

SMF Eligible Rollover Fund

Product Disclosure Statement

Dated: 1 July 2019

Issuer and administrator: IOOF Investment Management Limited (IIML) ABN 53 006 695 021, AFS Licence No 230524, as Trustee of the SMF Eligible Rollover Fund ABN 82 810 851 250. The terms 'our', 'we', 'us' and 'Trustee' in this PDS refer to IIML. ASIC Class Order 14/1252 applies to this PDS.

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About this Product Disclosure Statement

This Product Disclosure Statement (PDS) is a summary of significant information and contains a number of references to additional important information contained in the SMF Eligible Rollover Fund Guide (SMF.12) which also forms part of the PDS. References to the important information are indicated by  in this PDS. You should consider this information before making a decision about this product. The information provided in this PDS is general information only and does not take account of your personal financial situation or needs. You should obtain financial advice tailored to your personal circumstances.

Phone 1800 677 306 for

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

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

Contact details

Trustee

IOOF Investment Management Limited
Registered Address: Level 6, 161 Collins Street, Melbourne VIC 3000
Postal Address: GPO Box 264, Melbourne VIC 3001

Client Services Team

Telephone: 1800 677 306
Fax: 03 6215 5933
Email: email@ioof.com.au
Website: www.ioof.com.au

Part of the IOOF group

Section 1 – About the SMF Eligible Rollover Fund

The SMF Eligible Rollover Fund (Fund) has been designed as a temporary repository to accept the benefits of members with low account balances, those who are leaving or changing employment, or those who have become uncontactable.

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

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

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

Investing your super wisely is arguably one of the most important investment decisions you will ever make. Having an experienced investment partner is a key step towards achieving your long-term financial goals. Therefore, it is good to know that the Trustee is part of the IOOF group.

Who is the IOOF group?

The IOOF group consists of IOOF Holdings Ltd ABN 49 100 103 722 and is listed in the top 200 on the Australian Securities Exchange (ASX: IFL). IIML is part of the IOOF group.

As one of the largest financial services groups in Australia, with over 170 years' experience in helping Australians secure their financial independence, the IOOF group provides services to more than 500,000 clients and has more than \$144.6 billion in funds under management and advice (as at 31 March 2019).

You can find more information about the IOOF group, director details, executive remuneration and other documents by visiting our website (www.ioof.com.au).

Section 2 – How super works

Super is, in part, a compulsory long-term savings vehicle used to help you accumulate money to support yourself during retirement. Access to your super is restricted to ensure it is available in your retirement. To encourage people to save for their retirement, the Commonwealth Government provides a range of incentives for savings in super. This means Super is taxed differently to other investments and there can be significant tax advantages with using super to save for your retirement (see page 7 for more about how super is taxed).

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

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

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

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

 You should read the important information about 'How super works' in the SMF Eligible Rollover Fund Guide (SMF.12) before making a decision. Please refer to the SMF.12 available at www.ioof.com.au/product_list/smf_erf.

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

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

Some of the significant features and benefits of the Fund include:

- a rollover fund with a conservative investment approach that helps to maintain your account balance until you decide what to do with your super,
- all members' benefits are treated equally, no matter how large or small their account balance; and
- a knowledgeable and friendly Client Services Team.

Section 4 – Risks of super

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

Significant risks that may adversely affect your investment in the Fund include the possibility of negative investment returns, insufficient diversification of investments and future changes to super and taxation law.

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

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

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

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

 You should read the important information about 'Risks of super' in the SMF Eligible Rollover Fund Guide (SMF.12) before making a decision. Please refer to the SMF.12 available at www.ioof.com.au/product_list/smf_erf. The material relating to 'Risks of super' may change between the time when you read this PDS and the day when you acquire the product.

Section 5 – How we invest your money

The Trustee invests members' money with the aim of achieving competitive returns at an acceptable level of risk. To achieve this aim the Fund pools your account balance with those of other members and is invested into the IOOF MultiMix Conservative Trust (IOF0095AU) (Underlying Fund). The Fund also maintains a small portion in cash to facilitate cashflow.

As there is only a single investment option available in the Fund, members are not able to switch investment options within the Fund. The Trustee may however, at its discretion, change the Fund's investment option.

Warning: You should consider the likely investment return, risk and your investment timeframe when choosing to invest in the Underlying Fund.²

The Underlying Fund is managed by IOOF Investment Management Limited. You can read the PDS containing the IOOF MultiMix Conservative Trust on our website (www.ioof.com.au).

² This is a legally prescribed statement. Please note that there is no choice of investment strategy offered by this Fund

A summary of the Underlying Fund is contained in the following table:

Typical investor	Investors seeking a diversified portfolio of predominantly income producing assets with some growth asset exposure.																								
Investment return objective	To provide stable returns over the medium term by investing in a diversified portfolio of defensive assets with some growth asset exposure, and to achieve a total return after fees in excess of the Underlying Fund's benchmark over a rolling three year period.																								
Likely investment return	Low to medium.																								
Investment strategy	<p>The Underlying Fund generally gains its exposure to a diversified portfolio of investments through a mix of investment managers.</p> <p>The conservative nature of the Underlying Fund means it has a greater exposure to income bearing assets such as cash, fixed interest and alternative-defensive with some exposure to growth assets such as Australian and international property and shares and alternative – growth.</p> <p>The Underlying Fund is authorised to utilise approved derivative instruments for risk management purposes subject to the specific restriction that the derivative instruments cannot be used to gear portfolio exposure.</p> <p>The underlying investment managers may utilise strategies for the management of currency exposure. The level of currency hedging used for the Underlying Fund will vary from time to time. The Underlying Fund has the capacity to apply a currency overlay to manage its currency risk.</p>																								
Target asset allocation and asset ranges³	<table border="1"> <thead> <tr> <th>Asset class</th> <th>Asset range</th> <th>Target allocation</th> </tr> </thead> <tbody> <tr> <td>Cash and short term securities</td> <td>10–35%</td> <td>22%</td> </tr> <tr> <td>Diversified fixed interest</td> <td>30–55%</td> <td>42%</td> </tr> <tr> <td>Alternative – defensive</td> <td>0–20%</td> <td>6%</td> </tr> <tr> <td>Alternative – growth</td> <td>0–15%</td> <td>2%</td> </tr> <tr> <td>Property</td> <td>0–20%</td> <td>8%</td> </tr> <tr> <td>Australian shares</td> <td>0–20%</td> <td>9%</td> </tr> <tr> <td>International shares</td> <td>0–25%</td> <td>11%</td> </tr> </tbody> </table>	Asset class	Asset range	Target allocation	Cash and short term securities	10–35%	22%	Diversified fixed interest	30–55%	42%	Alternative – defensive	0–20%	6%	Alternative – growth	0–15%	2%	Property	0–20%	8%	Australian shares	0–20%	9%	International shares	0–25%	11%
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Risk level⁴	Low to medium (Risk band 3).																								
Risk factors influencing investment returns	Returns in the short-term may be somewhat volatile and will be affected by movements in global and local share markets, property values as well as movements in foreign currencies.																								
Minimum suggested time frame for holding the investment	2+ years																								
A negative annual return is not expected more frequently than	Once but less than twice in every 20 years ⁵ .																								

³ Actual asset allocation may move outside the above ranges or specified percentages from time to time.

⁴ The risk level is not a complete assessment of all forms of investment risks, for instance it does not detail what the size of a negative return could be or the potential for a positive return to be less than the return an investor may require to meet their objectives.

⁵ The methodology for the standard risk measure uses projections and estimates. Actual outcomes may differ significantly.

How investment earnings are applied to your account

A crediting rate is applied to your account annually (at the end of the financial year). The crediting rate is based on the gross income of the Fund's assets, less applicable fees, costs and income tax. It may be negative and your account may be debited.

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

Labour standards, environmental, social and ethical considerations

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

As Trustee of the Fund, we do not generally take into account labour standards or environmental, social or ethical considerations when making investment decisions. However, should investment returns be adversely affected due to poor labour standards or activities considered environmentally, socially or ethically unacceptable, this may influence investment decisions.

Section 6 – Fees and costs

DID YOU KNOW?

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

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

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

You or your employer, as applicable, may be able to negotiate to pay lower fees. Ask the fund or your financial adviser.

TO FIND OUT MORE

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

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

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

The fees quoted in this section may be different from the amounts deducted from your account as the amounts deducted will include the effects of any applicable reduced input tax credits (RITCs).

Taxes are set out in another part of this document.

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

Fee table

SMF Eligible Rollover Fund		
Type of fee or cost	Amount	How and when paid
Investment Fee	Nil	Not applicable.
Administration Fee⁶	1.75% pa (or \$17.50 per \$1,000 invested)	This fee is the percentage-based component expressed as a percentage of the total assets of the Fund and is calculated on the gross asset value of the Fund. It is calculated monthly in arrears and paid to the Trustee at the beginning of the following month. The Administration Fee is incorporated into the annual crediting rate.
Buy-sell spread	A buy spread of 0.08% and a sell spread of 0.08%.	A buy-sell spread is added to, or deducted from (as applicable) the unit price of the relevant managed investment. The buy-sell spread can change from time to time. Please refer to the IOOF MultiMix Conservative Trust product disclosure statement for specific details.
Other fees and costs	Family Law fees	Payment splitting – \$100 minimum, \$50 debited directly from each account at time of payment split. Refer to the 'Additional explanation of fees and costs' section in the SMF ERF Guide (SMF.12) for further information on other fees and costs..
Indirect Cost Ratio	0.73% ⁷ pa (or \$7.30 per \$1,000 invested)	Calculated daily as a percentage of the amount that is invested in the Underlying Fund. It is not deducted directly from your account but is generally incorporated into the unit price of the Underlying Fund and generally charged monthly in arrears.

6 If your account balance for a product offering by the superannuation entity is less than \$6,000 at the end of the entity's income year, the total combined amount of administration fees, investment fees and indirect costs charged to you is capped at 3% of the account balance. Any amount charged in excess of that cap must be refunded (Applicable from 1 July 2019).

7 This includes the indirect cost ratio and expense recoveries (excluding any unusual or non-recurrent expenses) of the Underlying Fund. This fee excludes any performance fees which may be charged by underlying investment managers of the Underlying Fund from time to time. Any performance fees incurred will be an additional cost. Please refer to the separate PDS containing the IOOF MultiMix Conservative Trust for details. Similar to the indirect cost ratio, the performance fee is not deducted directly from your account but is generally incorporated into the unit price of the Underlying Fund.

Example of annual fees and costs

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

Example – IOOF MultiMix Conservative Trust		Balance of \$50,000
Investment fee	Nil	For every \$50,000 you have in the investment option, you will be charged \$0 each year.
PLUS Administration fees	1.75%	And, you will be charged \$875 in administration fees.
PLUS Indirect costs for the product	Indirect cost ratio 0.73% Net transaction cost 0.16%	And, indirect costs of \$445 each year will be deducted from your investment.
EQUALS cost of Product	If your balance was \$50,000, then for that year you will be charged fees of \$1,320* for the product.	

* Note: Additional fees may apply. And, if you leave the super entity, you may be charged a buy-sell spread (which also applies whenever you make an investment purchase or redemption). The sell spread for exiting is 0.08% (this will equal \$40 for every \$50,000 you withdraw).

Changes to fees and costs

We may change fees and costs from time to time without your consent. We will let you know of any increase in fees or introduction of a new fee by giving you 30 days notice before the change takes effect.

Defined fees

Activity fee	<p>A fee is an activity fee if:</p> <ol style="list-style-type: none">a. the fee relates to costs incurred by the trustee of the superannuation entity that are directly related to an activity of the Trustee:<ol style="list-style-type: none">(i). that is engaged in at the request, or with the consent, of a member; or(ii). that relates to a member and is required by law; andb. those costs are not otherwise charged as an administration fee, an investment fee, a buy sell spread, a switching fee, an exit fee, an advice fee or an insurance fee.
Administration fees	<p>An administration fee is a fee that relates to the administration or operation of the superannuation entity and includes costs, other than 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 that:</p> <ol style="list-style-type: none">1. relate to the administration or operation of the entity, and2. are not otherwise charged as an investment fee, a buy-sell spread, a switching fee or an exit fee.
Buy-sell spreads	<p>A buy-sell spread is a fee to recover transaction costs incurred by the Trustee of the superannuation entity in relation to the sale and purchase of assets of the entity. The buy-sell spread is currently 0.08% of the amount purchased or redeemed and can change from time to time.</p>
Indirect cost ratio	<p>This represents the fees and costs charged by the fund managers for the managed investment options and is generally calculated daily as a percentage of the amount you have invested in each managed investment option.</p> <p>It is not deducted directly from your account but is generally incorporated into the unit price of the investment option.</p> <p>The most recent indirect cost ratios applied by the fund managers for the available managed investment options are set out in the relevant product disclosure statement for each managed investment.</p>
Investment fees	<p>An investment fee is a fee that relates to the investment of the assets of a superannuation entity and includes:</p> <ol style="list-style-type: none">a. fees in payment for the exercise of care and expertise in the investment of those assets (including performance fees); andb. costs, other than 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 that:<ol style="list-style-type: none">(i). relate to the investment of assets of the entity; and(ii). are not otherwise charged as an administration fee, a buy-sell spread, a switching fee, an exit fee, an activity fee, an advice fee or an insurance fee.

Section 7 – How super is taxed

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

This section sets out a summary of the significant tax information relating to your investment in the SMF Eligible Rollover Fund.

Tax treatment of your super investment income and capital gains

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

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

Tax on withdrawals

When you are aged 60 and over

Withdrawals are tax free.

If you are under age 60

If you are eligible to withdraw some or all of your super savings in cash, as a lump sum, we are required to deduct tax, depending on your age and the tax components of your benefit. If you have provided your tax file number, the maximum rate of tax that we would deduct from money you withdraw as a lump sum is 20 per cent plus the Medicare Levy (currently 2.0 per cent).

Tax file numbers

Under the Superannuation Industry (Supervision) Act 1993, we are authorised to collect your TFN, which will only be used for lawful purposes and in accordance with the Privacy Act 1988. It is not an offence if you choose not to provide your TFN, but providing it has its advantages, including:

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

 You should read the important information about 'How super is taxed' in the SMF Eligible Rollover Fund Guide (SMF.12) before making a decision. Please refer to the SMF.12 available at www.ioof.com.au/product_list/smf_erf. The material relating to 'How super is taxed' may change between the time when you read this PDS and the day when you acquire the product.

Section 8 – How to open an account

Joining the Fund

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

The Fund does not accept applications for membership from individuals.

Do you have a 'cooling-off' period?

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

What if you have a complaint?

If you have a complaint about your account (or wish to obtain further information about the status of an existing complaint), please contact the Manager, Customer Care on 1800 677 306 or write to:

Manager, Customer Care
IOOF Investment Management Limited,
Reply Paid 264, Melbourne VIC 8060.

Where possible, concerns will be resolved immediately. If further investigation is required, our Customer Care Team will acknowledge your complaint in writing and will consider and respond to your complaint as quickly as possible. We are required by law to respond to your complaint within 90 days.

If an issue has not been resolved to your satisfaction, you can lodge a complaint with the Australian Financial Complaints Authority, or AFCA. AFCA provides fair and independent financial services complaint resolution that is free to consumers.

Website: www.afca.org.au

Email: info@afca.org.au

Tel: 1800 931 678 (Free call)

Mail: Australian Financial Complaints Authority
GPO Box 3
Melbourne VIC 3001

Section 9 – Other information

Updated information

Information in this PDS is subject to change from time to time. Where the changes are not materially adverse, we will make updated information available on our website (www.ioof.com.au). You can obtain a paper copy of this updated information free of charge by calling us on 1800 677 306.

Privacy

We are committed to protecting your privacy. Any personal information we collect about you will be handled in accordance with our privacy policy, which outlines how we manage your personal information, how you may access or correct your personal information, and how you may complain about a breach of your privacy. To obtain a copy of our privacy policy, please contact our Client Services Team on 1800 677 306 or visit our website (www.ioof.com.au/privacy).

Contact us

If you have any questions about IOOF Employer Super, or would like a complimentary copy of this PDS or any reference information, please contact us.

Telephone: 1800 677 306

Fax: 03 6215 5933

Email: email@ioof.com.au

Website: www.ioof.com.au