

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, The Trust Company (Superannuation) 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 1300 977 857 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 only. It does not take into account your individual objectives, financial situation or needs. You should consider the appropriateness of this product having regard to your objectives, financial situation and needs, and we recommend you seek advice from a financial services licensee or an authorised representative before making any financial decisions relating to the product.

Superannuation is a long-term investment for your retirement 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 up to an amount equal to your investment return plus \$10. When you leave the Fund 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.

### **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or materially adverse to members, or if there has been any material omission in this PDS, then the PDS will either be withdrawn immediately, or a Supplementary PDS will be issued correcting the statement or omission.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 1300 977 857.

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 or a verbal complaint, they may telephone the Fund on 1300 977 857.

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

The Complaints Manager  
Independent Superannuation Preservation Fund  
PO Box 1047  
MILTON QLD 4064  
Telephone: 1300 977 857

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's complaint has firstly been made to 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 3001  
Phone: 1300 884 114  
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 The Trust Company (Superannuation) 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, 10 and 11.

### **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, 10 and 11.

### **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 and the Fund, 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 or amounts 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 (also referred to as "feeder funds" in this PDS). 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 also accepts payments from the Superannuation Holding Accounts Special Account (SHASA) and Superannuation Guarantee Charge amounts paid by the ATO.

ISPF does not accept other amounts such as member personal contributions, contributions from employers or amounts rolled over by a member (at the member's direction) 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.

### 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 allocated to your account as at 30 June each year (or the date you leave the Fund) and may be positive or negative. The balance in a member's account is the member's benefit after taking into account tax, fees, costs and earnings. 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).

In the case of an Australian citizen or permanent resident, New Zealand citizen or temporary resident with a Subclass 405 (Investor Retirement) visa or Subclass 410 (Retirement) visa, the circumstances in which a member's account balance can also be released from the Fund include:

- Retirement after attaining the preservation age
- Attaining age 65 years
- Permanent Incapacity
- Terminal medical condition (as defined in superannuation legislation)
- Death
- Transfer to another superannuation fund.

Although permitted under Government legislation, release of benefits on the grounds of Financial Hardship or Specified (compassionate) Grounds is not available in this Fund. Also, preserved benefits under \$200 can only be released as a rollover to another superannuation arrangement. Where a member does not have another superannuation arrangement, they may state so in writing and have the preserved amount under \$200 released directly to them.

Please note that the circumstances in which temporary residents can access their superannuation in cash are more restrictive. Most classes of temporary resident can only access their account balance in cash in more limited circumstances including death, permanent incapacity or if their visa has expired and they have left Australia (but not on retirement or on grounds of financial hardship). More information about the rules applicable to temporary residents is available by contacting ISPF on 1300 977 857 or from the Australian Taxation Office website [www.ato.gov.au](http://www.ato.gov.au). Temporary residents may transfer their benefits to another superannuation fund.

### 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. Upon receipt of all necessary information (including satisfactory completion of the relevant forms), superannuation funds will have a maximum of 30 days to transfer benefits except that a longer period may apply in the case of illiquid investments. Additional information may be required in the case of a request to transfer benefits to a self managed superannuation fund.

Any partial payment of superannuation benefits from the Fund must be withdrawn from the tax-free and taxable components in proportion (see page 5 for more information about these components).

Note: As a result of new anti-money laundering and counter terrorism financing requirements in government legislation you may be required to provide proof of identity prior to being able to access your benefits in cash (lump sum or pension payments) or purchase a superannuation pension (called “customer identification and verification” requirements). These requirements may also be applied by the Trustee from time to time in relation to the administration of your superannuation benefits as required or considered appropriate under the Government’s legislation. You will be notified of any requirements when applicable. If you do not comply with these requirements there may be consequences for you, for example, a delay in the payment of your benefits.

As a result of these reforms the Trustee has become the subject of another regulatory body (called AUSTRAC) which has responsibility for the government’s legislation. The Trustee is required to provide yearly compliance reports to AUSTRAC and notify AUSTRAC of suspicious transactions. This may involve the provision of personal information about you to AUSTRAC.

### **Transfers to other funds - Re-uniting you with your super**

ISPF aims to consolidate its members’ account in ISPF with their other superannuation. A review is performed regularly of ISPF’s membership records against records of ISPF’s feeder funds. If any member of ISPF has joined or re-joined one of ISPF’s feeder funds, ISPF will automatically transfer that member’s account to the feeder fund, without obtaining the member’s consent. If this occurs you will cease to be a member of ISPF and your benefits may no longer be subject to member benefit protection. This is to help you keep all of your superannuation together, and is considered to be in the best interests of members. You can notify the Trustee that you do not wish to have your benefits dealt with under these arrangements.

### **Transfers to the ATO - Unclaimed Moneys**

In certain circumstances set out in the Superannuation (Unclaimed Money and Lost Members) Act 1999, the Trustee may be required to treat your benefits as unclaimed and must transfer the benefits to the Australian Taxation Office (ATO). These circumstances include:

- If you reach the eligible age to receive the age pension (age 65), if the Trustee has lost contact with you for 5 years;
- If you are a temporary resident whose visa has expired, have departed Australia for at least 6 months and the ATO issues a notice to the Fund requesting your benefits be paid to the ATO;
- If you become a “lost member” with a balance of less than \$200 (a lost member is a member who is uncontactable or inactive as defined in superannuation legislation); and
- If you become a lost member (regardless of the size of your account balance) whose account balance has been inactive for a period of 5 years where the Trustee is satisfied, based on the information reasonably available to it, that it will never be able to pay the amount to the you.

If your benefit is transferred to the ATO, you can claim your super money directly from the ATO (subject to the applicable tax rates), however the ATO does not pay interest on unclaimed monies it holds. Also, if your benefits are transferred to the ATO because you are a former temporary resident, the Trustee relies on relief granted by the Australian Securities and Investments Commission which means that the Fund will not notify you of the transfer or provide you with an exit statement. This relief recognises that superannuation funds will have difficulty in locating address details for former temporary residents).

For more information about unclaimed moneys go to [www.ato.gov.au/super](http://www.ato.gov.au/super) or phone the ATO on 13 10 20 (between 8am – 6pm Monday to Friday).

### **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. Dependants include your spouse (including de-facto spouse of the same or opposite sex, who qualifies as a defacto under superannuation legislation) and your children (including any adopted child, stepchild or child of a same sex spouse), 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. You can nominate a dependant or your legal personal representative. If your death benefit cannot be paid to a dependant it will usually be paid to your legal personal representative (that is, your estate).

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 significant taxation rules applicable to superannuation interests in an eligible rollover fund is outlined below based on the taxation laws available 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.

### **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" (for example, where the amount transferred is a payment from certain superannuation funds for government employees). We are required by law to deduct tax at the rate of 15% of the untaxed amount (higher tax may be applicable to the transferring fund for very large amounts – called excess untaxed rollover amounts).

### **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 components of your benefit and your age at the date of withdrawal.

Superannuation benefits paid from a taxed source to a member aged 60 or more will be tax free. Small balances (less than \$200) may also be released tax-free.

Tax is payable on the taxable component of superannuation benefits paid to members aged under 60. Lump sum payments from a taxed source will consist of two components – a tax-free component and a taxable component.

The tax-free component is made up of amounts that have previously been subject to tax or have received concessional treatment, for example, personal (after tax) contributions for which a tax deduction cannot be claimed, pre 1983 components and invalidity components.

The taxable component is made up of the total superannuation benefit, less any tax-free component and will include amounts sourced from tax deductible employer and personal contributions. The taxable component will be taxed at 20% (plus medicare levy) if paid to a person under their preservation age or 15% on any amount over \$160,000 if paid to a person from preservation age to age 59 (amounts under \$160,000 will be tax free). The \$160,000 threshold applies in 2010/2011 and is subject to indexation in future years.

If superannuation benefits are paid to a member who suffers from a terminal medical condition (as defined in taxation legislation), the benefits are tax-free.

Any payment of superannuation benefits must be withdrawn from the tax-free and taxable components in proportion. If you would like information about the components of your benefit, please contact the Fund on 1300 977 857.

All lump sum death benefit payments made to a dependant will be tax-free (a dependant for tax purposes does not include a child aged 18 or more unless the child is financially dependent or an interdependent). Death benefit payments to non-dependants will have to be made as a lump sum. Lump sum payments to non-dependants (irrespective of their age) will be taxed at up to 15% (if paid from a taxed source) although special taxation treatment may apply to death benefits paid to a non-dependant in respect of a member of the police force, armed forces or protective services who dies in the line of duty. A non-dependant for tax purposes includes an adult child

of a deceased member aged 18 or more (unless the child is financially dependent or interdependent). Where a death benefit is received by the legal personal representative of a deceased estate, tax is determined according to who is intended to benefit from the estate.

If you make a cash withdrawal and have not advised us of your Tax File Number, you may pay higher tax on the taxable component of your benefit.

**Tax rates differ for payments made to departing non-residents. Go to [www.ato.gov.au](http://www.ato.gov.au) for more information.**

### **Tax on contributions**

A contributions tax of 15% applies to amounts paid into the Fund from the Superannuation Holdings Accounts Special Account (SHASA) and Superannuation Guarantee charge amounts paid by the ATO (in respect of late employer contributions). This is applied when these amounts are received by the Fund. A higher rate of tax will apply to these amounts if the Fund does not hold your tax file number (TFN). The Fund may (but is not obliged to) recover any additional tax paid by it in respect of these amounts if the Fund is subsequently provided with your TFN (within 4 years). The Trustee will make reasonable endeavours to recover such tax but does not guarantee it will do so in the event that a member has left the Fund prior to receiving the member's TFN.

*For more information about tax relevant to Superannuation, contact the Australian Taxation Office on 131 020 or seek your own advice.*

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

You are not obligated to provide your TFN to the Fund. However, if you do not provide your TFN (and the TFN has not otherwise been provided to the Fund, for example, by your previous superannuation fund), the Fund may be taxed at a higher rate on taxable amounts paid into your account in the year, compared to the concessional tax rate of 15%. This additional tax will be deducted from your account. Also, the Fund may not be able to accept Government co-contributions for you.

Choosing to quote your TFN will also make it easier to keep track of your superannuation in future.

Under the Superannuation Industry (Supervision) Act 1993 (SIS), the Fund is authorised to collect your TFN, which will only be used for lawful purposes. These purposes may change in the future as a result of legislative change. The TFN may be disclosed to another superannuation provider, when your benefits are being transferred, unless you request in writing that your TFN is not to be disclosed to any other trustee.

### **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. A copy of the Trustee's policy is also available on request by contacting the Trustee.

**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 (including feeder funds) to help locate and consolidate 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 the following objectives:

- (1) Investment returns which exceed inflation by at least 2% averaged over rolling 5 year periods;
- (2) Members should be in a better or comparable financial situation than would have been the case had those members remained in the feeder funds, after taking into account the effect of net returns, administration fees and member benefit protection; and
- (3) The Fund should remain competitive or outperform peer ERFs, measuring over rolling three year periods.

Despite these objectives, there may be periods where 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 (however this cannot be guaranteed).

### **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 outlined 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 or economic environment such as but not limited to interest rates, inflation and currency movements, local and overseas political or other events, liquidity risks and timing risks and natural disasters.

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 80% 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.

Other Fund risks, as with any other superannuation fund, include the possibility of changes to the Fund or its internal operations such as changes to key staff involved in the management of the Fund or a disruption of its systems.

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 endeavour to ensure that it remains a complying superannuation fund. 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 2009 and 2010. The investment portfolios shown below may change from time to time at the discretion of the Trustee having regard to the objectives and strategy of the Fund.

Underlying Investment Fund	30 June 2009		30 June 2010		Type of Asset
	\$	%	\$	%	
NAB Corporate Cheque Account	2,203,762	13	1,012,687	6.3	Cash
Perennial Cash Enhanced Trust	1,965,277	11	1,042,232	6.5	Cash deposits, bank bills, & corporate securities
QIC Global Fixed Interest Alpha Fund	627,120	4	648,718	4	Cash deposits, bank bills, & corporate securities
Perennial Value Australian Shares Trust	4,191,781	24	4,163,414	26	Australian Shares
Solaris High Alpha Fund	3,983,498	23	4,080,932	25	Australian Shares
Aberdeen Fully Hedged International Shares	2,382,759	14	2,761,362	17	International Shares
Platinum Asia Fund	1,870,059	11	2,335,677	15	International Shares
<b>TOTAL</b>	<b>17,224,256</b>	<b>100</b>	<b>16,045,022</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.

The following asset benchmark allocations\* and ranges are in place:

Asset Class	Benchmark %	Range %
Australian Equities	40%	30-60
International Equities**	40%	20-40
<b>Total Growth Assets</b>	<b>80%</b>	<b>60-90</b>
Cash at Bank and Cash equivalents	20%	10-40
<b>Total Defensive Assets</b>	<b>20%</b>	<b>10-40</b>

\* Variations from the benchmark may occur from time to time due to various factors including market fluctuations

\*\* International Shares are fully hedged against currency risk

\*\*\* Investments described as “Cash equivalents” refer to managed funds that primarily invest in cash but redirect some investments to bank securities, asset backed securities and corporate securities to obtain some equity exposure.

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

At the end of each financial year, the Trustee will determine a crediting rate which will be allocated 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 may 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 allocating 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 annual 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 actual operating costs together with any difference between net investment earnings and the amount of earnings allocated to members’ accounts.

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

For the year ended 30 June 2010, ISPF has allocated earnings to member accounts at the rate of 8% p.a. The dollar amount of earnings allocated to member accounts depends on movements in accounts during the year.

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 2010	8.0	10.31
30 June 2009	-6.5	-8.21
30 June 2008	-10.5	-13.3
30 June 2007	16.5	17.10
30 June 2006	14.0	13.72
Average*	3.72	3.17

\*Average is the compound average of the net earning rates and crediting rates over the last 5 years (per annum).

### **Level of Reserves**

The level of reserves at 30 June was as follows:

<b>Year Ended</b>	<b>\$,000</b>	<b>% of Vested Members’ Benefits</b>
30 June 2010	160	1.0
30 June 2009	72	0.42
30 June 2008	81	0.66

**The Trustee (or its related entities), the Founder, 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.

TYPE OF FEE OR COST	AMOUNT	HOW AND WHEN PAID
<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* 5.03% 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.

TYPE OF FEE OR COST	AMOUNT	HOW AND WHEN PAID
<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 2010. The estimated % will vary from year to year depending on the actual experience of the Fund.

\*\* Other fees 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	Nil	For every \$5,000 you put in, you will be charged \$0.
<b>PLUS</b> Management Costs	Estimated 5.03% + \$14.30 (27.5 cents per week)	<b>And</b> for every \$50,000 you have in the fund you will be charged \$2,515 each year plus \$14.30 in administration fees regardless of your account balance.
<b>EQUALS</b> 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>\$2,529.30*</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.

**Establishment fee - nil**

**\*\*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 the section below on “Member Benefit Protection”).**

**NOTE: The average balance in the Fund is \$119.45. The fees on \$119 for a year would be approximately \$20.28 (\$5.98 + \$14.30).**

Remember that in this example, the \$5.98 has already been taken into account in the calculation of the Fund’s final crediting rate.

#### **Additional explanation of fees and costs**

For Tax costs, refer to pages 5 & 6 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 a

<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 \$5,000 being made during the year. However, contributions are not generally permitted to this Fund.

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. Under recent government reforms, a spouse for these purposes may include a defacto spouse of the same or opposite sex who meets relevant definitions in the Family Law Act. For more information about this, you should consult a legal adviser.

### **Fee Changes**

Fees and costs may be reviewed at any time by the Trustee without member consent. However, members will be notified in writing at least 30 days in advance of any material increase to a fee charged by the Trustee. The percentage based fee (sometimes called “indirect costs”) component of the Management Costs comprises expenses of the Fund, including fees paid to investment managers, the administrator and the Founder. Indirect costs are estimated and may change from year to year depending on the actual experience of the Fund.

### **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 \$1,000. 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 before the crediting rate is determined. Unlike other superannuation funds, Eligible Rollover Funds must protect all members’ account balances, even if they exceed \$1,000. 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 or such other amount as is permitted by superannuation legislation.

### **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 allocated 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:

Luigi Mario Rodriguez

Noel Davis

Vicki Allen (resigned 23 March 2011)

David Roko Grbin

Nicole Sette is the Secretary

### **Contact Details**

The contact details of relevant parties are as follows:

#### **Trustee**

Trust Company Superannuation Services Limited

Level 3, 530 Collins Street,

Melbourne VIC 3000

Telephone: 03 9665 0200

#### **Administrator**

IFAA Pty Ltd

Level 1, 424 Upper Roma Street

BRISBANE QLD 4000

Telephone: 1300 977 857

#### **Founder**

ISPF Pty Ltd

Level 1, 424 Upper Roma Street, BRISBANE QLD 4000

Telephone: 07 3238 1200

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

Telephone: 1300 977 857

Facsimile: 07 3236 0721

Email: [ispf@ifaa.com.au](mailto:ispf@ifaa.com.au)

Post: ISPF

PO Box 1047

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