, in the case of your death that the claim will need to be submitted to the Trustee. The Trustee will then distribute any payments to your nominated beneficiaries.





Cover under that policy will commence only after the relevant insurer has accepted your application and the corresponding policy documentation has been issued to the Trustee in terms acceptable to the Trustee. Once accepted, your adviser will provide you with a copy of your insurance policy. The level and amount of cover you obtain as well as the range of costs involved, is for you to determine when choosing the relevant policy and insurer. Likewise, the terms and conditions of the cover (including eligibility, entitlement, exclusion, cancellation and other conditions) will depend on the policy you choose so we cannot provide you with any information on these matters.

#### **What happens after the policy commences?**

Once accepted, your adviser will provide you with a copy of your insurance policy. The level and amount of cover you obtain as well as the range of costs involved, is for you to determine when choosing the relevant policy and insurer. Likewise, the terms and conditions of the cover (including eligibility, entitlement, exclusion, cancellation and other conditions) will depend on the policy you choose so we cannot provide you with any information on these matters.

Once the policy commences, any insurance costs payable under the policy will be deducted directly from your SDP. Other fees and costs including insurance related costs, i.e. an insurance administration fee will apply (refer to the *Fees and other costs section* for more information).

#### **The Trustee's relationship with individual insurers**

The Trustee has selected the personal insurance policies, considering several factors including:

- » features of the products, including the range of available benefits
- » arrangements involving the cost of insurance (for example, flexibility and pricing)
- » the insurer's reputation, claims history and financial strength, and
- » adviser remuneration arrangements.

#### **Additional information you need to know about individual insurance**

You will need to carefully read and fully understand all the disclosure information and terms and conditions about your chosen policy issued by the relevant insurer (including the policy document itself). Your adviser will provide you with the relevant disclosure information and you should consider this information. Please note, an insurance administration fee will apply to members who elect to take out an insurance policy with the Fund.



**All investments have a certain amount of risk. You must be prepared for the risk that you lose money on your investment or your investment does not meet your investment objectives.**

A diverse range of investments and strategies across multiple asset classes is offered. As such the investment return, and level of risk, will differ for each investment or strategy chosen. Generally, investments that have the potential for higher long term returns may also carry a greater level of short term risk.

You and your adviser are responsible for selecting the investments you hold. Neither the Trustee, Mason Stevens nor any of their associated entities guarantees the performance of any investment choice and are not liable for any loss or damage you may incur as a result of you deciding to invest in, or withdraw from, a particular investment.

Before you make an investment decision, it is important that you obtain personal advice about your financial circumstances and understand the risks that can affect your investment. Some of the potential risks associated with investing are listed below. The risks identified are not meant to be exhaustive as it is not possible to identify every risk factor associated with investing. The appropriate level of risk for you will depend on various factors including your age, investment timeframe, other investments you may hold, and your level of risk tolerance. Your adviser will advise you of the relevant risks associated with your investment strategy.

## Fund risk

Risk Type	Meaning
<b>Fund risk</b>	The Fund could be terminated, fees and charges and investment options could change or the Investment Manager of the Fund may retire.
<b>Investment manager risk</b>	The risk that the Investment Manager, or the outsourced investment manager may not achieve their stated investment objectives or underperform at any stage of an investment cycle. Changes in the key investment team may impact returns or the management of risk.  As noted earlier, investment functions maybe outsourced to a number of investment managers, including your adviser or their related companies for specific financial products or strategies. These investment managers will be approved by the Trustee on the basis of a due diligence selection process.
<b>Performance risk</b>	The amount of a person's future super savings (including contributions and returns) may not be enough to provide adequately for a person's retirement.
<b>Third party risk</b>	The risk that information and services provided by third parties such as sub-custodians and other service providers have not been provided correctly. Procedures are in place to address risks associated with outsourcing, such as having comprehensive service agreements with service providers. If a service provider advises of an error which is material, it will generally be communicated to you or adviser (or both) even if it has been corrected.
<b>Operational risk</b>	Disruptions to administrative procedures or operational controls may challenge day to day operations. Adverse impacts may arise internally through human error, technology or infrastructure changes or through external events such as regulatory changes.
<b>Legislative risk</b>	A change in the Government, or in the Government's policy can result in tax and other legislative conditions in Australia which may adversely affect the performance of the portfolio. Specifically, changes to negative gearing, franking credits, capital gains tax, super law and regulations, trusts, and other tax deduction/ legislation changes can all significantly impact on the returns and values of investments held by the various portfolios and in turn the net returns to the investor.
<b>Counterparty Risk</b>	This is the risk that a counterparty to a contract fails to meet its obligations to honour that contract. This risk arises in relation to such parties as the custodian and clearing exchanges.
<b>Insurance claim risk</b>	When applying for insurance cover, if you don't comply with your duty of disclosure, the insurer may avoid the policy and not pay your claim. If the insurer does not avoid the policy but is entitled to, it may elect to reduce the sum for which you have been insured.



## Investment risk

Risk Type	Meaning
<b>Investment risk</b>	All investments have a level of risk. The general expectation is that a high-risk investment offers a higher expected return on investment. Investment risk may result in performance less than you expect or the loss of some or even all the capital invested or reduction in or no income and possible delays in repayment. Whilst it is the intention of the investment manager to implement strategies designed to minimise potential losses, there can be no assurance that these strategies will be successful.
<b>Advice risk</b>	The risk that your adviser may recommend a strategy or investment that's not appropriate for you or they have provided delayed or inaccurate instructions.
<b>Company or security risk</b>	Risks which could affect the value of a specific security, such as a fall in the profit performance of a company, may impact adversely on its market price and may also affect the interest rate it must pay to borrow funds, which in turn, can affect the value of its securities.
<b>Inflation risk</b>	The risk your investments may not keep pace with inflation with the result that over time your money has less purchasing power.
<b>Market risk</b>	Unexpected conditions (i.e. economic, technological or political) can have a negative impact on the returns of all investments within a market. General movements in local and international stock markets, prevailing and anticipated economic conditions, investor sentiment, interest rates and exchange rates could all affect the value of listed securities and the investment returns.
<b>Diversification risk</b>	The failure to adequately diversify between asset classes, securities and sectors may significantly increase risk.
<b>Counterparty risk</b>	The risk that a counterparty to a contract will fail to perform contractual obligations (e.g. default in either whole or part) under the contract. Counterparties may include, among others, brokerage and trading firms and banks.
<b>Time horizon risk</b>	There is no assurance that in any time, particularly in the short term, the portfolio will achieve the investment objectives. Many of the underlying assets may be volatile particularly over the short term. Many portfolios are more suitable for medium to long term investors and are not designed for short term investment.
<b>Interest rate risk</b>	Changes in interest rates will affect the value of interest bearing securities and shares in some companies. Rises in interest rates may lead to losses in value and falls in interest rates may lead to rises in value.
<b>Derivatives risk</b>	The use of sophisticated financial products such as derivatives has the potential to cause losses that are large in relation to the amount invested. Some managed funds use derivatives and this may imply some embedded leverage that could under some circumstances, magnify losses. The cost of using this type of financial product may also reduce returns.
<b>Foreign currency risk</b>	The risk that a portfolio may make a loss when the exchange rate rises or falls. This may occur if a portfolio has any exposure to foreign currency assets or liabilities. Even if hedging is used to reduce the risk, there can be no guarantee that the currency exposure of a portfolio will be hedged always and there still might be residual exposure to foreign currency risks.
<b>Liquidity risk</b>	The risk that certain investments in your account or portfolio may not be able to be sold when you require. In the case of unlisted fixed income investments this may be due to the risk that the size of your holding in that security may be below the minimum market parcel.  Liquidity risk may prevent you from rolling over all your benefit to another super fund in a timely manner.
<b>Credit risk</b>	Any change in the market perception of the creditworthiness of an issuer or to any security of that issuer, or the credit rating of the issuer or any security of that issuer, may affect the security's value.
<b>Climate change risk</b>	There is risk that the value of your investment may fall as a result of climate changes, or changes to legislation or restrictions regarding fossil fuels. It is therefore important you consider long term climate and environmental factors when you and your adviser select investments.



## Standard Risk Measure

The Standard Risk Measure (SRM) applies to managed funds, and has been developed by the Association of Super Funds of Australia (ASFA) and the Financial Services Council (FSC) at the request of the Australian Prudential Regulation Authority (APRA).

The purpose of the SRM is to disclose the level of risk for a particular managed fund by using a standard measure. It allows members to compare investments both within and between funds based on the likely number of negative annual returns over any twenty-year period.

Risk band	Risk label	Estimated number of negative returns over any 20-year period
1	Very Low	Less than 0.5
2	Low	0.5 to less than 1
3	Low to Medium	1 to less than 2
4	Medium	2 to less than 3
5	Medium to High	3 to less than 4
6	High	4 to less than 6
7	Very High	6 or greater

As shown above, a risk band of 1 would suggest that the investment is the least risky investment and a risk band of 7 suggests a very risky investment.

By using the SRM you will be able to compare risk of managed funds and Managed Portfolios offered within the Fund and other funds offered by different super providers. See the PDS of the relevant managed fund or Managed Portfolio Disclosure Document (MPDD) for the SRM of that managed fund or Managed Portfolio.



## The role of your adviser

An adviser is there to assist you to identify and meet your financial goals. An adviser will do this by assessing your retirement needs and implement an appropriate investment strategy.

Your adviser or their licensee may also be involved in managing the investment assets within some of the investment choices available for you. This may include management of Managed Portfolios if the Investment Manager has sub-contracted your adviser or their licensee to do so.

If you remove your adviser from your account, you are eligible to remain in the Fund as a non-advised member and continue to hold your investment selections.

## Authorising your adviser

When your adviser completes the online application form you will be authorising your adviser to provide investment instructions to Mason Stevens.

Once authorised your adviser will be able to do the following on your behalf without requiring your authority:

- » Provide investment instructions, and
- » Change certain details on your account.

### Your financial adviser will not be authorised to do the following:

- » Change your bank account details if you have provided your bank account details (note these are not required for your application). Any requests to change bank details will be verified with you
- » Withdraw to your nominated bank account or any other bank account
- » Change fees and costs, and
- » Change insurance premiums.

There may be certain circumstances where the Trustee may not act in accordance with your adviser's instructions, or may act without instructions from you or your adviser. For example, if we need to sell securities to maintain the minimum cash balance, see the section *How to open an account - maintaining a minimum cash balance*.

Once your application has been completed and authorised you will receive an email with a link that will provide you with your secure login details. Once you have logged in you will be asked to change your password, and:

- » confirm that you agree to the terms and conditions of the Service, and
- » confirm you have read the PDS and any additional guides.

## Remunerating your adviser

Instructions to remunerate your adviser will be made during the application process. Any amount agreed between you and your adviser will be deducted in accordance with your instructions. The Administrator will collect the agreed fee and pay it to Mason Stevens for onward payment to your adviser's licensee who in turn will remunerate your adviser.

Effective 1 July 2021, legislation requires a member to consent to the deduction of ongoing adviser fees from their superannuation account. This consent must be renewed on an annual basis, and by law a superannuation fund cannot deduct this fee without first receiving written consent. Your adviser will organise for the consent as part of your application process. For more information, please speak to your adviser.

## Changing your adviser

If, for any reason, you or your adviser request to remove the link on your account, you are eligible to remain in the Fund as a non advised member investing through your Self-Directed Portfolio. Please contact us and we will assist you with all the necessary requirements.

## Setting up your Portfolios

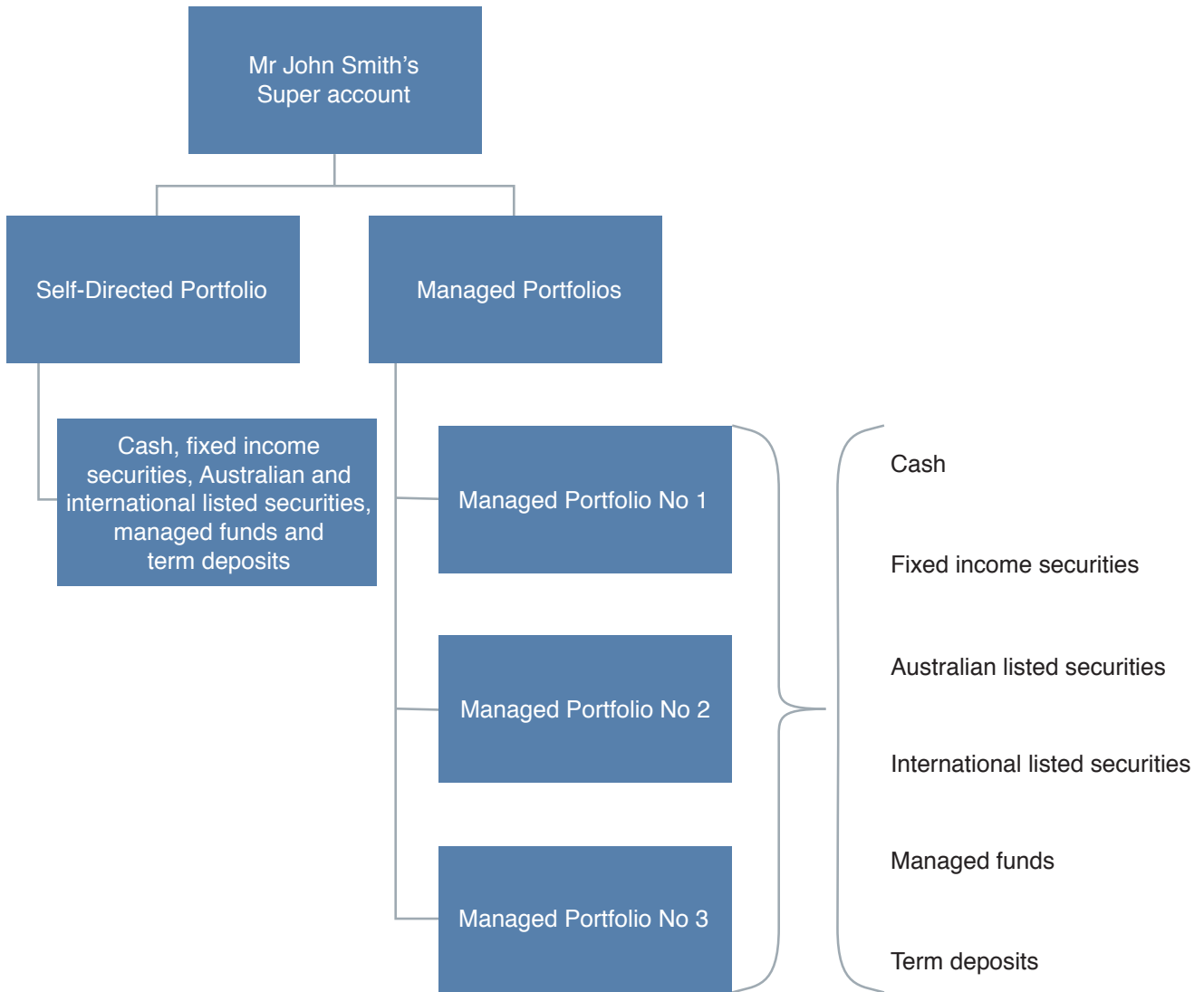
When your application is accepted, a Self-Directed Portfolio (SDP) will be established that will accept your initial cash. This can comprise of your initial contribution, rollover(s), regular contributions and any other contributions you may make.

The cash held in your SDP represents the cash you have available to invest directly or allocate to any Managed Portfolios that you have selected. If an investment instruction is not received from you or your adviser, it will remain in cash in your SDP.

You can make investments through your SDP with any unallocated cash, subject to holding the minimum cash balance in your SDP. You may also allocate future contributions to your Managed Portfolios and managed funds, subject to any investment limits. If you invest in Managed Portfolios the investment manager will be issuing instructions through the Service to buy and sell the assets that make up the Managed Portfolio.



The following diagram shows an example of the structure of a member's Super account. It consists of a SDP and three Managed Portfolios.





## Account conversion within Mason Stevens Super

You can convert between Super, TTR and Pension accounts subject to meeting the eligibility requirements of the account type. Transactions and trading will be suspended while an account conversion is in progress.

We may not be able to process your instructions to convert your account if there are any outstanding corporate actions or transactions pending on your account such as trades, fees and pension payments..

## Cash holdings and income

Each Managed Portfolio has a cash holding. Income received from assets held in your Managed Portfolio will be credited to the cash holding of that portfolio. You can elect to automatically allocate income received in your Managed Portfolio to the cash balance held in your Self-Directed Portfolio as the income is generated. Please speak to your adviser if you wish to use this functionality.

At the discretion of the Investment Manager, income may be advised to be used to add to existing investments in the Managed Portfolio, invested in a new asset, or held in cash. Mason Stevens will maintain the minimum cash holding of your account by selling or redeeming investments if necessary, after taking into account any income received. Please note that the sale or redemption of these investments may result in capital gains and losses being realised.

Interest is calculated on the daily balance and paid monthly at the rate determined by Mason Stevens and as notified to you and your adviser through updates on our website from time to time.

If you have a Super account, you can also automatically invest cash from your Self-Directed Portfolio into your Managed Portfolios. If this functionality is switched on for your account, the cash from your Self-Directed Portfolio will be allocated into your selected Managed Portfolios each month on or around the 22nd, provided that the amount being invested into the Managed Portfolios is at least \$500.

## Automatic investment plan

Your adviser can set up an automatic investment plan on your account so that when funds are deposited into your Self-Directed Portfolio the amount is automatically invested across your selected Managed Portfolios according to the proportions determined by you and your adviser.

The automatic investment plan will run each business day where new deposits are made into your Self-Directed Portfolio provided that the amounts to be invested meet the minimum investment requirement of the Managed Portfolios.

## Choosing investments

You are required to hold a minimum cash balance in your SDP at all times. The minimum cash balance for each phase is set out in the section *How to open an account - maintaining a minimum cash balance*.

The information below outlines the investment choices offered. Please also refer to the investment menu online at [masonstevens.com.au/supermenu](http://masonstevens.com.au/supermenu).

## How different investment choices and strategies work

Through your SDP you can access a variety of investment choices and strategies directly. Alternatively, you can invest by selecting a Managed Portfolio. Through a Managed Portfolio you can access the same investment choices through a professionally managed portfolio designed that aims to meet a certain investment objective or risk profile.

### INVESTMENTS YOU AND YOUR ADVISER CAN MAKE

To assist you and your adviser in the selection of investment options the choices available through Mason Stevens Super are set out below. The Trustee has set maximum investment limits on how much you can hold for certain investments in your SDP. Please refer to the *Investments available through your SDP* section for further information.

#### Cash

Cash provides members with security and liquidity. Cash is the least volatile asset and is therefore a defensive asset.

When you invest in Mason Stevens Super, your cash funds are pooled with that of other members. Mason Stevens may deposit these cash funds with an ADI, Australia and New Zealand Banking Group ABN 11 005 357 522 (ANZ) or our primary sub-custodian National Australia Bank Limited.

The rate calculated on your funds will be determined by the interest earned by Mason Stevens on all members' cash funds on deposit with the respective ADIs after consideration of any fees payable to Mason Stevens for any management and administration of such cash balances and associated payments and services.

The current interest rate applicable to your account for cash funds invested through the Service by deposits with ADIs is notified to you via the Mason Stevens Super Website.

Mason Stevens will not withdraw any part of your cash holdings except at your direction (which may include a standing instruction).

#### Australian listed securities

Most domestic listed securities are considered liquid as they may be sold at any time (subject to market conditions). The returns Australian equities generate are made up from any dividends and movements in market price. The returns are considered volatile but over the long term are expected to produce growth. They can be selected for growth and income characteristics.

You can choose to invest in a selection of securities including individual securities, Exchange Traded Funds (ETF) and Listed Investment Companies (LIC).

To transact on any of the securities above, you or your adviser will be required to provide instructions to Mason Stevens.

#### International listed securities

International equities are investments in companies listed on overseas exchanges. The return from international equities is made up from dividends and movements in market price, the returns are considered volatile but over



the long term are expected to produce growth. International equities also provide exposure to foreign currencies and changes in the exchange rates may also affect the value of the international securities. They can be selected for growth and income characteristics.

You can choose to invest in a wide selection of international equities. The equities available for investment will change from time to time.

Your Australian dollars will be converted and used to purchase the international equities selected unless you hold the currency of the equity you have selected. You and/or your adviser can make the election to use that currency at the time you initiate your order.

On the sale of any international equities held, you may elect to hold that security's native currency in your SDP. This means that the proceeds of that sale will not be converted into Australian dollars. You can continue to hold and use foreign currencies to purchase other international equities for up to 90 days. If you continue to hold foreign currencies for more than 90 days, we may direct your adviser to convert these currencies back into Australian dollars. Interest is not paid on foreign currency holdings.

For the conversion of foreign currency, there are expenses relating to this service. Mason Stevens may recover some of these costs through the pricing provided to you on each transaction settled to your account. See the *Fees and other costs* section.

Investing in international equities will expose you to foreign currency risk. For further information on risks see the *Risks in super* section.

### **Fixed income securities**

Fixed interest securities are bonds issued by businesses or governments. They are generally less liquid and riskier than cash (please see the *Risks of investing* section) and the returns are typically higher than cash. Returns consist of the interest paid and any movements in the value of the security. Fixed income securities are usually included in a portfolio for their defensive characteristics, however, different types of fixed income securities have different returns and volatility. Market values of both listed and unlisted fixed income securities may change due to factors such as a change in interest rates or concerns about defaults on loans.

You may invest in a selection of Australian fixed income securities. These fixed income securities may include corporate fixed income securities, residential mortgage backed securities, hybrids (such as preference shares and convertible notes) and asset backed securities which traditionally are typically reserved for institutions and professional investors.

All securities offered will initially have an investment grade and will have been on issue for at least one year.

Generally fixed income securities are liquid but there may be instances where the value of a fixed income security that you are attempting to sell may be below the minimum market size. In this instance the fixed income security may be considered illiquid. See the *Risks in super* section.

To invest in fixed income securities (subject to a minimum amount), you and/or your adviser will need to provide instructions via the Service.

### **Term deposits**

Term deposits are less liquid than cash, they are considered a defensive asset as they provide capital security. Their return is generated from a set rate of interest for a defined period. There is no change in capital value. There may be penalties if you break your term deposit earlier than the maturity date.

On application you can choose for the principal and net interest to be deposited into your SDP on maturity, or re-invested into a new term deposit.

### **Managed funds**

When you invest in a managed fund, your money is pooled together with other investors.

A list of the available managed funds can be accessed via the Investment Menu. A professional manager then buys and sells assets that can be a combination of all the asset types discussed above, on your behalf. You do not own the underlying investments, you own units in the fund. Before investing in a managed fund, you should read and understand the relevant PDS issued by the respective fund. Full information on all fees and costs associated with a managed fund are found in the relevant PDS. Any distributions you may be entitled to from holding an interest in the managed fund will be credited to your SDP.

To transact in managed funds, you or your adviser will be required to provide instructions online. You will be charged a fee for buying or selling managed funds and you may also incur a buy-sell spread by the managed fund. Please see the *Fees and other costs* section and the PDS.

### **Managed Portfolios**

Managed Portfolios are portfolios or strategies managed by professional managers. They may be made up from a combination of all of the above assets or may comprise a single asset category. They may be made up of a combination of Managed Portfolios to form other investment choices. They have a defined objective that may include an income or growth outcome. Investing in a Managed Portfolio should be considered as a long-term investment, and should be considered in line with your investment needs.

The investment manager is responsible for making investment decisions in line with its chosen investment strategy, and will, on your behalf buy and sell investments as well as rebalance the portfolio in line with its objective.

A list of available Managed Portfolios is outlined in the Investment Menu and the Fund's website. Before investing in a Managed Portfolio you should read the relevant Managed Portfolio Disclosure Document for full details on the particular Managed Portfolio.





## Types of managed funds and Managed Portfolio strategies

The below is provided as a guide only. Please refer to the managed funds PDS or the Managed Portfolio Disclosure Document for full information on specific underlying strategies.

Type of strategy	Characteristic
<b>Conservative</b>	Conservative or capital stable strategies have a higher exposure to defensive assets. They may have a smaller weighting to growth assets. The return generated is likely to be income focused with some capital change.
<b>Balanced</b>	Balanced strategies have a higher weighting to growth assets than conservative strategies. The return they generate will be a mix of capital change and income. Generally, a balanced strategy will have higher risk than a conservative strategy.
<b>Growth</b>	Growth strategies have a higher weighting to growth assets and some exposure to defensive assets. Most of their return will generally come from capital change potentially with some income. Generally, a growth strategy will have higher risk than a balanced strategy.
<b>High growth</b>	High growth or aggressive strategies generally will have exposure to growth assets. Their investment return is likely to be from capital change. High growth strategies have a higher risk than growth strategies.

## Changes to the Investment Menu

From time to time, subject to Trustee approval, the investment choices may change. Investments may be added or removed from the selection on offer.

<b>Closure to new application monies and investors</b>	At any time, the Trustee may close an investment choice or restrict access to a financial product. This means that your money currently invested remains unchanged, however any subsequent monies will be credited to your SDP until alternate instructions are received by you or your adviser.
<b>Termination</b>	At any time, the Trustee and/or the Investment Manager may terminate an investment choice or financial product. This means that your investment will be liquidated. The proceeds of the sale will remain in your SDP until alternate instructions are received from you or your adviser.

## Further information

### Corporate actions

Corporate actions are events initiated by a company which bring material changes to the shares and/or other securities in the company. These include stock splits, dividends, mergers, takeovers, demergers and rights issues.

You or your adviser may be contacted in respect of certain corporate actions to provide instructions to us. It is possible that we are given less than 24 hours notice by the product issuer of the closure of the corporate action. In all instances, we will process instructions from you or your adviser on a best endeavours basis.

For Managed Portfolios, the investment manager will determine whether or not the portfolio in which you are invested will participate in corporate actions and you do not have the option to provide instructions regarding your preferences.

The investment manager does not consider your individual objectives, financial situation, needs or circumstances when exercising these rights.

### Transaction restrictions

From time to time the following restrictions may apply to certain investments in which you may want to transact:

- » A security may be suspended or on a trading halt on the relevant exchange
- » The size of your transaction may "move the market" for that security and may need to be executed in increments
- » The size of your investment does not meet the minimum size
- » There is insufficient money in your SDP
- » If you are about to, or are in the process of transferring your benefit to another account, or
- » If you close your account by being paid a lump sum benefit or rolling your benefit to another superannuation entity.

Generally, your adviser will be contacted for any of these circumstances. However, we reserve the right to cancel any transaction without prior consent from you or your adviser. This is to ensure that we comply with the operating rules and procedures of the relevant exchange or clearing house and our own internal policies and procedures.

### Reinvestment

You may specify how you would like any future contributions or excess cash in your SDP to be invested (subject to the minimum cash holding and subject to any minimum transaction size). You can change how future contributions or excess cash is reinvested at any time.



### **Rebalancing and asset weightings**

MSAM as the Investment Manager or its appointed sub-investment managers will periodically review the assets held in your selected Managed Portfolios to ensure that weightings are consistent with the underlying Managed Portfolio's investment strategy as instructed by the relevant sub-investment manager. If the actual holdings in your portfolios do not align with the reference target set, your portfolios are rebalanced as closely as possible. A rebalance may not occur every time your portfolios are reviewed and remains at the relevant investment manager's discretion.

Following a rebalance, the assets held in your Managed Portfolios may be different to the target sets of your chosen portfolios. If a rebalance or an investment instruction relevant to your portfolios requires a trade of less than the minimum trade size at market or less than an odd lot (in certain international markets), then this trade generally does not occur.

You should also be aware that each Managed Portfolio has a minimum investment amount which is set taking into consideration the investment strategy and the number and type of assets held in the Managed Portfolio. In some cases, investing the minimum investment amount may not be sufficient for you to acquire every asset in the Managed Portfolio. If you have close to the minimum amount allocated to a Managed Portfolio, this may result in holdings in an asset that would be less than the minimum market trade size and therefore it may not be executed. All of the above may increase the differences between the investment performance of your portfolios and that of your chosen underlying strategies.

### **Transaction aggregation**

Your adviser may place a buy or sell instruction that may be combined with other instructions for other members if the instruction is received for a security.

### **Netting**

On occasion the Service may receive instructions from different investors to buy and sell interests in the same financial product or investment choice. These instructions may be offset by the Investment Manager so that only one net order is made to purchase or sell the security. If this occurs, and subject to the net request being accepted, investors who dispose of an investment will have that disposal effected and recorded by the Investment Manager. Similarly, investors who acquire an investment will have that acquisition effected and recorded by the Investment Manager. The Investment Manager is entitled to retain any resulting benefit that may be gained, in respect of and including the buy-sell spread on underlying investments.

### **Foreign exchange services and transacting on international equities**

Mason Stevens provides foreign exchange services for transactions in international listed and unlisted securities, including fixed income instruments, which include the buying and selling of such instruments and related corporate action and income transactions.

Where instructed by you via a Self-Directed Portfolio or undertaken under the Managed Portfolio, transactions will be converted into relevant currencies using the foreign exchange rates advised by the sub custodian or other wholesale providers Mason Stevens has access to. Mason Stevens actively manages such transactions to facilitate the most optimal outcomes for its clients. The rates provided are subject to market conditions and available liquidity in the marketplace for the respective currency pair, and include costs incurred by the sub-custodian and Mason Stevens in providing the most efficient and effective service, which may be up to 0.30%.

Trading on foreign exchanges may also incur additional expenses which include but are not limited to local exchange fees, taxes, bank fees, and government charges. These costs may be passed on to you and may be deducted from your cash balance or from the total transaction amount on settlement of the trade.

### **Illiquid investments**

An investment is considered to be illiquid if it cannot be converted to cash in less than 30 days or if converting an investment to cash within 30 days would have a significant adverse impact on the value of the investment.

Generally, we will rollover your benefit within 30 days of receiving all prescribed relevant information including information necessary to process your request. However, if you hold an investment with terms greater than 30 days that are or become illiquid or suspended, it may take longer than 30 days to transfer your full benefit. Please see the *Risks of super* section for more information.

### **Labour standards and environmental, social and ethical considerations**

The Trustee does not take into account labour standards and environmental, social and ethical considerations when making the investments available on the Investment Menu. This includes the selection of investment managers for Managed Portfolios and/or managed funds.

When making investment decisions, the investment managers of the underlying investment choices may take into account labour standards and environmental, social and ethical considerations. If so, this information will be available in the underlying disclosure document of the financial product.



# Investments available through your Self-Directed Portfolio

# 7

The following direct investments are assets that can be held in your SDP:

- » Australian listed securities
- » International listed securities
- » Fixed income securities
- » Managed funds
- » Term deposits
- » Cash

You and/or your adviser can elect to invest in the above assets by providing instructions to us. You can make investments through your SDP at any time with your available cash. You may also allocate future contributions to your Managed Portfolios, subject to any investment limits prescribed by the Trustee. Mason Stevens may impose more conservative limits than those shown below at its discretion. You or your adviser will be notified if this is the case.

If you invest in a Managed Portfolio the investment manager will provide instructions to us to buy or sell assets according to the parameters of the Managed Portfolio.

## Australian listed securities

Security class	Investment limit	
	Individual security limit	Total investment limit
Securities listed in ASX All Ordinaries Index	20%	100%
Securities listed outside ASX All Ordinaries Index	10%	40%
Exchange Traded Funds (excluding any Alternative ETFs)	100%	100%
Alternative ETFs (excluding commodity or currency based investments)	25%	40%
Alternative ETFs (commodity or currency based investments)	10%	40%
Listed Investment Companies	50%	100%

## International listed securities

Security class	Investment limit	
	Individual security limit	Total investment limit
International securities listed in the MSCI World Index (ex Australia)	20%	100%
International securities listed in markets outside of the MSCI World Index (ex Australia)	5%	30%
Subject to market capitalisation exceeding AUD\$200M.		

## Foreign currency conversion

Investing in international listed securities will expose you to foreign currency risk. Your Australian dollars will be converted and used to purchase the international equities selected unless you hold the currency of the equity you have selected. You and/or your adviser can make the election to use that currency at the time you initiate your order.

On the sale of any international equities held, you may elect to hold that security's native currency in your SDP. This means that the proceeds of that sale will not be converted into Australian dollars. You can continue to hold and use

foreign currencies to purchase other international listed securities for up to 90 days. If you continue to hold foreign currencies for more than 90 days, we may direct your adviser to convert these currencies back into Australian dollars. Interest is not paid on foreign currency holdings.

For the conversion of foreign currency, there are expenses relating to this service. Mason Stevens may recover some of these costs through the pricing provided to you on each transaction settled to your account. See *Fees and other costs* section for activity fees for Self-Directed Portfolios and Managed Portfolios.



## Fixed income securities

Fixed income securities may include corporate fixed income securities, residential mortgage backed securities, hybrids (such as preference shares and convertible notes) and asset backed securities which traditionally are typically reserved for institutions and professional investors.

Generally, fixed income securities are liquid but there may be instances where the value of a fixed income security that you are attempting to sell may be below the minimum market size. In this instance the fixed income security may be considered illiquid. See the *Risks of investing* section for further details.

To invest in fixed income securities (subject to a minimum amount), you or your adviser will need to provide instructions to us.

Security class	Investment limit	
	Individual security limit	Total investment limit
<b>Australian fixed income securities</b>	20%	100%
<b>Fixed income securities (not listed on the ASX)</b>		
If you want to invest in the below fixed income securities, you are required to have an overall portfolio balance of \$20,000 or greater. The minimum investment in the below fixed income securities is \$5,000.		
<b>Unlisted fixed income securities</b>	15%	30%
Includes corporate bonds, asset backed securities, tier 1 and 2 senior debt, and structured securities		
When selected, the securities must be rated at least investment grade by a reputable rating agency.		
All fixed income securities must be "seasoned" (i.e. have been in issue for more than 1 year).		
<b>Listed Debt Securities</b>	20%	100%
Includes bonds, floating rate notes, convertible notes, hybrid securities and collateralised debt obligations		



Mason Stevens Asset Management (MSAM) is the Investment Manager of the Fund. MSAM may sub-contract the activities of all or some of its investment functions to other investment managers, including your adviser or their related companies, for specific Managed Portfolios within Mason Stevens Super. These investment managers are appointed by MSAM. A due diligence selection process is followed where the investment managers are approved by the Trustee.

Managed Portfolios are professionally managed investments that have a defined objective and may hold Australian and international equities, fixed income securities and managed funds or a selection of all of these in the one portfolio. Before investing in a Managed Portfolio you are required to read and understand the associated Managed Portfolio Disclosure Document.

The investment manager is responsible for making investment decisions in line with its chosen investment strategy, and will issue instructions to buy and sell assets as well as rebalance the portfolio in line with its objective.

The Managed Portfolios available in Mason Stevens Super are shown online at [masonstevens.com.au/super](http://masonstevens.com.au/super).

Your adviser may recommend you invest in Managed Portfolios that are not shown online and are only available to your adviser's license.



## Defined fees

The following table outlines the regulatory definitions of the fees and costs for super products. The definitions have been taken from the *Super Industry (Supervision) Act 1993* (Cth).

Fee	Description
<b>Activity fee</b>	<p>A fee is an <b>activity fee</b> if:</p> <ul style="list-style-type: none"> <li>(a) the fee relates to costs incurred by the trustee of the superannuation entity that are directly related to an activity of the trustee: <ul style="list-style-type: none"> <li>(i) that is engaged in at the request, or with the consent, of a member, or</li> <li>(ii) that relates to a member and is required by law, and</li> </ul> </li> <li>(b) those costs are not otherwise charged as an administration fee, an investment fee, a buy-sell spread, a switching fee, an advice fee or an insurance fee.</li> </ul> <p>Activity fees also include brokerage fees, insurance administration fees, family law enquiry, family law split, transaction fees and a request to obtain a copy of the Fund's Trust Deed.</p>
<b>Administration fee</b>	<p>An <b>administration fee</b> is a fee that relates to the administration or operation of the super entity, including costs that relate to that administration or operation, other than:</p> <ul style="list-style-type: none"> <li>(a) borrowing costs, and</li> <li>(b) indirect costs that are not paid out of the superannuation entity that the trustee has elected in writing will be treated as indirect costs and not fees, incurred by the trustee of the entity or in an interposed vehicle or derivative financial product, and</li> <li>(c) costs that are otherwise charged as an investment fee, a buy-sell spread, a switching fee, an activity fee, an advice fee or an insurance fee.</li> </ul>
<b>Advice fee</b>	<p>A fee is an <b>advice fee</b> if:</p> <ul style="list-style-type: none"> <li>(a) The fee relates directly to costs incurred by the trustee of the superannuation entity due to the provision of financial product advice to a member by: <ul style="list-style-type: none"> <li>(i) a trustee of the entity, or</li> <li>(ii) another person acting as an employee of, or under an arrangement with, the trustee of the super entity, and</li> </ul> </li> <li>(b) those costs are not otherwise charged as an administration fee, an investment fee, a switching fee, an activity fee or an insurance fee.</li> </ul>
<b>Buy-sell spread</b>	<p>A <b>buy-sell spread</b> is a fee to recover transaction costs incurred by the trustee of the superannuation entity in relation to the sale and purchase of assets of the super entity.</p>
<b>Indirect cost ratio</b>	<p>The <b>indirect cost ratio</b> (ICR), for an investment option offered by a superannuation entity, is the ratio of the total of the indirect costs for the investment option, to the total average net assets of the super entity attributed to the investment option.</p> <p>Note: A fee deducted from a member's account or paid out of the superannuation entity is not an indirect cost.</p>



Fee	Description
<b>Investment fees</b>	<p>An <b>investment fee</b> is a fee that relates to the investment of the assets of a superannuation entity and includes:</p> <ul style="list-style-type: none"> <li>(a) fees in payment for the exercise of care and expertise in the investment of those assets (including performance fees), and</li> <li>(b) costs incurred by the Trustee of the entity that: <ul style="list-style-type: none"> <li>(i) relate to the investments of the entity, and</li> <li>(ii) are not otherwise charged as administration fee, a buy-sell spread, a switching fee, an activity fee, an advice fee or an insurance fee.</li> </ul> </li> </ul>
<b>Switching fee</b>	A <b>switching fee</b> is a fee to recover the costs of switching all or part of a member's interest in the superannuation entity from one class of beneficial interest in the entity to another.

## Summary of fees and costs

The table below shows fees and other costs you may be charged through Mason Stevens Super. These fees and costs may be deducted from your cash, or from the assets of the Fund as a whole. Other fees, such as activity fees, advice fees for personal advice and insurance fees may also be charged, but these will depend on the nature of the activity, advice or insurance chosen by you. All fees are inclusive of GST net the effect of any reduced input tax credits (RITC).

Type of fee	Amount	How and when paid
<b>Investment fee</b>	<p>Nil, unless you invest in a Managed Portfolio.</p> <p>Between 0% and 3.0% p.a. for Managed Portfolios.</p> <p>Managed Portfolio performance fees of up to 25% of the outperformance may apply if that portfolio exceeds a specified benchmark.</p> <p><b>Refer to the relevant Managed Portfolio Disclosure Document for full information on investment fees</b></p>	<p>Calculated daily and deducted monthly from your Managed Portfolio.</p> <p>Performance fees are calculated as a percentage of any out performance of the Managed Portfolio relative to its benchmark and is an estimate only. The times when a performance fee is calculated and charged may vary for each Managed Portfolio.</p>

Other Fees and Charges		
<b>Insurance administration fee</b>	\$2.66 per cover type, per month	If you choose to have insurance you will be charged \$31.90 for each cover type, per year, that will be deducted at the end of each month.
<b>Family law information fee</b>	\$110 per case	Deducted from your account following provision of the information.
<b>Family law split fee</b>	\$110 per case	Deducted from your account following processing of the split.





## Activity fees for Self-Directed Portfolio

Activity type	Transaction method	Fee amount	How and when paid
<b>Transacting in Australian listed securities</b>	Instructions are executed via the Service.	0.22% of transacting value Subject to a minimum of \$11.00	Deducted at the time of settlement as part of the total cost (buy trades) or net proceeds (sell trades).
<b>Transacting in international listed securities</b>	Instructions are executed via the Service.	0.33% of transacting value Subject to a minimum of \$33.00 (AUD equivalent)	Deducted at the time of settlement as part of the total cost (buy trades) or net proceeds (sell trades).
<b>Transacting in fixed income securities</b>	Instructions are executed via the Service.	0.55% of transacting value Subject to a minimum of \$55.00	Deducted at the time of settlement as part of the total cost (buy trades) or net proceeds (sell trades).
<b>Transacting in managed funds</b>	Selected via the Service.	\$22.00 per trade	Deducted at the time of settlement as part of the total cost.
<b>Transacting in foreign exchange</b>	Executed via the Service.	0.55% Spread	The spread will be incurred at the time when you transact.

## Activity fees for Managed Portfolios

Activity type	Transaction method	Fee amount	How and when paid
<b>Transacting in Australian listed securities</b>	Executed via the Service.	0.22% of transacting value	The fee is deducted at the time of settlement as part of the total cost (buy trades) or net proceeds (sell trades).
<b>Transacting in international listed securities</b>	Executed via the Service.	0.33% of transacting value	The fee is deducted at time of settlement as part of the total cost (buy trades) or net proceeds (sell trades).
<b>Transacting in fixed income securities</b>	Executed via the Service.	0.55% of transacting value	The fee is deducted at the time of settlement as part of the total cost (buy trades) or net proceeds (sell trades).
<b>Transacting in managed funds</b>	Executed via the Service.	\$5.50 per managed fund	The fee is deducted at the time of settlement in addition to any other transaction costs.
<b>Transacting in foreign exchange</b>	Executed via the Service.	0.55% Spread	The spread will be incurred at the time when you transact.





## Fee Changes and Differential Fees

Should there be a decision to increase fees or introduce a new fee, investors will be given at least 30 days' prior notice.

Mason Stevens may negotiate different fees with your employer or groups of clients based on the amount they invest in the Fund.

In some instances your adviser's dealer may negotiate reduced administration fees than what is shown in the Fees and other costs table. If so, your adviser will set this out in your Statement of Advice. If you choose to change your adviser and/or dealer on your account, it may lead to an increase or decrease in the administration fees you pay, depending on the fee arrangement applicable to you under each adviser and/or dealer, which should be set out in your Statement of Advice from your new adviser and/or dealer.

Where you remove the adviser and/or dealer on your account, this may mean the reduced administration fees are no longer applicable to your account, which could lead to an increase in the net administration fees up to the amount disclosed in the Fees and other costs table. You may wish to consider the impact this may have on your account when making any adviser and/or dealer changes.

## Administration fee

An administration fee is a percentage-based fee that is paid to Mason Stevens that is then used to pay for the administration services of the Fund.

## Family group linking

Family group linking allows your adviser to link your accounts with those of your immediate family members who also have accounts in Mason Stevens Super. You and your family members' accounts will also receive a 10% discount on each tier of the administration fee subject to the below terms and conditions. Please note each account will be subject to the minimum administration charge of \$330 p.a.

Terms and Conditions:

- » Immediate family includes the member's: husband, wife, domestic partner, children, grandparents and siblings
- » Immediate family excludes: all others not mentioned above
- » The discounted accounts must be advised by the same adviser
- » Each account may only belong to one family group
- » Family groups are limited to a maximum of 6 accounts, and
- » The minimum family group holding value is \$300,000 for the 10% discount on the administration fee to apply. This value is assessed daily.

## Expense Recovery Charge

An additional amount will be deducted from your account to cover Fund related expenses. These expenses are an estimate only and include a fee paid to the Trustee for its services, a fee to paid to the Custodian, the Operational Risk Reserve and certain out-of-pocket expenses such as postage and phone costs. These are paid to Mason Stevens that in turn pays the relevant party for the expense. Mason Stevens on behalf of the Trustee is entitled to recover previously unrecovered expenses as well as ongoing expenses as they are incurred.

## Operational Risk Financial Requirement (ORFR)

The Trustee is required by the Australian Prudential Regulatory Authority (APRA) to maintain adequate reserves to cover potential operational losses. An operational risk is the risk that a super fund may suffer loss due to inadequate or failed internal process, people and systems, or from external events. The ORFR may be drawn upon to assist in compensating members of the fund in the event that an operational risk materialises.

The Trustee has reviewed the potential operational risk losses of the Fund and has determined it prudent to reserve up to 0.25% of the net assets of the Fund within the ORFR. This requirement can be met by a reserve within the Fund and/or Trustee capital. The reserve may also be funded from the Expense Recovery charge, RITC that the Fund may receive, amounts that have been forfeited by members leaving the Fund and any deferment of any fees payable to Mason Stevens.

## Investment fee

An investment fee is a percentage-based fee that applies to Managed Portfolios that are available for your investment.

These fees are paid to the investment manager for the management of your investments. The investment manager may use these fees to pay other underlying sub investment managers.

If the investment manager is your adviser or the holder of an Australian Financial Services License that your adviser operates under, or a related party, you must agree to the amount of the fee and its deduction from your account to be able to invest in the Managed Portfolio (the amount of the fee cannot be negotiated). If you do not provide consent, you will not be able to invest in the Managed Portfolio.

The investment fee is in addition to any indirect costs (e.g. the indirect cost ratio) associated with investing in managed funds, ETFs or LICs that may be held within the Managed Portfolio by an investment manager.

Refer to the relevant Managed Portfolio Disclosure Document for details of the investment fee.

## Indirect Cost Ratio (ICR)

These costs are an indirect charge that reduces the return on the investment. It is not a charge that is deducted from your super account and may change from time to time. Indirect costs apply for underlying investments that you access through your super fund (including investments held as part of a Managed Portfolio), such as managed funds, Exchanged Traded Funds (ETFs) and Listed Investment Companies (LICs).

## Performance fees

You may be charged a performance fee when the performance of a Managed Portfolio exceeds a defined level of outperformance for the Managed Portfolio. This fee is a direct charge to your Managed Portfolio but if paid reflects that the portfolio has been positively outperforming the benchmark.

The methodology for calculating the performance fee may vary depending on the Investment Manager. This section outlines the methodology that generally applies to a Managed Portfolio. If a Managed Portfolio uses a different methodology, this will be disclosed in the relevant Managed Portfolio Disclosure Document and where there are inconsistencies with this Additional Information Guide, the Managed Portfolio Disclosure Document will prevail.

The performance fee is calculated on an individual portfolio basis and charged to your Managed Portfolio.

The outperformance is the portfolio value at the end of the performance period (after all fees but before performance fees) less the notional value had the investor funds accumulated at the benchmark.

The outperformance must be positive for a performance fee to be paid. Any underperformance of the benchmark is carried forward to future performance periods and must be made up before a performance fee is payable again. Where underperformance of the benchmark is carried forward to a future performance period, the amount of underperformance carried forward will be added on to the benchmark return of that future performance period, and this will form the highwater mark for the portfolio.

Performance periods are half-yearly ending on 31 December and 30 June. Returns exclude any franking credits. The following examples assume a performance fee of 10%.

### Performance fee example 1: \$500,000 investment

This example uses a portfolio invested for six months assuming:

- » the portfolio balance is \$500,000 at the beginning of the performance period
- » the portfolio balance is \$550,000 at the end of the performance period (after all fees but before the performance fee for that period)
- » the benchmark returned 6% during the 6-month performance period
- » no other capital was contributed into or withdrawn from the portfolio

The outperformance is calculated as:  
 $\$550,000 - (\$500,000 \times 1.06) = \$20,000$

The performance fee is calculated as:  
 $\$20,000 \times 10\% = \$2,000$

### Performance fee example 2: \$100,000 investment

This example uses a portfolio invested for 6 months assuming:

- » the portfolio balance is \$100,000 at the beginning of the performance period
- » the portfolio balance is \$95,000 at the end of the performance period (after all fees but before the performance fee for that period)
- » the benchmark returned negative 15% during the performance period
- » no other capital was contributed into or withdrawn from the portfolio.

The outperformance is calculated as:  
 $\$95,000 - (\$100,000 \times 0.85) = \$10,000$

The performance fee is calculated as:  
 $\$10,000 \times 10\% = \$1,000$

### Performance fee example 3: \$1,000,000 investment

This example uses a portfolio invested for 12 months, across two performance periods, assuming:

- » the portfolio balance is \$1,000,000 at the beginning of the 12-month period, at the start of the first performance period
- » the portfolio balance is \$1,040,000 at the end of the first 6-month performance period (after all fees but before the performance fee for that period)
- » the benchmark returned 6% during the first performance period»the portfolio balance is \$1,300,000 at the end of the second performance period (after all fees but before the performance fee for that period)
- » the benchmark returned 5% during the second performance period
- » no other capital was contributed into or withdrawn from the portfolio.

The portfolio's underperformance to the benchmark for the first performance period is calculated as:  
 $\$1,040,000 - (\$1,000,000 \times 1.06) = -\$20,000$

No performance fee is payable for the first performance period.

The portfolio's outperformance for the second performance period is calculated as:  
 $\$1,300,000 - ((\$1,040,000 + \$20,000) \times 1.05) = \$187,000$

The performance fee payable for the second performance period is calculated as:  $\$187,000 \times 10\% = \$18,700$

For the avoidance of doubt, where the outperformance in respect of an account is negative at the end of a performance period (which has ended due to the account being closed), the negative outperformance in respect for that account is extinguished.



It is possible that at the time of the mandate, the Managed Portfolios are new with no performance history, therefore an estimate performance fee cannot be provided. In future periods if the portfolios outperform the benchmark, a performance fee will be incurred according to the above calculation methodology.

### Buy-sell spread

When investors make investments in or withdrawals from a unitised fund, the fund may need to buy or sell assets. The buy-sell spread is the cost associated with the purchase (or sale) of these assets in connection with your purchase or withdrawal of units in the fund. It is not a direct cost when investing in Mason Stevens Super. However, underlying investments held in Managed Portfolios or Self-Directed Portfolios may incur buy-sell spreads and you should read the relevant PDS to understand those costs.

### Transactional and operational costs

Some Managed Portfolios (and managed funds) will disclose an estimated transactional and operational cost in the Managed Portfolio Disclosure Document. The transactional and operational costs of a portfolio may include costs incurred in the buying or selling of certain assets held in the portfolio including brokerage costs, settlement costs, clearing

costs, registration fees, bank charges, Government taxes, stamp duty (if applicable) and the bid/ask spread on fixed income securities bought and sold at market. These costs are paid out of the assets of the Managed Portfolio and are not a direct charge to your account. These costs differ from Activity Fees which are direct charges to your account and visible through the Service.

At the time of transacting in securities at market, a “bid/ask spread” may be incurred. A bid/ask spread is the industry terminology for the amount by which the ask price exceeds the bid price for an asset in the market. It is considered that the difference between the amount paid for the fixed income asset and the value of the asset at the time of purchase based on its immediate selling price is a transaction cost. You should be aware that the spread is an implicit cost, not charged directly to your account, and will depend on the type of instrument, size of order, timing of the transaction, execution quality, liquidity of the underlying market and actions of other market participants during execution etc. The bid/ask spread is considered a cost to the assets of the Managed Portfolio.

For the transactional and operational costs associated with a managed fund, please refer to the relevant PDS for full information.

### Adviser fees relating to you

You may negotiate with your adviser to pay the following fees to your adviser or your adviser’s dealer group. From 1 July 2021, you must consent to the deduction of all ongoing fee arrangements with your adviser, and your written consent must be renewed annually.

Type of adviser fees	Amount	How and when paid
<b>Initial adviser fee</b>	You may agree with your adviser to pay a fixed dollar amount initial adviser fee. The amount payable is agreed between you and your adviser.	This will generally be deducted from your Self-Directed Portfolio after receipt of your first rollover or first contribution.
<b>Ongoing adviser fee</b>	You may agree with your adviser to pay an ongoing adviser fee for ongoing advice you receive about your investment in Mason Stevens Super. The fee may be an ongoing percentage fee on your total Self-Directed Portfolio and/or Managed Portfolio balance, or an ongoing fixed dollar amount. The amount payable is agreed between you and your adviser.	For ongoing percentage fees, this is calculated daily on your total Self-Directed Portfolio and/or Managed Portfolio balance and deducted from your Self-Directed Portfolio at the end of each month in arrears. For ongoing fixed dollar amount fees, this is deducted from your Self-Directed Portfolio.
<b>Managed Portfolio service fee</b>	You may agree to pay a Managed Portfolio service fee where your adviser, their licensee or one of its related parties provides you with ongoing advice (or related services) in relation to Managed Portfolios. The amount payable is agreed between you and your adviser and will be disclosed to you by your adviser in a Statement of Advice.	This is calculated on the daily balance of each of your Managed Portfolios and deducted from your Self-Directed Portfolio at the end of each month in arrears.



## Setting up your account

Your adviser will assist you with opening a Mason Stevens Super account.

As part of the application process we will ask you to provide your TFN. You are not required to supply your TFN by law but we will not be able to complete the application process without it. Once your account is activated you must maintain an ongoing minimum balance of \$10,000 in your account once activated.

You will need to authorise your adviser to perform a range of tasks on your behalf including providing investment instructions, by accepting the terms and conditions applicable to the Fund.

After your application has been accepted you will receive an email that will enable you to log onto the Service, accept the terms and conditions, activate your SDP to accept any rollovers or contributions and start setting up your investments.

## How do you make a contribution?

Contributions made into your account will be received into your SDP. You or your adviser will be required to provide instructions on how cash in your SDP is to be invested. If no instructions are received by us, your contribution will be held in cash in the SDP until we receive instructions.

## Contributions

You can make your first investment as a lump sum contribution. If contributions tax is required to be deducted it will automatically be deducted from your account and paid to the ATO.

Unless you advise otherwise, all contributions will be treated as non-concessional contributions.

## Rollovers

If you have super with another super fund you can instruct the administrator of your existing super fund to rollover all or part of your benefit into your Mason Stevens Super account. Rollovers are generally exempt from contributions tax.

You can search and initiate a full or partial rollover from your existing super fund through your myGov account, or by contacting your current super fund directly. You should consider any insurance or other significant benefits you hold with your other fund before choosing to rollover to Mason Stevens Super.

Who	Payment	Frequency	How
Employer (including salary sacrifice and other voluntary contributions)	Superstream	One off or regular	<p>Your employer can pay your Super Guarantee (SG) contributions to the Fund.</p> <p>Complete the Super Choice Fund Nomination form. This will tell your employer to direct your SG contributions to your account in the Fund.</p> <p>Your employer must use SuperStream and a clearing house to make contributions for you.</p>
Personal, spouse	EFT	One off or regular	<p><b>BSB:</b> 083 088</p> <p><b>Account:</b> 87 714 5636</p> <p><b>Ref number:</b> Mason Stevens Retail Super – Member Number</p>
	BPAY®	One off or regular	<p><b>Biller code:</b> 211 193</p> <p><b>Ref number:</b> Mason Stevens Retail Super – Member Number</p>

® Registered to BPAY Pty Ltd 69 079 137 518



## Maintaining a minimum cash balance

A minimum cash balance must be maintained in your SDP to meet all fees, insurance premiums and to satisfy charges in connection with the settlement of transactions that are carried out. This is in addition to any cash that is held separately in your Managed Portfolio(s).

The minimum cash balance for each phase are as follows:

Phase	Minimum cash balance required
<b>Super</b>	\$2,000 or 2% of your entire account balance (whichever is higher) up to \$15,000.
<b>TTR</b>	\$5,000 or 5% of your entire account balance (whichever is higher) up to \$15,000.
<b>Pension</b>	\$5,000 or 5% of your entire account balance (whichever is higher) up to \$15,000.

You must maintain the required minimum cash balance in your Self-Directed Portfolio at all times. It is your responsibility to ensure that the minimum cash balance is maintained. If your cash balance falls below the required minimum amount, we may contact your adviser to have your cash balance replenished. If your adviser does not take action to top up your cash balance and if you do not have any sell transactions awaiting settlement, conversion of your foreign cash holdings and sell down of your assets in order of the priority listed below will take place on or around the fifth Business Day of the following month, to bring your cash holding back to the required minimum balance:

- Foreign currency cash – starting with:
  - United States Dollar (USD)
  - Euro (EUR)
  - Great British Pound (GBP)
  - Largest value of other currencies.
- Australian equities – starting with largest value of your security holding.
- International equities – starting with largest value of your security holding.
- Managed funds - starting with:
  - managed fund with daily liquidity
  - managed fund with largest value.
- Managed Portfolios – starting with:
  - Managed Portfolio with highest valued ASX-listed equity
  - Managed Portfolio with highest valued listed equity
  - Managed Portfolio with highest valued managed fund listing
  - Managed Portfolio with highest valued fixed income listing.
- Fixed income securities.
- Term deposits – starting with shortest term to maturity.

Any transaction costs or additional costs incurred by Mason Stevens of this sell down process will be borne by you.

## How to transact on your account

You or your adviser can provide us with investment instructions for any purchase or sale of assets or Managed Portfolios in your account.

### Transacting in listed securities, fixed income and managed funds

Your adviser can instruct us on your behalf to transact on Australian and international listed securities, fixed income securities, managed funds, term deposits, and cash. Once a transaction is placed, it cannot be cancelled or amended.

### Transacting in Managed Portfolios

Once you have agreed with your adviser the Managed Portfolio you want to invest in, we will act on the investment manager's instructions to purchase or sell assets in accordance with the parameters of the Managed Portfolio.

### Minimum investment amounts

There are minimum investment amounts when transacting on your account. Please note that there are also investment holding and security limits set by the Trustee with respect to the maximum limit your account can hold in any one security or financial product.

Asset type	Minimum investment amount <sup>1</sup>
<b>Australian equities</b>	\$1,000
<b>International equities</b>	\$1,500
<b>Fixed income securities (subject to a minimum total investment of \$50,000 in this investment class)</b>	\$5,000
<b>Managed funds</b>	Refer to the minimum initial investment amount in the underlying disclosure document.
<b>Managed Portfolios</b>	Refer to the minimum initial investment amount in the relevant Managed Portfolio Disclosure Document.
<b>Term deposits</b>	Refer to the minimum initial investment amount displayed in the Service.

<sup>1</sup> In the event that you transact an investment amount below the minimum investment amount as stated in the above table you will be subject to the minimum transaction fee, see the *Fees and other costs* section. The minimum investment amounts above apply to your SDP only.

We may decline to act on your instructions, or delay acting on your instructions if we believe they are incomplete, ambiguous or unclear. Your instructions may also be declined if we believe they might contravene laws, rules or market practices. For further information please refer to [masonstevens.com.au/tradingterms](https://masonstevens.com.au/tradingterms).



## Information about your account

### Accessing your account online

Once you have agreed to the terms and conditions of using Mason Stevens Super and your account has been established, you will be provided with access to view your account through the Mason Stevens online portal via your desktop or smart device. You will separately receive a user name and a password to access the the portal where you can view reports and information relating to your account, including:

- » cash transactions such as contributions and income
- » investment transactions such as purchases or sales of assets
- » portfolio valuation
- » performance reporting, and
- » realised and unrealised capital gains.

### How we communicate with you

The table below shows the types of communication that will be made available to you.

Communication	Description
<b>Login details</b>	Once your application form has been processed, you will receive separate emails containing your user name and a temporary password to access your account online.  Once you have logged in and changed your temporary password, you need activate your account by confirming that you have read and accepted the terms and conditions of investing in Mason Stevens Super.  Communications can be accessed via the Document Library online.
<b>Welcome letter</b>	A digital copy of the welcome letter can be found in the Document Library. It confirms that your membership with the Fund is active and provides details such as your member number and account number.
<b>Transaction confirmations</b>	All transaction and trade confirmations are accessible online.
<b>Annual member statement</b>	Annual summary of your account including investments, transactions, account valuation, pension payment details (Pension accounts only) for the financial year will be issued and stored in the Document Library.
<b>Annual fund report</b>	Provides you with information on the management and financial position of the Fund as at the end of the financial year. This will be made available on the Fund's website.
<b>Audited financial statements</b>	Annual audited financial statements for the Fund will be made available on the Fund's website.
<b>Exit statement</b>	Summary of your investments, transactions and super benefit for the reporting period if you leave the Fund. This is sent to you by mail.

### Accepting instructions from you

The Administrator may accept non-transactional instructions from you or from the adviser recorded against your account via email and scanned documents sent by email.

The Administrator will not act upon instructions that are ambiguous or where there is reason to believe they are not genuine. The Administrator may contact you or your adviser to validate the instructions. The Fund, the Administrator and Mason Stevens are not responsible for any losses incurred as a result of an instruction requiring validation or clarification.



## Privacy

By completing your application form, you are providing the Trustee, Mason Stevens and the Administrator with personal information. They may also collect your personal information to verify your identity as part of the application process. Any personal information obtained is collected, stored and disclosed to third parties in accordance with the *Privacy Act 1988* (Cth), the Australian Privacy Principles (APPs) and the Administrator's Privacy Policy accessible at [masonstevens.com.au/privacy-policy](http://masonstevens.com.au/privacy-policy).

Personal information collected include but are not limited to the following:

- » Your name
- » Contact details (such as your address, telephone numbers and email address)
- » Date of birth
- » Tax File Number
- » Gender
- » Bank account
- » Investment details.

The *Anti-Money Laundering and Counter Terrorism Financing Act 2006* (AML/CTF Act) may also require the collection of additional personal information from you.

### Why is your personal information collected?

Your personal information is collected in order to:

- » provide you with financial products and services
- » administer products and services, such as establishing and maintaining records, provide regular reporting and communication
- » process transactions, applications, claims and requests in relation to our products and services
- » identify your identity in accordance with the AML/CTF Act
- » identify your identity in order to prevent fraud
- » let you know about other financial products or services that we may offer, and
- » comply with super, taxation and other applicable laws and regulations.

The information collected from you is strictly confidential. Unless you choose to opt out, the Administrator or Promoter may also send you educational or marketing material about new products or services or other opportunities. You may contact the Administrator at any time to request this material not be sent.

### Who is your personal information provided to?

There are some instances where the Administrator may be exchange your personal information with external entities or service providers, including:

- » Government or regulatory bodies to fulfil its legal requirements (for example, disclosure to enforcement bodies such as the Australian Securities and Investments Commission (ASIC), the Australian Taxation Office (ATO) and the Australian Transaction Reports and Analysis Centre (AUSTRAC)
- » Pursuant to a court order, and
- » Agents and external service providers, (such as registry providers, printing companies, external consultants) to assist the Administrator in providing you with financial products and services.

Steps are taken to ensure that the Trustee, Administrator, Mason Stevens, and their agents and external service providers keep your personal information confidential and that the information is only used for the purpose that is authorised. Those parties must undertake to comply with the Trustee's confidentiality requirements under privacy law. This also includes where the Administrator (an external service provider) may perform some of its duties in relation to the Fund in New Zealand.

### Continuous disclosure updates and important information

From time to time we may update the information in the PDS or in this Guide and upload details of these updates online at [masonstevens.com.au/super](http://masonstevens.com.au/super).

### Accessing your personal information

You may request access to the personal information that is held. Your right of access is subject to some exceptions. If it is not possible to give you access the Administrator will endeavour to explain why.

### Anti-money laundering and counter-terrorism financing

In accordance with the AML/CTF Act, the Administrator is required to collect information with respect to the identity of all applicants (including any third parties) in order to determine the beneficial owners of all accounts. As such you may be required to verify your identity and source of your application monies before providing services or before making a benefit payment to you, and to re-identify you if it is considered necessary to do so. Where you supply documentation as requested the Administrator will keep a record of this documentation for seven years. If you do not provide the requested documentation there may be a delay in processing your account opening or benefit payment, or possible suspension of an opened account.

Under the provisions of the AML/CTF Act, the Administrator also has the right to not provide a designated service to you in certain circumstances.

## Complaints

If you have a concern or complaint, please tell us by contacting us on the details below so that we can investigate and try to resolve the matter. Please feel free to also contact the Complaints Officer.

### The Complaints Officer

Mason Stevens Super  
PO Box R1237  
Royal Exchange  
NSW 1225

**P:** 1300 491 766

**E:** [admin@mssuper.com.au](mailto:admin@mssuper.com.au)

**W:** [masonstevens.com.au/super](http://masonstevens.com.au/super)

We will do everything we can to resolve your complaint as quickly as possible. If your complaint has not been resolved to your satisfaction or has not been dealt with within 45 days (or 90 days for complaints in relation to a death benefit), you can lodge a complaint with the Australian Financial Complaints Authority (AFCA). AFCA provides fair and independent financial services complaint resolution that is free to consumers. Time limits may apply to lodge a complaint with AFCA. AFCA can be contacted on the details below:

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

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

**P:** 1800 931 678 (free call)

**A:** GPO Box 3, Melbourne VIC 3001

