



## Supplementary Product Disclosure Statement No. 2

Date of Issue 30 June 2005

This is a Supplementary Product Disclosure Statement (SPDS2) which supplements the Product Disclosure Statement for the Independent Superannuation Preservation Fund (2004 Annual Report & Member Handbook) issued on 16 November 2004 (PDS) and Supplementary Product Disclosure Statement No. 1 dated 30 June 2005 (SPDS1), and must be read in conjunction with that PDS and SPDS1.

The information in this SPDS2 replaces all of the information under the headings “Fees and charges” and “Dollar fee example” on pages 7 and 8 of the PDS.

### 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 charge any contribution fees or advisory 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.

#### Important Note:

This document is intended to provide information and not advice. It should not be relied upon as advice or take the place of professional advice. This document is prepared without taking into account your individual objectives, financial situation or needs. Accordingly, before acting on the contents of this document, you should consider whether it is appropriate to you, having regard to your objectives, financial situation and needs.

You should read the full PDS before acting on the contents of this document. It is important that you do not rely on the contents of this document in isolation.

TYPE OF FEE OR COST	AMOUNT	HOW AND WHEN PAID
<b>Fees when your money moves in or out of the fund</b>		
<i>Establishment fee</i> The fee to open your investment	NIL	Not applicable
<i>Contribution fee</i> The fee on each amount contributed to your investment – either by you or your employer	NIL	Not applicable
<i>Withdrawal fee</i> The fee on each amount you take out of your investment	NIL	Not applicable
<i>Termination fee</i> The fee to close your investment	NIL	Not applicable
<b>Management costs</b>		
The fees and costs for managing your investment	1.65% of member balance + \$13 per year	The % deduction shown consists of the indirect costs, and are an average for the year ended 30 June 2004. These costs are borne indirectly by members as they are made from the investment earnings of the fund's assets before the interest crediting rate is determined. An account keeping fee of \$0.25 for each week of membership (\$13 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

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

This 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
Management Costs	1.65% + \$13 (\$0.25 per week)	For every \$50,000 you have in the fund you will be charged \$825 each year plus \$13 in account keeping fees regardless of your balance.
<b>EQUALS</b> Cost of fund		If your balance was \$50,000 for a year you will be charged fees of: <b>\$838</b> (\$825 + \$13) <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>

**NOTE: The average balance in the Fund is \$100. The fees on \$100 would equal \$14.65 (\$1.65 + \$13).** ISPF is unable to negotiate fees with individual members as we do not charge any contribution fees or advisory fees. You are unable to choose an investment option in ISPF. All balances are member benefit protected (refer to page 8 of the PDS).

#### Additional explanation of fees and costs

For Tax costs, refer to page 3 of the PDS. The Fund passes the benefit of any taxation deductions indirectly to members through the interest 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.

Fees and charges 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 these may change at any time).