

This is the Product Disclosure Statement (PDS) for The ISPF Eligible Rollover Fund RSE Registration Number R1068887 ("ISPF" or "Fund") ABN 55 807 574 608 issued by the trustee of the Fund, Trust Company Superannuation Services Limited ("Trustee") ABN 49 006 421 638, Australian Financial Services Licence No. 253153.

This PDS provides important information about the main features, costs, benefits and investments of ISPF. Further information about the Fund and the Trustee is available by contacting ISPF on 07 3238 1296 or by writing to ISPF at PO Box 1047 MILTON QLD 4064. Where required, we will provide you with other information regarding the Fund (including a copy of the Trust Deed or information previously made publicly available) upon request. We will tell you whether there is a charge for providing this information.

The information provided in this PDS is of a general nature and does not take into account your individual objectives, financial situation or needs. If you require such specific advice, you should contact an appropriately qualified financial adviser.

Superannuation is a long-term investment and the value of your investment may rise or fall. While the Trustee must protect the benefits of members in accordance with Federal Government legislation, in a poor investment period the Trustee may charge an amount equal to your investment return plus \$10. If you leave the Fund within a few years of joining you may get back less than the amount of contributions paid because of the level of investment returns earned by the Fund, taxation and the Fund's fees and costs.

**Please note that at the date of the preparation of this PDS, the Government had announced significant changes to the taxation laws and other superannuation rules relevant to superannuation products. These changes include the removal of tax on benefits paid to members aged 60 or more and the abolition of reasonable benefit limits. These changes are not yet law but may have significant tax implications for you. You should seek appropriately qualified advice about the impact of these potential changes on you before making any decision in relation to the Fund. Further information about the proposed changes is available from [www.simplersuper.treasury.gov.au](http://www.simplersuper.treasury.gov.au)**

### **Changes to this PDS**

Information contained in this PDS is up to date at the time of preparation. Information about the Fund (for example, returns and asset allocations) is subject to change from time to time. The Trustee reserves the right to change the terms and specifications relevant to the Fund where permitted to do so under the Trust Deed and the law.

If a material alteration occurs that would make any statement in this PDS misleading or deceptive or materially adverse to members, or if there has been any material omission in this PDS, then the PDS will either be withdrawn immediately, or a Supplementary PDS will be issued correcting the statement or omission.

Information contained in this PDS that is not materially adverse will, if it changes, be made available on our website at [ispf.com.au](http://ispf.com.au). A paper copy of any updated information will be provided without charge on request by contacting ISPF on 07 3238 1296.

Once you become a member of the Fund, any material or significant changes to the information contained in this PDS will be advised to you as required by the law.

### **Enquiries & Complaints**

The Trustee has a procedure to enable members to enquire into or complain about the operation or the management of ISPF as it relates to them. If a member has an enquiry they should first telephone the Fund on: (07) 3238 1296.

Alternatively, if the member has a complaint, they should generally write to:

The Complaints Manager  
Independent Superannuation Preservation Fund  
PO Box 1047  
MILTON QLD 4064  
Telephone: 07 3238 1296

All complaints will be dealt with within 90 days. If a member does not receive a response within 90 days or after receiving a response, is not satisfied, they can contact the Superannuation Complaints Tribunal (SCT). The SCT is an independent body established by the Federal Government to consider complaints about Trustee decisions that may be unfair or unreasonable.

The Tribunal may be able to assist the member but only if the member has firstly made a genuine effort to resolve the complaint through the Fund's own complaint process. If the Tribunal accepts the member's complaint it will attempt to resolve the matter through conciliation. Failing this, the matter will be referred to the Tribunal for a determination, which is binding on all parties.

The SCT can be contacted at:

Superannuation Complaints Tribunal  
Locked Mail Bag 3060  
MELBOURNE VIC 3000  
Phone: 1300 780 808  
Or visit the SCT website at: [www.sct.gov.au](http://www.sct.gov.au)

### **About The ISPF Eligible Rollover Fund**

The ISPF Eligible Rollover Fund ("ISPF" or "Fund") was established by a trust deed dated 25 June 2002. ISPF is an Eligible Rollover Fund which can receive and must protect benefits paid from other sources including other Superannuation Funds, Approved Deposit Funds (ADF) and Retirement Savings Accounts (RSA).

### **Trustee**

The trustee of ISPF is Trust Company Superannuation Services Limited ("Trustee") ABN: 49 006 421 638. The Trustee is a specialist trustee company that provides trustee services to numerous superannuation funds and has been granted a Registered Superannuation Entity Licence (No. L0000635) under the Superannuation Industry (Supervision) Act 1993 (SIS). The Trustee also holds an Australian Financial Services (AFS) Licence – AFS Licence No: 235153.

### **Administrator**

The administration services for ISPF are provided by Independent Fund Administrators & Advisers Pty Ltd (IFAA), ABN 28 081 966 243. IFAA is an independently owned company specifically established to provide administration and consulting services to Queensland superannuation funds. IFAA is paid a fee from ISPF for providing these administration services. This fee forms part of the management costs outlined on pages 9 and 10.

### **Founder**

The Founder is Independent Superannuation Preservation Fund Pty Ltd ACN 100 837 214. Its board of directors is made up of representatives of the trustees of superannuation funds which transfer benefits to ISPF. The Founder provides recommendations to the Trustee on a number of matters relating to the strategic operation of the Fund but cannot interfere with the Trustee's discretions. The Founder is also contracted to provide various services to the Trustee, principally the promotion of the Fund. The Founder is paid a fee from ISPF for providing these services. This fee forms part of the management costs outlined on pages 9 and 10.

### **Fund Compliance**

ISPF is a complying regulated superannuation fund. As such it complies with the Superannuation Industry (Supervision) Act 1993 and is eligible for concessional tax treatment.

### **Indemnity Insurance**

In order to protect the Trustee Company the Trustee has taken out trustee liability insurance in respect of major legal claims made against it (subject to the terms and conditions of the relevant insurance policy). The Trustee is not insured for dishonest, wilful or reckless acts.

## What transfers does ISPF accept?

As an Eligible Rollover Fund, ISPF accepts eligible benefits that are rolled over from other entities including complying Superannuation Funds, ADFs and RSAs. ISPF can also accept Government Co-contributions for a member if the member has no other superannuation fund for the receipt of such contributions.

ISPF does not accept other amounts such as member personal contributions, contributions from employers or amounts rolled over by a member from another superannuation fund.

## Trust Deed

The rules governing ISPF are set out in a legal document called a Trust Deed. If a member wishes to obtain a copy of any of the rules of ISPF which affect their benefits or rights, they can contact ISPF (refer to Contact Details shown on page 12). The Trustee can amend the Trust Deed by deed of variation. Where any amendment is likely to adversely affect the rights of members, the prior approval of all affected members is necessary. The Trust Deed was amended during the year ended 30 June 2006 to enable a change of trusteeship of the Fund to Trust Company Superannuation Services Limited.

## Summary of Benefits Payable to Members

As an Eligible Rollover Fund, ISPF accepts the benefits of members transferred by the trustees of other superannuation funds or other superannuation arrangements. An account is established for each member which is credited with monies received on behalf of the member. A weekly administration fee is levied against members' accounts (as part of the ongoing management costs of the Fund). Earnings are calculated on your account balance on a daily basis after deductions for tax (if applicable) and relevant fees and costs (see pages 9 to 11 for more information about fees and costs).

Earnings are credited to your account as at 30 June each year. The balance in a member's account is the member's benefit. ISPF protects members' account balances in accordance with Federal Government legislation (refer to Member Benefit Protection section for more information).

Superannuation is a long-term investment. Accordingly, the Government has placed restrictions on when a person can have access to preserved benefits. A person generally cannot access benefits in cash until they reach age 65 or retire after they reach their preservation age (see below for explanation of preservation age).

A member's account balance can be released from the Fund on:

- Retirement after attaining the preservation age
- Permanent Incapacity
- Death
- Transfer to another superannuation fund
- Departing Australia Superannuation Payment (available only on departure of some temporary residents)
- Attaining age 65 years

Release of benefits on the grounds of Financial Hardship or Specified (compassionate) Grounds is not available in this Fund. Preserved benefits under \$200 can only be released as a rollover to another superannuation arrangement.

## Preservation Age

A member's preservation age depends on when the member was born. The following table explains this:

People born	Preservation Age
Before 1 July 1960	55
1 July 1960 – 30 June 1961	56
1 July 1961 – 30 June 1962	57
1 July 1962 – 30 June 1963	58
1 July 1963 – 30 June 1964	59
After 30 June 1964	60

## How to claim your benefits

While preserved benefits cannot be accessed in cash unless certain conditions are met (summarised above), you may be able to request payment of any non-preserved amount or request the transfer of your benefit to another superannuation fund. To claim your benefits, simply call or write to ISPF to arrange a benefit quotation and forms for the release of your benefits from the Fund.

## **Unclaimed Moneys**

Unclaimed monies are benefits which are due to be paid from ISPF when a member has reached age 65, however the Trustee is unable to make the payment because after making reasonable efforts the Trustee is unable to contact the member and the member has not provided ISPF with payment instructions. In this case, the benefits will be paid to the Unclaimed Monies Section of the Public Trustee Queensland, 444 Queen Street, Brisbane Qld 4000. Telephone (07) 3213 9357.

## **Nominating a Beneficiary**

When you joined your originating fund (that is, the fund from which your benefits were transferred to ISPF) you may have been asked to nominate a "preferred beneficiary" to whom you want your benefit to be paid on your death. The Trustee however, has discretion as to whom any death benefit is paid. Death benefits can generally only be paid to your dependant or your legal personal representative. Dependant includes your spouse (including de-facto spouse) and your children (including any adopted child or stepchild) and other persons with whom you have an interdependency relationship, and any person who is financially dependent on you. An interdependency relationship is generally one where two persons have a close personal relationship and live together and one or each of them provides the other with domestic support or care. If you wish to provide us with a nomination in respect of your benefits in ISPF, please notify ISPF in writing at anytime.

Please note that any "binding" nomination that you made in your originating fund does not apply to ISPF. "Binding" nominations are not available in ISPF.

## **How much tax will you pay?**

A summary of relevant taxes is outlined below based on the taxation laws as at the date of preparation of this PDS. For information about the impact of any taxes on your personal circumstances, you should seek advice from an appropriately qualified adviser.

**At the date of the preparation of this PDS, the Government had announced significant changes to the taxation laws relating to superannuation superannuation products. Most of these changes are expected to take effect from 1 July 2007. These changes include significant changes to the tax on benefits (including the removal of tax on benefits paid to members aged 60 or more and the abolition of reasonable benefit limits). These changes are not yet law but may have significant tax implications for you. You should seek appropriately qualified advice about the impact of these potential changes on you before making any decision in relation to the Fund. Further information about the proposed changes is available from [www.simplersuper.treasury.gov.au](http://www.simplersuper.treasury.gov.au)**

## **Transfers from other superannuation funds**

Generally, no tax will apply to amounts transferred into ISPF from other Superannuation accounts unless the amount transferred contains an "untaxed element" in the post June 1983 component (this is a termination payment made direct from an employer, or a payment from certain superannuation funds for government employees). We are required by law to deduct tax at 15% of the untaxed amount.

## **Investment earnings**

Your investment earnings and realised capital gains in the Fund are taxed at up to 15% (after taking into account deductions, credits or other rebates available to the Fund).

## **Tax on benefits**

Tax will not be payable if you rollover or transfer your benefits to another complying superannuation fund.

Tax may be payable when you make a lump sum withdrawal from the Fund. The amount of tax payable is dependent on the Eligible Termination Payment (ETP) components of your benefit and your age at the date of withdrawal.

The lump sum tax rates applicable to the various components of an ETP are set out in the following table:

ETP Components	Aged less than 55 years	Aged 55 years and over
Undeducted contributions	Tax free	Tax free
Post June 1994 Invalidity Component	Tax free	Tax free
CGT Exempt Component	Tax free	Tax free
Concessional and Pre 1 July 1983 Components	5% of the amount is assessable in your income tax return at your marginal tax rate (plus Medicare levy)	5% of the amount is assessable in your income tax return at your marginal tax rate (plus Medicare levy)
Post 30 June 1983 Component**	Taxed at 20% (plus Medicare levy)	First \$135,590* is tax free. The remainder is taxed at 15% (plus Medicare levy)

\*Applicable for 2006/07. This is a lifetime threshold and increases every year in line with average weekly ordinary time earnings (AWOTE).

\*\*If the Post 30 June 1983 Component contains an untaxed element, a higher rate of tax applies.

If you make a cash withdrawal and have not advised us of your Tax File Number, the Pre 1 July 1983 and Post 30 June 1983 components of your withdrawal will be taxed at the top personal income tax rate (currently 45%) plus Medicare levy.

### **Tax rates will differ for payments made to departing non-residents.**

### **Reasonable Benefit Limits**

The Government sets limits on the maximum amount you can receive from a superannuation fund that qualifies for tax at concessional rates.

These limits are known as Reasonable Benefit Limits (RBL) and from 1 July 2006 are:

- \$678,149 when you take over 50% of your benefit as a lump sum.
- \$1,356,291 when at least 50% of your benefit is taken as a complying pension or annuity.

Any superannuation benefit received that is above these levels is taxed at higher rates.

*For more information about tax on Superannuation benefits, contact the Australian Taxation Office on 131 020 or seek your own advice. Information about the changes to tax on superannuation benefits can also be found at [www.simplersuper.treasury.gov.au](http://www.simplersuper.treasury.gov.au)*

### **Providing your Tax File Number (TFN)**

ISPF is authorised to collect your TFN under taxation laws, the Superannuation Industry (Supervision) Act 1993 (SIS) and is governed by the Privacy Act. It is optional for you to provide your TFN. The Fund is required by law to properly safeguard it and only use it for legislatively approved superannuation purposes.

These purposes include:

- Advising the Australian Taxation Office (ATO) for taxation and Reasonable Benefit Limit purposes;
- Calculating tax on any benefit to which you may be entitled;
- Advising the relevant Authority if you turn 65 and we are unable to pay your benefit as we don't have your address;
- Allowing your TFN to be forwarded to another regulated fund if your benefit is rolled over or transferred unless you request in writing for this not to be done; and
- Assist in searching for, and amalgamating superannuation benefits in the Fund for you.

If you do not provide your TFN, we may be unable to properly administer your benefits. Providing your TFN is voluntary and it is not an offence if you do not provide it. However, if you choose **NOT** to provide your TFN:

- Benefits paid to you will be subject to tax at the top personal income tax rate (currently 45%) plus Medicare levy (this may be recovered after lodgement of your tax return); and
- ISPF may not be able to locate and facilitate the amalgamation of multiple benefits into the Fund for you.

## Privacy

The Trustee has outsourced the administration of the Fund to Independent Fund Administrators & Advisers Pty Ltd (IFAA), ABN 28 081 966 243. This includes all information processing, record keeping and claims management.

IFAA collects information about members on behalf of the Trustee. The information passed from your originating superannuation fund will be retained by IFAA as the administrator. IFAA collects information about you for the purpose of administering your superannuation benefit in ISPF.

You will be able to access information IFAA holds about you on request, and update any information which is inaccurate or out-of-date. In addition, ISPF's privacy policy will be provided to you on request.

**By becoming a member of ISPF, you agree to the Trustee collecting, using, storing and disclosing personal information about you in accordance with this privacy statement and relevant laws.**

**The Trustee (or IFAA on its behalf) may disclose your personal information (as necessary) to any agents, contractors or third party service providers that provide financial, administrative or other services in connection with the operation of ISPF or its business. Your personal details may also be disclosed if the law requires or permits us to do so.**

ISPF participates in SuperMatch, an ATO initiative to help members of superannuation funds find superannuation benefits they may have lost track of. ISPF may provide your personal details to the ATO to enable your account to be matched with any inactive superannuation accounts in your name, or to locate missing superannuation contributions paid to the ATO on your behalf.

In addition, ISPF may cross match your personal details with other superannuation funds with similar membership to help locate any other superannuation accounts in your name, or to identify your current address if you have not notified us of your change of address. ISPF may also provide your details to an external address location service provider, if ISPF does not have a current address for you.

If you would prefer that your details are not disclosed for the purposes of cross matching, you should advise us of this in writing.

## Investments

The following sets out ISPF's Investment Objectives, Strategy, and Asset Allocation.

Neither the Trustee nor its related entities guarantees the capital invested by members, the performance of investments or a member's account generally. The value of your investment may rise or fall.

### Investment Objectives

The Trustee aims to achieve a rate of return which is competitive against a peer group of other Eligible Rollover Funds through investment in a diversified range of assets whilst also maintaining sufficient liquidity to cover all operating costs of the Fund. Earnings are expected to exceed inflation by at least 2% averaged over rolling 5 year periods. However, despite this objective, there may be periods when the net returns, after relevant taxes, fees and costs, are negative.

In making decisions on the asset strategy, the Trustee will have regard to the protection of members' account balances, the Trust Deed provisions and will comply with all applicable legislative requirements. The Fund's investments will be managed to ensure that there is sufficient liquidity to meet expected cash flow requirements.

### Investment Strategy

In seeking to achieve these objectives, the Trustee will adopt a diversified asset allocation which will contain *defensive* assets to ensure stability and liquidity as well as *growth* assets which have the potential for higher returns over the longer period. *Defensive* assets include cash, bank bills and other securities which have a lower expected volatility of return but usually offer lower returns in the longer run. *Growth* assets such as Australian and International shares carry a higher level of investment risk over shorter periods with the possibility of higher returns over the longer term.

The Trustee will invest the assets of the fund in a number of carefully selected specialist fund managers. The international equity portfolio is fully hedged back to Australian Dollars but may be changed at a later time. The Trustee regularly reviews the performance of the fund managers.

The Trustee does not specifically take into account labour standards or environmental, social and ethical considerations in the selection, retention or redemption of investments associated with this Fund.

## Investment & Other Risks

Superannuation is a form of investment and all investments carry some form of risk (although some investments carry greater risk than others). Some of the main risks are outline below. For information about how these risks affect you personally, you should seek advice from an appropriately qualified financial adviser.

General investment risks include government fiscal or monetary policy changes, social and technological changes, changes in relevant law, changes in general economic or market conditions such as interest rates, inflation and currency movements, local and overseas political or other events, liquidity risks and timing risks.

Changes in interest rates are likely to impact upon the performance of cash and fixed interest investments. Changes in inflation will affect the real value of investments.

As stated above, the Trustee invests in both *growth* and *defensive* assets. *Growth* assets generally produce higher rates of return over the long term but they are also subject to higher levels of risk of a negative return or loss of capital. *Defensive* assets tend to involve lower levels of risk as these investments are more secure. However, they can generally be expected to produce lower rates of return over the long term. The Trustee has adopted a growth oriented investment strategy (with a benchmark of 70% growth assets) in order to improve the level of returns over the long term and to manage any investment related risks through diversification of the underlying assets in which the Fund is invested. If all or most of an investment is in a particular asset class, there is a risk of that particular class performing poorly in the markets. If an investment is split over all or most of the asset classes and/or across different fund managers, there is less likelihood of overall poor performance. This is because while one asset class may perform poorly, some or all of the other assets classes may perform well.

The Trustee also uses reserves to cushion the effects of periods with negative returns. Please refer to the Reserving Policy stated below.

Your benefit may also be affected by changes to superannuation and taxation laws. There is also the risk that the Fund can lose its complying status. ISPF has never lost its complying status and the trustee will do all in its power to ensure that it remains a complying superannuation fund. Members' benefits under \$1,000 are protected in accordance with Federal Government legislation (as outlined on page 10). However, accounts with more than \$1000 may reduce in value due to fees and costs in times where investment earnings are not sufficient to cover fees and costs.

The Trustee cannot eliminate all risks. It manages risks in accordance with the Trust Deed and any relevant guidelines or policies. It also has a risk management plan in place to help manage risks associated with the overall operation of the Fund.

## Asset Allocation

The following tables show the types of investment assets held by the Fund at 30 June 2006. The investment portfolios shown below are for illustration purposes only and may change from time to time at the discretion of the Trustee having regard to the objectives and strategy of the Fund.

Investment Portfolio	30 June 2006		30 June 2005		Type of Asset
	\$	%	\$	%	
NAB Corporate Cheque Account	741,102	7	175,256	2	Cash
Perennial Cash Enhanced Trust	1,699,705	17	2,701,387	34	Cash deposits, bank bills, & corporate securities
Perennial Value Australian Shares	3,318,059	34	2,602,750	34	Australian Shares
Credit Suisse International Shares fully hedged	3,264,992	33	2,374,441	30	International Shares
<b>Maple-Brown Abbott Asian Investment Trust</b>	<b>906,686</b>	<b>9</b>	<b>0</b>	<b>0</b>	<b>International Shares</b>
<b>Total</b>	<b>9,930,544</b>	<b>100</b>	<b>7,853,834</b>	<b>100</b>	

There are no investments made in any associated enterprise. The Fund has not invested in any derivative (futures and options) products except to hedge against currency risk.

From 17 November 2005 the following asset benchmark allocations and ranges were adopted:

<b>Asset Class</b>	<b>Benchmark %</b>	<b>Range %</b>
Australian Equities	35%	30-40
International Equities*	35%	30-40
<b>Total Growth Assets</b>	<b>70%</b>	<b>60-80</b>
Enhanced Cash & Cash at Bank	30%	20-40
<b>Total Defensive Assets</b>	<b>30%</b>	<b>20-40</b>

\*International Shares are fully hedged against currency risk

### **Crediting Rate Policy (including Interim Rate)**

At the end of each financial year, the Trustee will determine a crediting rate which will be credited in arrears to members' account balances for the financial year ended 30 June. This rate may not be the same as the Fund's investment return and will be determined by the Trustee having regard to the actual investment return on the Fund's assets after relevant taxes, fees and costs and any amount held in the reserves.

The effect of extreme fluctuations in returns will be cushioned by the use of reserves. However ISPF does not guarantee the crediting rate will always be positive and the value of your benefit may rise or fall.

An interim crediting rate will be determined from time to time by the Trustee for the purpose of crediting earnings to members who leave the Fund during the year (that is, prior to 30 June). This interim rate will be determined on the same basis as the final crediting rate.

### **Reserving Policy**

In order to provide members with an exposure to growth assets and therefore a greater capacity for higher longer term returns on investments, the Trustee will from time to time retain a reserve. The level of reserves will not exceed 5% of the vested members' benefits. The level of reserves will be monitored regularly by the Trustee in the prudential management of the Fund and in accordance with the crediting rate policy outlined above.

The reserve consists of any surplus from administration fees deducted from members' accounts over operating costs together with any difference between investment earnings and the amount of earnings credited to members' accounts.

### **Investment Returns, Crediting Rate and Level of Reserves**

For the year ended 30 June 2006, ISPF has credited earnings to member's accounts at the rate of 14 % p.a.

The table below shows the crediting rate applied to members' accounts, compared with the actual investment earnings of the Fund, after the deduction of relevant taxes, fees and costs.

<b>Financial Year Ended</b>	<b>Crediting Rate %</b>	<b>Fund Net Earnings Rate %</b>
30 June 2006	14.0	13.72
30 June 2005	11.0	12.25
30 June 2004	7.0	7.48
30 June 2003	2.0	3.9
Average*	8.41	9.27

\*Average is the compound average of the net earning rates and crediting rates since inception.

## Level of Reserves

The level of reserves at 30 June was as follows:

Year Ended	\$,000	% of Vested Members' Benefits
30 June 2006	64	0.63
30 June 2005	321	4.27
30 June 2004	127	2.00
30 June 2003	109	2.19

**The Trustee (or its related entities), the Manager, or the Administrator do not guarantee the performance of the Fund, or the repayment of capital, or any particular rate of return. Past performance is not a reliable indicator of future performance.**

## FEES AND OTHER COSTS

### DID YOU KNOW?

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

**For example, total annual fees and costs of 2% of your fund balance rather than 1% could reduce your final return by up to 20% over a 30 year period**

**(for example, reduce it from \$100,000 to \$80,000).**

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

**You may be able to negotiate to pay lower contribution fees and management costs where applicable. Ask the fund or your financial adviser.**

### TO FIND OUT MORE

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

**Please note that ISPF is unable to negotiate fees with individual members as we do not pay commissions to financial advisers and we do not charge any contribution fees.**

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

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

<b>TYPE OF FEE OR COST</b>	<b>AMOUNT</b>	<b>HOW AND WHEN PAID</b>
<b>Fees when your money moves in or out of the fund</b>		
<b>Establishment fee</b> The fee to open your investment	NIL	Not applicable
<b>Contribution fee</b> The fee on each amount contributed to your investment – either by you or your employer	NIL	Not applicable
<b>Withdrawal fee</b> The fee on each amount you take out of your investment	NIL	Not applicable
<b>Termination fee</b> The fee to close your investment	NIL	Not applicable
<b>Management costs</b>		
The fees and costs for managing your investment	Estimated* 6.59% of member balance + \$14.30 per year (27.5 cents per week)	The estimated % is deducted from the investment earnings of the fund's assets before the crediting rate is determined.  The account keeping fee of 27.5 cents for each week of membership (\$14.30 per year) is deducted from your account at each 30 June review or on exit from the fund.
<b>Service fees**</b>		
<i>Investment switching fee</i> The fee for changing investment options	Nil	Not applicable

**\*The estimated % deduction shown consists of indirect management costs (that is, management costs that are not deducted directly from your account) based on the historical experience of the Fund for the year ending 30 June 2006. The estimated % will vary from year to year depending on the actual experience of the Fund.**

\*\* Other fee and costs may apply. See the Additional Explanation of Fees and Costs below for more information.

**Example of annual fees and costs for the Fund**

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

EXAMPLE – ISPF		BALANCE OF \$50,000 WITH TOTAL CONTRIBUTIONS OF \$5000 DURING THE YEAR <sup>1</sup>
Contribution Fees	N/A	For every \$5,000 you put in, your will be charged \$0.
PLUS Management Costs	Estimated 6.59% + \$14.30 (27.5 cents per week)	And for every \$50,000 you have in the fund you will be charged \$3,295 each year plus \$14.30 in administration fees regardless of your account balance.
EQUALS Cost of fund		If you put in \$5000 during a year and your balance was \$50,000, then for that year you will be charged fees of:  <b>\$3,309.30*</b>  <b>What it costs you will depend on the investment option you choose and the fees you negotiate with your fund or financial adviser**.</b>

\*Additional fees may apply

\*\*ISPF is unable to negotiate fees with individual members as we do not pay commissions to financial advisers and we do not charge any contribution fees. You are unable to choose an investment option in ISPF. All balances are member benefit protected in accordance with Federal Government legislation (refer to page 10 of the PDS).

**NOTE: The average balance in the Fund is \$128.00. The fees on \$128 for a year would be approximately \$22.74 (\$8.44 + \$14.30).**

Remember that in this example, the \$8.44 has already been taken into account when declaring the Fund’s final crediting rate of 14%.

**Additional explanation of fees and costs**

For Tax costs, refer to page 4 of the PDS. The Fund passes the benefit of any taxation deductions indirectly to members by taking them into account in the determination of crediting rates.

*Family Law fees* could apply on divorce or separation and are not subject to member benefit protection. An enquiry fee of \$110 is payable by your spouse to process a request by your spouse for information about your benefit (in Family Law Act form). A splitting fee of \$100 is deducted from your account at the time of processing a payment split under the Family Law Act, and will generally be divided equally between you and your spouse.

**Fee Changes**

Fees and costs may be reviewed at any time by the Trustee. However, members will be notified in writing at least 30 days in advance of any increase to a fee charged by the Trustee. The indirect costs component of the Management Costs comprises expenses of the fund, including fees paid to investment managers, and may change at any time.

**Member Benefit Protection**

Member protection legislation prohibits trustees of superannuation funds from charging administration fees in excess of earnings credited to member balances of less than \$1000. This protection does not apply to government taxation or indirect fees. Indirect fees (such as the management fees paid to the investment managers) are deducted

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<sup>1</sup> Please note that the form of this example is prescribed under Federal Government legislation. Consequently it refers to some information that is not relevant to this Fund. For example, it refers to contributions of \$5000 being made during the year. However, contributions are not generally permitted to this Fund (except for co-contributions in limited circumstances).

before the crediting rate is determined. Unlike other superannuation funds, Eligible Rollover Funds must protect all members' account balances, even if they exceed \$1000. This means that the account balance of all members in ISPF must be protected from erosion by fees or charges. That is, fees or charges cannot exceed the amount of earnings credited to a member's account in any reporting period. The only exception to this is for periods where the Fund's total investment earnings to be distributed to members are insufficient to cover the total administration costs to be debited to members' benefits. In this case, each protected member can be charged no more than an amount equal to their investment return plus \$10.00.

### **Member Statements**

An annual statement will be mailed to all members, where the Fund has or can obtain (after making reasonable inquiries as required by law) a current address, following the declaration of the crediting rate by the Trustee after each financial year end. The statement will show all transactions which have been applied to a member's account in the financial year including administration fees deducted directly from accounts and other management costs deducted from earnings credited to accounts. If member benefit protection applies, the statement will show a refund of administration fees as "Member Benefit Protection Refund".

### **Insurance**

There are no insurance benefits provided to members of ISPF. The amount payable on death or permanent incapacity of a member is the accumulated account balance.

### **The Directors of Trustee Company**

The following persons are Directors of the Trustee Company:

Jonathon Sweeney  
Assyat David  
John Dinan  
Nicholas Sette  
Lou Rodriguez  
Noel Davis  
Megan Bolton

### **Contact Details**

The contact details of relevant parties are as follows:

#### **Trustee**

Trust Company Superannuation Services Limited  
151 Rathdowne Street  
CARLTON VIC 3053  
Telephone: 03 9665 0200

#### **Administrator**

IFAA Pty Ltd  
Level 1, 424 Upper Roma Street  
BRISBANE QLD 4000  
Telephone: 07 3238 1296

#### **Founder**

ISPF Pty Ltd  
Level 1, 424 Upper Roma Street, BRISBANE QLD 4000  
Telephone: 07 3238 1200

#### **ISPF may be contacted at:**

Telephone: 07 3238 1296  
Facsimile: 07 3236 0721  
Email: [ispf@ifaa.com.au](mailto:ispf@ifaa.com.au)  
Post: ISPF  
PO Box 1047  
MILTON QLD 4064