

Important Information

*Important Information relating to the
Personal Retirement Plan
Allocated Pension
Term Allocated Pension
Investment Funds - Class A*



FEBRUARY 2020



We're committed to providing you with high-quality investment solutions for your retirement.

Last year we combined the assets of the StatePlus Retirement Fund with the First State Superannuation Scheme (**Fund**), and we're now one of Australia's largest industry super funds. This increased size and scale enables us to access more investment opportunities for you and offer you more investment options.

With our increased size and scale, we've been working hard to drive down our costs overall and we're making some changes to the way we structure our super and pension fees. There are also some changes to the return objectives, strategic asset allocations and standard risk measures of our investment options as part of our annual investment review.

To help you understand what's changing, we've put together this summary of important information that highlights changes to:

Super & Pension products

Trustee: First State Super Trustee Corporation

- Fees
- Return objectives
- Strategic asset allocation
- Standard risk measure

Investment products

Trustee: State Super Financial Services Australia Limited (trading as StatePlus)

- Return objectives
- Strategic asset allocation
- Standard risk measure

Super & Pension products



Changes to fees

The changes described in this section are relevant to the following products, collectively known as Super and Pension products. FSS Trustee Corporation (FTC) is the issuer of the Super and Pension products.

- Personal Retirement Plan (closed to new investors)
- Allocated Pension (closed to new investors)
- Term Allocated Pension (closed to new investors)

Currently the fees you pay can be broadly categorised into two types:

- **Administration fees** – fees related to providing you administration and related services. These fees are generally the same from year to year.
- **Investment fees** – made up of two components: management fees and performance-related fees.

As a result of the changes coming into effect from 1 April 2020, there will be changes to the way in which fees are charged to your account. This should give you greater clarity of the fees you pay for the services you receive, and may allow us to pass on to you any benefits of our increased size and scale to reduce investment fees and costs.

Following these changes, some clients will benefit from lower fees. However, some clients may pay higher fees, depending on the investment options you hold, but the increase will be no more than \$52 a year.

Changes to administration fees

How do we currently charge an administration fee?

Currently, the administration fee is deducted from the assets of each investment option and before we calculate the unit price for your investment option. The administration fee is not directly deducted each month from your account. Although we provide an approximation of this fee in your statements, we are now changing this following feedback from our clients.

What's changing?

We're changing the way administration fees are charged to more closely align these across the whole Fund. This should give you greater clarity on the fees you pay for the services you receive.

From 1 April 2020, there will be a new administration fee structure and the administration fee will be deducted directly from your account. The new administration fee structure will be:

- an annual **administration fee** of \$52
- an **asset-based administration fee** of 0.20% of your account balance, capped at \$1,500 per annum.

What does this change mean for you?

The new administration fee structure means you'll see your administration fees deducted directly from your account as a transaction each month. The annual administration fee of \$52 will be a new charge to your account as we align the pricing structure for all members of the Fund. In addition, the asset-based administration fee of 0.20% will be capped at a maximum of \$1,500 per annum.

Changes to the government costs and levies

Government costs and levies were also a component of the total fees and costs of your investment option. From 1 April 2020, government costs and levies will now be absorbed into the asset-based administration fee and will not be separately charged to your account.

Changes to Investment Fees

What's an Investment Fee?

The Investment Fee is currently made up of two components:

1. The **management fee**, which is payable for the management of your selected investment option as well as the investment-related fees and costs of the investment option.
2. The **performance-related fee**, which is payable when certain investment managers exceed performance targets.

What's changing?

From 1 April 2020, the Investment Fee will be made up of three components, as shown below. We're making this change to provide you more transparency on the fees charged for your selected investment options.

This will mean that the Investment Fee will now be made up of three components:

- Management fee** – a fixed fee, depending on the investment option selected, ranges from 0.00% to 0.20% per annum. A management fee is payable for the management of your products.
- Investment-related costs** – depending on the investment option selected, investment costs are payable in relation to the investment management of your selected investment option.
- Performance-related costs** – depending on the investment option selected, a performance-related cost will be payable when certain investment managers exceed performance targets.

What does this change mean for you?

Charging the investment-related costs separately from the management fee means that you'll receive the benefit of any reduction in our investment-related costs. You'll also pay for any increases in investment-related costs. This gives you greater clarity overall on the fees and costs you're paying.

The table below shows the Investment Fees you paid for the 2018-2019 financial year for each investment option in the three products: Personal Retirement Plan, Allocated Pension and Term Allocated Pension.

The investment-related costs and performance-related costs vary from year to year and cannot be precisely calculated in advance. These costs can only be determined after the end of the financial year and are available on our website each year.

For comparison, we've shown below the impact of this new fee structure using the investment-related costs and performance-related costs for the previous financial year. In the column titled 'Financial year 2018-2019 with fee changes' it shows the fees you would have paid if this new fee structure had been in place for the 2018-2019 financial year.

Investment Option	Investment Fees % p.a.			
	Personal Retirement Plan		Allocated Pension & Term Allocated Pension	
	Financial year 2018-2019	Financial year 2018-2019 with fee changes*	Financial year 2018-2019	Financial year 2018-2019 with fee changes*
Capital Stable Fund	0.37	0.33	0.37	0.33
Moderate Fund	0.43	0.40	0.43	0.39
Balanced Fund	0.49	0.46	0.50	0.47
Growth Fund	0.59	0.50	0.59	0.50
Growth Plus Fund	0.59	0.52	0.59	0.51
Cash Fund	0.04	0.02	0.04	0.02
Fixed Interest Fund	0.20	0.13	0.20	0.13
Australian Equities Fund	0.55	0.32	0.55	0.30
International Equities Fund	0.55	0.35	0.55	0.34
Fixed Term Fund	0.20	0.20	0.20	0.20

*Based on the total Investment Fees paid for the financial year ending 30 June 2019. This includes the management fee, investment-related costs and performance-related costs.

Understanding the new fee structure

From 1 April 2020

Personal Retirement Plan, Allocated Pension and Term Allocated Pension

Type of fee	Amount	How and when paid
Investment fee ^{1,2}	<p>The Investment Fee comprises three components:</p> <ul style="list-style-type: none"> • Management fee • Investment-related costs • Performance-related costs <p>Management fee: Depending on the investment option selected, the amount you pay for each investment option ranges from 0.00% p.a. to 0.20% p.a. of the amount you invest in that investment option.</p> <p>Plus</p> <p>Investment-related costs: Depending on the investment option selected, the amount you pay for each investment option ranges from 0.02% p.a. to 0.40% p.a. of the amount you invest in that investment option.</p> <p>Plus</p> <p>Performance-related costs³: Depending on the investment option selected, a performance-related cost will be payable when certain investment managers exceed performance targets. The level of the performance-related cost expressed as a percentage of the amount you invest in each investment option ranged from 0.00% to 0.05% for the 2018-2019 financial year.</p>	<p>Management fees for unitised investment options are calculated and accrued each day, and included in the calculation of the unit price of each unitised investment option on each business day and paid monthly. Management fees are deducted from unitised investment option assets at the end of each month.</p> <p>Management fees for the Fixed Term Fund are calculated on a monthly basis and deducted from the returns generated by the underlying assets at the end of each month. The rate on the Fixed Term Fund is quoted after these management fees and is locked in for the term of your investment.</p> <p>Investment-related costs for unitised investment options are calculated and accrued each day, and included in the calculation of the unit price of each unitised investment option on each business day. Investment-related costs are deducted from unitised investment option assets at the end of each month.</p> <p>Performance-related costs are calculated and accrued on a regular basis (at least quarterly) and incorporated into the calculation of unit prices. Performance-related costs are deducted from fund assets as they become payable, typically after a period of one year or longer.</p>

1. If your account balance for a product offered by the superannuation entity is less than \$6,000 at the end of the entity's income year, the total amount combined 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.
2. Please see 'Additional explanation of fees and costs' in the PDS for a definition of each fee. These are an estimate of the fees and costs of each option for the 12 months to 30 June 2019. Past costs are not a reliable indicator of future costs.
3. Performance-related costs may vary from year to year and cannot be precisely calculated in advance. See 'Additional explanation of fees and costs' in the PDS for more details.

Understanding the new fee structure (Cont.)

Personal Retirement Plan, Allocated Pension and Term Allocated Pension (Cont.)

Type of fee	Amount	How and when paid
Administration fee ^{1,2}	\$52 per year (\$4.33 per month) plus an asset-based administration fee of 0.20% of your account balance. The asset-based administration fee is capped at \$1,500 per year (\$125 per month).	Administration fees are deducted from your account at the end of each month or on exit. Fees for part of a month are calculated based on the number of days you were in the fund.
Buy-sell spread ²	Nil	N/A
Switching fee ²	Nil	N/A
Advice fees ² Relating to all members investing in a particular investment option	Nil	N/A
Other fees and costs ^{2,4}	<p>An advice fee for personal advice may apply. The amount of any applicable advice fee will vary, depending on your individual circumstances and the fee arrangement that you have agreed with your planner.</p> <p>An early closure cost may be incurred if your investment in the Fixed Term Fund is redeemed before maturity.</p>	<p>If applicable, you can direct us to deduct the advice fee directly from your account. The frequency and timing of the deduction of any applicable advice fee will vary, depending on the fee arrangement that you have agreed with your planner.</p> <p>If applicable, early closure costs for the Fixed Term Fund will be deducted before the withdrawal amount is paid to you.</p>
Indirect cost ratio ^{1,2,5}	Depending on the investment option selected, is estimated to range from 0.00% to 0.14% of the amount invested in the investment option.	<p>For unitised investment options, costs are accrued into the calculation of unit prices when they become known and deducted as they are incurred.</p> <p>For the Fixed Term Fund, costs are factored into rates prior to them being confirmed.</p>

1. If your account balance for a product offered by the superannuation entity is less than \$6,000 at the end of the entity's income year, the total amount combined 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.
2. Please see 'Additional explanation of fees and costs' in the PDS for a definition of each fee. These are an estimate of the fees and costs of each option for the 12 months to 30 June 2019. Past costs are not a reliable indicator of future costs.
3. Performance-related costs may vary from year to year and cannot be precisely calculated in advance. See 'Additional explanation of fees and costs' in the PDS for more details.
4. There are costs associated with closing a non-unitised investment option investment before maturity. Please refer to 'Additional explanation of fees and costs' in the PDS.
5. The indirect cost information is based on information available and (if applicable) estimates of the indirect costs for the 2018-2019 financial year based on the information available about the indirect costs for the 2018-2019 financial year at the date of issue of the PDS. Please refer to 'Additional explanation of fees and costs' in the PDS.

Example of annual fees and costs

To show you the impact of these changes on the fees you pay, we've provided an example for an account balance of \$50,000 and for \$250,000 using the fees and costs for the Balanced Fund. These calculations are based on the variable fees and costs that applied for the 2018-2019 financial year.

Personal Retirement Plan, Allocated Pension and Term Allocated Pension – \$50,000 example

	Financial year 2018-2019 Balanced Fund		From 1 April 2020 Balanced Fund	
		Balance of \$50,000		Balance of \$50,000
Investment fees	0.50% p.a. ¹	For every \$50,000 you have in the superannuation product you will be charged \$250 each year	0.47% p.a. ²	For every \$50,000 you have in the superannuation product you will be charged \$235 each year
Plus Administration fees	0.21% ³	And , you will be charged \$105 in administration fees	\$52 (\$4.33 per month) + 0.20% ⁴	And , you will be charged \$152 in administration fees
Plus Indirect costs for the superannuation product ⁵	0.14%	And , indirect costs of \$70 each year will be deducted from your investment	0.14%	And , indirect costs of \$70 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: \$425 for the superannuation product		If your balance was \$50,000, then for that year you will be charged fees of: \$457 for the superannuation product

1. The Investment Fee is calculated as the sum of the management fee of 0.45% p.a plus performance-related costs of 0.05% p.a. for the 2018-2019 financial year.
2. The Investment Fee is calculated as the sum of the management fee of 0.15% p.a, plus investment-related costs of 0.27% p.a. plus performance-related costs of 0.05% p.a. for the 2018-2019 financial year.
3. The administration fee includes government costs and levies of 0.01% p.a for the 2018-2019 financial year.
4. Subject to a cap of \$1,500 p.a. on the asset-based administration fee.
5. This is the indirect cost ratio incurred in the 2018-2019 financial year.

Example of annual fees and costs (Cont.)

Personal Retirement Plan, Allocated Pension and Term Allocated Pension – \$250,000 example

	Financial year 2018-2019 Balanced Fund		From 1 April 2020 Balanced Fund	
		Balance of \$250,000		Balance of \$250,000
Investment fees	0.50% p.a. ¹	For every \$250,000 you have in the superannuation product you will be charged \$1,250 each year	0.47% p.a. ²	For every \$250,000 you have in the superannuation product you will be charged \$1,175 each year
Plus Administration fees	0.21% ³	And , you will be charged \$525 in administration fees	\$52 (\$4.33 per month) + 0.20% ⁴	And , you will be charged \$552 in administration fees
Plus Indirect costs for the superannuation product ⁵	0.14%	And , indirect costs of \$350 each year will be deducted from your investment	0.14%	And , indirect costs of \$350 each year will be deducted from your investment
Equals Cost of product		If your balance was \$250,000, then for that year you will be charged fees of: \$2,125 for the superannuation product		If your balance was \$250,000, then for that year you will be charged fees of: \$2,077 for the superannuation product

1. The Investment Fee is calculated as the sum of the management fee of 0.45% p.a plus performance-related costs of 0.05% p.a. for the 2018-2019 financial year.
2. The Investment Fee is calculated as the sum of the management fee of 0.15% p.a, plus investment-related costs of 0.27% p.a. plus performance-related costs of 0.05% p.a. for the 2018-2019 financial year.
3. The administration fee includes government costs and levies of 0.01% p.a for the 2018-2019 financial year.
4. Subject to a cap of \$1,500 p.a. on the asset-based administration fee.
5. This is the indirect cost ratio incurred in the 2018-2019 financial year.

Further details on your fees

To help you better understand the new fee structure, we've put together the following table. This provides a detailed breakdown based on the total fees and costs paid from your investment option for the 2018-2019 financial year.

The latest fees and costs of each investment option for the 12 months to 30 June 2019 can be found on our website. Visit stateplus.com.au/investments/products, select the relevant product and select 'Fees' in the table at the bottom of the page. In future, the amount you pay will depend on the actual fees, costs and taxes incurred by the trustee in managing the investment option.

Allocated Pension and Term Allocated Pension

Investment option	Investment Fee %			Indirect cost ratio % p.a.	Total investment fees and indirect costs % p.a.	Total estimated investment fees and indirect costs expressed as \$ per \$50,000 p.a.
	Management fees % p.a.	Investment-related costs % p.a.	Performance-related costs % p.a.			
Diversified investment options						
Capital Stable Fund	0.15%	0.16%	0.02%	0.10%	0.43%	\$215
Moderate Fund	0.15%	0.21%	0.03%	0.11%	0.50%	\$250
Balanced Fund	0.15%	0.27%	0.05%	0.13%	0.60%	\$300
Growth Fund	0.15%	0.31%	0.04%	0.13%	0.63%	\$315
Growth Plus Fund	0.15%	0.32%	0.04%	0.12%	0.63%	\$315
Single asset class investment options						
Cash Fund	0.00%	0.02%	N/A	0.01%	0.03%	\$15
Fixed Interest Fund	0.06%	0.07%	N/A	0.01%	0.14%	\$70
Australian Equities Fund	0.06%	0.24%	N/A	0.04%	0.34%	\$170
International Equities Fund	0.06%	0.28%	N/A	0.06%	0.40%	\$200
Fixed Term Fund	0.20%	0.00%	N/A	0.00%	0.20%	\$100

Further details on your fees (Cont.)

Personal Retirement Plan

Investment option	Investment Fee %			Indirect cost ratio % p.a.	Total investment fees and indirect costs % p.a.	Total estimated investment fees and indirect costs expressed as \$ per \$50,000 p.a.
	Management fees % p.a.	Investment-related costs % p.a.	Performance-related costs % p.a.			
Diversified investment options						
Capital Stable Fund	0.15%	0.16%	0.02%	0.10%	0.43%	\$215
Moderate Fund	0.15%	0.22%	0.03%	0.12%	0.52%	\$260
Balanced Fund	0.15%	0.27%	0.04%	0.14%	0.60%	\$300
Growth Fund	0.15%	0.31%	0.04%	0.13%	0.63%	\$315
Growth Plus Fund	0.15%	0.33%	0.04%	0.12%	0.64%	\$320
Single asset class investment options						
Cash Fund	0.00%	0.02%	N/A	0.01%	0.03%	\$15
Fixed Interest Fund	0.06%	0.07%	N/A	0.01%	0.14%	\$70
Australian Equities Fund	0.06%	0.26%	N/A	0.04%	0.36%	\$180
International Equities Fund	0.06%	0.29%	N/A	0.07%	0.42%	\$210
Fixed Term Fund	0.20%	0.00%	N/A	0.00%	0.20%	\$100

Changes to the return objectives

Changes to the return objectives of the investment options for the Super and Pension products are outlined below. These were either in effect on 1 December 2019 or will be implemented on 1 April 2020 as shown below.

The return objectives for all other investment options remain unchanged.

Change to single sector investment option return objectives

Personal Retirement Plan, Allocated Pension and Term Allocated Pension

Investment option	Return objective before 1 December 2019	Return objective from 1 December 2019	Return objective from 1 April 2020
Australian Equities Fund	To meet or exceed the return of the FTSE ASFA Australia 300 Tax Exempt Index over rolling five-year periods gross of tax and net of fees and costs.	To meet or exceed the return of the S&P/ASX 300 Franking Credit Adjusted Daily Return (Superannuation) Index with lower volatility, over rolling five-year periods, before tax and after taking into account fees and costs.	To track the S&P/ASX 300 Accumulation Index, before taking into account fees, costs and tax.
International Equities	To meet or exceed the return of the MSCI AC World (ex-Australia) Index (partly hedged) over rolling five-year periods gross of tax and net of fees and costs.	To meet or exceed the return of the MSCI AC World ex-Australia Accumulation Index (Net Divs.) (partly hedged) in Australian dollars with lower volatility, over rolling five-year periods, before tax and after taking into account fees and costs.	To track the return of the MSCI World Index ex-Australia ex-tobacco securities Accumulation Index (unhedged) in Australian dollars, before taking into account fees, costs and tax.
Fixed Interest Fund	To meet or exceed the return of a blend of Australian fixed interest and Global fixed interest benchmarks (50% Bloomberg AusBond All Maturities Composite Bond Index, 30% Bloomberg AusBond Bank Bill Index + 0.75% and 20% Bank of America Merrill Lynch Global Broad Market (100% hedged)) before fees and taxes over rolling three-year periods.	To track a blend of Australian and global fixed income benchmarks (50% Bloomberg AusBond Composite 0 + Yr Index, 30% Bloomberg AusBond Bank Bill Index + 0.75% and 20% Bloomberg Barclays Global Aggregate Float-Adjusted Index (100% hedged)) in Australian dollars, before taking into account fees, costs and tax.	No change.
Cash Fund	To track the Bloomberg AusBond Bank Bill Index, after fees.	To outperform the returns of the Bloomberg AusBond Bank Bill Index, over rolling 12-month periods, before taking into account fees, costs and tax.	No change.

Change to diversified investment options return objectives – effective 1 April 2020

We're changing our investment objectives from a pre-tax basis to post-tax basis to better align with industry standards.

As a result, the diversified investment options' investment objectives of the Personal Retirement Plan will be 0.50% lower than CPI+ target of the investment option equivalent in the pension product. This is to reflect the fact that investment earnings in an accumulation account are taxed (at a maximum rate of 15%).

Any earnings on your pension (retirement income stream) account are tax free while they remain in your account, regardless of your age. This is one of the main advantages that a retirement income stream has over non-income stream superannuation accounts and investments outside super.

All diversified investment objectives will now be stated as after taking into account fees, costs and tax and over rolling ten-year periods.

Personal Retirement Plan

Investment option	Existing return objective	New return objective
Capital Stable Fund	CPI + 1.75% p.a. gross of tax ¹ and net of fees and costs over rolling three-year periods.	CPI + 1.25% p.a. over rolling ten-year periods after taking into account fees, costs and tax.
Moderate Fund	CPI + 2.5% p.a. gross of tax ¹ and net of fees and costs over rolling four-year periods.	CPI + 2.0% p.a. over rolling ten-year periods after taking into account fees, costs and tax.
Balanced Fund	CPI + 3.5% p.a. gross of tax ¹ and net of fees and costs over rolling five-year periods.	CPI + 3.0% p.a. over rolling ten-year periods after taking into account fees, costs and tax.
Growth Fund	CPI + 4.0% p.a. gross of tax ¹ and net of fees and costs over rolling seven-year periods.	CPI + 3.5% p.a. over rolling ten-year periods after taking into account fees, costs and tax.
Growth Plus Fund	CPI + 4.25% p.a. gross of tax ¹ and net of fees and costs over rolling seven-year periods.	CPI + 3.75% p.a. over rolling ten-year periods after taking into account fees, costs and tax.

¹ Gross of tax means prior to tax being taken out and with the value of franking credits added back in.

Allocated Pension and Term Allocated Pension

Investment option	Existing return objective	New return objective
Capital Stable Fund	CPI + 1.75% p.a. gross of tax ¹ and net of fees and costs over rolling three-year periods.	CPI + 1.75% p.a. over rolling ten-year periods after taking into account fees, costs and tax.
Moderate Fund	CPI + 2.5% p.a. gross of tax ¹ and net of fees and costs over rolling four-year periods.	CPI + 2.5% p.a. over rolling ten-year periods after taking into account fees, costs and tax.
Balanced Fund	CPI + 3.5% p.a. gross of tax ¹ and net of fees and costs over rolling five-year periods.	CPI + 3.5% p.a. over rolling ten-year periods after taking into account fees, costs and tax.
Growth Fund	CPI + 4.0% p.a. gross of tax ¹ and net of fees and costs over rolling seven-year periods.	CPI + 4.0% p.a. over rolling ten-year periods after taking into account fees, costs and tax.
Growth Plus Fund	CPI + 4.25% p.a. gross of tax ¹ and net of fees and costs over rolling seven-year periods.	CPI + 4.25% p.a. over rolling ten-year periods after taking into account fees, costs and tax.

¹ Gross of tax means prior to tax being taken out and with the value of franking credits added back in.

Changes to the Strategic Asset Allocation

Each of our investment options has a medium to longer term target allocation of assets between the asset classes, called the Strategic Asset Allocation (SAA), based on the investment objective of that investment option. We may review and vary the SAA or asset allocation range from time to time, consistent with the investment objective.

Changes to the SAA across all Super & Pension products – effective 1 December 2019

Diversified Investment Options

Asset Class	Capital Stable Fund		Moderate Fund		Balanced Fund		Growth Fund		Growth Plus Fund	
	Target SAA	Change (%)	Target SAA	Change (%)	Target SAA	Change (%)	Target SAA	Change (%)	Target SAA	Change (%)
Australian Fixed Interest	47%	-2	33%	-7	15%	-12	5%	-4	0%	-
International Fixed Interest	0%	-	7%	-	4%	-	0%	-2	0%	-
Cash	24%	-	10%	-	10%	+5	8%	+6	0%	-
Credit Income	4%	+2	10%	+5	10%	+3	7%	-	0%	-6
Australian Equities	6%	-	10%	-1	18%	-3	27%	-5	35%	-5
International Equities	7%	+1	12%	+2	23%	+3	32%	-	43%	+6
Property	6%	-	8%	-	8%	+0.5	8%	+1	8%	+3
Infrastructure	6%	+2	8%	+4	8%	+4	8%	+4	9%	+2
Other Alternatives	0%	-3	2%	-3	4%	-0.5	5%	-	5%	-

Diversified Investment Option

	Growth Fund		Growth Plus Fund	
	Target SAA	Change (%)	Target SAA	Change (%)
Income assets	25%	+5	5%	-1
Growth assets	75%	-5	95%	+1

Further changes to the SAA effective 1 April 2020

SAA's will now be shown at a consolidated asset class level, with the Alternatives asset class allocation now including a wide range of investments such as credit income, property, infrastructure, private equity, hedge funds and real return strategies.

Private Equity

Our increased size and scale enable us to access more investment opportunities, including the private equity market. Our Super and Pension products will now have investments in this sector where appropriate.

Private equity includes investments in companies, both in Australia and overseas that are not listed on a stock exchange. Such companies can include large established companies needing investment and expertise to support future growth plans, as well as smaller, rapidly growing businesses.

The private equity market provides more opportunities for skilled managers to add value, however, these are generally higher-risk investments.

Other SAA changes include:

- Fixed Income also now includes both the Australian and International Fixed Income sectors.
- The Enhanced Income sector (now renamed Conservative Income) has been moved to the Cash sector from Australian Fixed Income.

Further changes to the SAA effective 1 April 2020 (Cont.)

Personal Retirement Plan, Allocated Pension and Term Allocated Pension

Asset Class	Diversified Investment Options									
	Capital Stable Fund		Moderate Fund		Balanced Fund		Growth Fund		Growth Plus Fund	
	Target	Range	Target	Range	Target	Range	Target	Range	Target	Range
Strategic Asset Allocation:										
Australian Equities	6%	0 - 16%	9.5%	0 - 19.5%	17%	7% - 27%	26%	16% - 36%	24%	14% - 34%
International Equities	7%	0 - 17%	11%	1% - 21%	21.5%	11.5% - 31.5%	30%	20% - 40%	29%	19% - 39%
Alternatives	16%	0 - 40%	29.5%	10% - 50%	32.5%	10% - 50%	31%	10% - 50%	27%	10% - 50%
Fixed Income	25%	0 - 50%	25%	0 - 45%	17%	0 - 35%	5%	0 - 25%	10%	0 - 25%
Cash	46%	1% - 85%	25%	1% - 75%	12%	1% - 60%	8%	1% - 45%	10%	1% - 45%
Foreign currency exposure	5%	0 - 17%	8%	0 - 21%	16%	0 - 31.5%	23%	0 - 40%	22%	0 - 39%
Income / Growth Split:										
Income	75%	55% - 95%	62%	42% - 82%	43%	23% - 63%	25%	5% - 45%	25%	5% - 45%
Growth	25%	5% - 45%	38%	18% - 58%	57%	37% - 77%	75%	55% - 95%	75%	55% - 95%

	Growth Plus Fund	
	Target SAA	Change (%)
Income assets	25%	+20
Growth assets	75%	-20

Change to the Standard Risk Measure

We've adopted the Standard Risk Measure (SRM), which is based on a methodology developed by the superannuation industry so that consumers can compare investment options within and across funds, and assigns a risk band, risk label and estimated number of negative annual returns over any 20-year period.

The SRM has changed for one of our investment options following the latest annual review. This change took effect from 1 December 2019.

	Fixed Interest Fund
Previous SRM	6: High
SRM change effective 1 December 2019	5: Medium to high

For more information on the SRM please visit our website

<https://www.stateplus.com.au/investments/how-we-invest/standard-risk-measure>

Investment products



Changes to the return objectives

This section describes changes to the following investment options, known as Investment products in this document. State Super Financial Services Australia Limited (trading as StatePlus) is the trustee of the Investment Fund products.

- Investment Fund Class A (closed to new investors)

The return objectives for all other investment options remain unchanged.

Change to single sector return objectives

Investment Fund Class A

Investment option	Return objective before 1 December 2019	Return objective from 1 December 2019	Return objective from 1 April 2020
Australian Equities Fund	To meet or exceed the return of the FTSE ASFA Australia 300 Tax Exempt Index over rolling five-year periods gross of tax and net of fees and costs.	To outperform the return of the S&P/ASX 300 Accumulation Index over rolling five-year periods before tax and after taking into account fees and costs.	No change.
International Equities Fund	To meet or exceed the return of the MSCI AC World (ex-Australia) Index (partly hedged) over rolling five-year periods gross of tax and net of fees and costs.	To outperform the return of the MSCI AC World ex-Australia Accumulation Index (Net Divs.) (partly hedged) in Australian dollars, over rolling five-year periods, before tax and after taking into account fees and costs.	No change.
Fixed Interest Fund	To meet or exceed the return of a blend of Australian and global fixed interest benchmarks (50% Bloomberg AusBond All Maturities Composite Bond Index, 30% Bloomberg AusBond Bank Bill Index + 0.75% and 20% Bank of America Merrill Lynch Global Broad Market (100% hedged)) before fees, costs and taxes over rolling three-year periods.	To meet or exceed the return of a blend of Australian and global fixed interest benchmarks (50% Bloomberg AusBond All Maturities Government 0+Yr, 30% Bloomberg AusBond Bank Bill Index +0.75% and 20% Bloomberg Barclays MSCI Global Aggregate SRI Exclusions Float Adjusted (hedged into Australian dollars)) before taking into account fees, costs and taxes over rolling three-year periods.	To meet or exceed the return of a blend of fixed interest benchmarks (70% Bloomberg AusBond All Maturities Government 0+Yr, 30% Bloomberg AusBond Bank Bill Index +0.75%) before taking into account fees, costs and tax over rolling three-year periods.
Cash Fund	To meet or exceed the returns of the Bloomberg AusBond Bank Bill Index before fees, costs and taxes over rolling 12-month periods.	To outperform the returns of the Bloomberg AusBond Bank Bill Index, over rolling 12-month periods, before taking into account fees, costs and tax.	No change.

Change to diversified investment options return objectives – effective 1 April 2020

Investment Fund Class A

Investment option	Existing return objective	New return objective
Growth Fund	CPI + 4.0% p.a. gross of tax ¹ and net of fees and costs over rolling seven-year periods.	CPI + 4.25% p.a. gross of tax ¹ and net of fees and costs over rolling seven-year periods.

¹ Gross of tax means prior to tax being taken out and with the value of franking credits added back in.

Changes to the Strategic Asset Allocation

Each of our investment options has a medium to longer term target allocation of assets between the asset classes, called the strategic asset allocation (SAA), based on the investment

objective of that investment option. We may review and vary the SAA or asset allocation range from time to time, consistent with the investment objective.

Changes to the SAA across Investment products – effective 1 December 2019.

Diversified Investment Options

Asset Class	Capital Stable Fund		Moderate Fund		Balanced Fund		Growth Fund	
	Target SAA	Change (%)	Target SAA	Change (%)	Target SAA	Change (%)	Target SAA	Change (%)
Australian Fixed Interest	47%	-2	33%	-7	15%	-12	5%	-4
International Fixed Interest	0%	-	7%	-	4%	-	0%	-2
Cash	24%	-	10%	-	10%	+5	8%	+6
Credit Income	4%	+2	10%	+5	10%	+3	7%	-
Australian Equities	6%	-	10%	-1	18%	-3	27%	-5
International Equities	7%	+1	12%	+2	23%	+3	32%	-
Property	6%	-	8%	-	8%	+0.5	8%	+1
Infrastructure	6%	+2	8%	+4	8%	+4	8%	+4
Other Alternatives	0%	-3	2%	-3	4%	-0.5	5%	-

Diversified Investment Option

	Growth Fund	
	Target SAA	Change (%)
Income assets	25%	+5
Growth assets	75%	-5

Further changes to the SAA effective 1 April 2020

SAA's will now be shown at a consolidated asset class level, with the Alternatives asset class allocation now including a wide range of investments such as credit income, property, infrastructure, hedge funds and real return strategies. The Investment products do not have an allocation to private equity.

Other changes include:

- Fixed Income also now includes both the Australian and International Fixed Income sectors.
- The Enhanced Income sector (now renamed Conservative Income) has been moved to the Cash sector from Australian Fixed Income.

Investment Funds Class A

	Diversified Investment Options							
Investment option	Capital Stable Fund		Moderate Fund		Balanced Fund		Growth Fund	
	Target	Range	Target	Range	Target	Range	Target	Range
Strategic Asset Allocation:								
Australian Equities	6%	0 - 16%	10%	0 - 20%	18%	8% - 28%	27%	17% - 37%
International Equities	7%	0 - 17%	12%	2% - 22%	23%	13% - 33%	33%	23% - 43%
Alternatives	16%	0 - 40%	28%	10% - 50%	30%	10% - 50%	20%	10% - 50%
Fixed Income	25%	0 - 50%	25%	0 - 45%	17%	0 - 35%	10%	0 - 25%
Cash	46%	1% - 85%	25%	1% - 75%	12%	1% - 60%	10%	1% - 45%
Foreign currency exposure	5%	0 - 17%	9%	0 - 22%	17%	0 - 33%	25%	0 - 43%
Income / Growth Split								
Income	75%	55% - 95%	62%	42% - 82%	43%	23% - 63%	25%	5% - 45%
Growth	25%	5% - 45%	38%	18% - 58%	57%	37% - 77%	75%	55% - 95%

	Single Asset Class Investment Option	
Asset Class	Fixed Interest Fund	
	Target	Range
Australian Fixed Interest	100%	80 - 100%
International Fixed Interest	0%	0 - 20%

Change to the Standard Risk Measure

We've adopted the Standard Risk Measure (SRM), which is based on industry guidance to allow investors to compare investment options within and across funds, and assigns a risk band, risk label and estimated number of negative annual returns over any 20-year period.

The SRM has changed for one of our investment options following the latest annual review. This change took effect from 1 December 2019.

	Fixed Interest Fund
Previous SRM	6: High
SRM change effective 1 December 2019	5: Medium to high

For more information on the SRM please visit our website

<https://www.stateplus.com.au/investments/how-we-invest/standard-risk-measure>

Level 9, 83 Clarence Street, Sydney
GPO Box 5336 Sydney NSW 2001
1800 841 877
stateplus.com.au



The **Personal Retirement Plan, Allocated Pension Fund and Term Allocated Pension Fund** are issued by FSS Trustee Corporation (ABN 11 118 202 672, AFSL 293340, Level 21, 83 Clarence Street, Sydney NSW 2000) (First State Super) as trustee for the First State Superannuation Scheme (ABN 53 226 460 365). The **StatePlus Investment Funds – Class A** (Investment Funds – Class A) are issued by State Super Financial Services Australia Limited (ABN 86 003 742 756, AFSL 238430) (StatePlus)



Contact us

If you have any questions about the products or services provided by StatePlus please contact your local regional office.

 www.stateplus.com.au

 Call 1800 620 305

 GPO Box 5336, Sydney NSW 2001

Personal Retirement Plan

1 December 2019
(closed to new accounts)

Read this

Information regarding the Personal Retirement Plan USI 53226460365008 is contained in this Product Disclosure Statement (PDS) and the following Booklets, which each form part of this PDS:

- *Personal Retirement Plan, Investment and Fee Booklet (PRP Investment and Fee Booklet)*
- *Investment Booklet – Fixed Term Fund*
- *Tailored Super Plan and Personal Retirement Plan Additional Information Booklet (TSP and PRP Additional Information Booklet), (collectively, the 'Booklets').*

This PDS provides a summary of significant information for the Personal Retirement Plan, a Division of the First State Superannuation Scheme (referred to in this document as 'First State Super' or 'the fund'). It contains references to important information in the Booklets which also form part of this PDS. You should consider all the important information about the Personal Retirement Plan contained in this PDS and the Booklets before making a decision. This PDS has been prepared by the FSS Trustee Corporation (referred to in this document as the 'trustee', 'we', 'us' or 'our').

The information in these documents is general information only and does not take into account your objectives, personal financial situation or needs. You should obtain financial advice that is tailored to your personal circumstances.

The information in this PDS was accurate at the time of its preparation.

A paper or electronic copy of this PDS, the Booklets and any update are available free of charge by contacting StatePlus on **1800 620 305** or at stateplus.com.au/pds. Information which is not materially adverse to you is subject to change and may be updated from time to time. We will notify you of material or significant changes which may affect you before or after the change has taken place in accordance with the law.

We may add, close, or terminate investment options, add or remove investment managers, or alter the objectives, strategic asset allocations or asset allocation ranges of an investment option at any time. We will notify you about any material changes, although this may be after the change has occurred. If you have money in an investment option that the trustee decides to discontinue, you may have an opportunity to switch to any of our other investment options. Alternatively, we may switch your money to an investment option with a similar risk/return profile.

We have engaged entities in the First State Super group to provide us with ongoing services in relation to this product. This may include administration, investment and product services, and these entities may receive fees in respect of those ongoing services. The arrangements contain arm's length provisions and the trustee has in place appropriate policies and procedures, including to manage conflicts and outsourcing, which apply to such arrangements.

The Personal Retirement Plan is only available to people receiving this PDS (electronically or otherwise) in Australia. We are not bound to accept any application for the Personal Retirement Plan.

Contents

1. About the Personal Retirement Plan	2
2. How super works	2
3. Benefits of investing in the Personal Retirement Plan	2
4. Risks of super	3
5. How we invest your money	3
6. Fees and costs	5
7. How super is taxed	7
8. How to open an account	8
9. Other information	8

1 About the Personal Retirement Plan

Personal Retirement Plan

The Personal Retirement Plan is a superannuation product offered within the fund (a complying superannuation fund). In the Personal Retirement Plan, you can choose to invest in one or more of the ten investment options (including diversified and single asset class investment options), each having a separate investment strategy. We maintain a website so you can keep up to date on important matters relating to the Personal Retirement Plan. You can find important information and documents about the Personal Retirement Plan that are required to be disclosed under superannuation law at stateplus.com.au/documents.

The Personal Retirement Plan is offered by First State Super as a result of the Successor Fund Transfer of the StatePlus Retirement Fund to the First State Superannuation Scheme on 1 July 2019. **From 1 December 2019, the Personal Retirement Plan is closed to new accounts.**

First State Super

First State Super is an industry fund run solely for the benefit of members. As one of Australia's largest superannuation funds, we use our size and stability to keep costs down and deliver a range of superannuation products. You can stay with the fund if you change jobs, or even if you're not working. Through our retirement specialist partner, StatePlus, we also offer financial advice. Important information about the fund and the trustee, including trustee and executive remuneration, is available at stateplus.com.au/ftc.

StatePlus

In 2016, First State Super acquired State Super Financial Services Australia Limited (StatePlus). Like First State Super, StatePlus has a long history of providing financial services to public sector employees and putting member needs first. Combined, the two organisations help everyday Australians get the most out of their superannuation and retirement, with access to high quality, cost-effective investment solutions and tailored financial advice when they need it most.

2 How super works

Compulsory retirement savings

The federal government wants Australians to save for their retirement rather than rely solely on the age pension, so superannuation has tax incentives to encourage people to contribute. See Section 7 – How super is taxed.

For most people, superannuation is compulsory. Generally, employers are required by law to make superannuation guarantee (SG) contributions on behalf of employees earning \$450 or more (before-tax) per month. Some awards and enterprise agreements have different requirements.

Choosing a super fund

Most employees have the right to choose the superannuation fund into which their compulsory employer contributions will be paid (choice of fund). This PDS summarises the key features of the Personal Retirement Plan so you can easily compare it with other super funds.

Accessing your super

Generally, you can access your super when you reach your preservation age (between 55 and 60 depending on your date of birth) and permanently retire, although you can draw income from your super account as a transition to retirement income stream once you reach your preservation age. In some circumstances, such as severe financial hardship, you may be allowed early access to your super.

Combine your super

If you have super with more than one fund, you will be paying fees to, and receiving paperwork from, each fund. If you have super with other funds, you can transfer it to the Personal Retirement Plan, but remember to check if any costs apply and how any insurance arrangements may be affected, if applicable. You should also consider where future employer contributions may be paid.

Your super account

Your super is in an accumulation account. Contributions and rollovers are added to your account, while withdrawals, advice fees (if applicable) and taxes are deducted from your account.

Contributions

In addition to the SG contributions, there are other types of contributions that can be made to your super to build your retirement savings. The types of contributions available to you depend on your age and employment status. There are limits on how much can be contributed to your super each financial year without incurring additional tax. See the *TSP and PRP Additional Information Booklet* for more detailed information. The main types of super contributions that can be made to super are shown below.

Contribution types

Concessional (before-tax) contributions

Employer SG, award and employer voluntary contributions

Salary sacrifice

Personal deductible contributions

Non-concessional (after-tax) contributions

Personal contributions

Spouse contributions

Other contributions

Downsizer contribution


Government co-contribution

Low-income superannuation tax offset

Spouse contribution splitting

Small business CGT contribution


Personal injury contributions

 You should read the important information about how super works, contributions and preservation rules before making a decision. Go to the *TSP and PRP Additional Information Booklet* at stateplus.com.au/pds. The material relating to how super works, contributions and preservation rules may change between the time when you read this Statement and the day when you acquire the product.

3 Benefits of investing in the Personal Retirement Plan

We offer a range of features and services to help you build and manage your superannuation throughout your working life and retirement.

- **An industry fund** – designed to deliver better financial outcomes for members, not shareholders.
- **Competitive fees** – as one of Australia's largest superannuation funds, we use our size and stability to keep costs down.
- **Investment choice** – access to a range of investment options.
- **Financial advice** – you have access to a range of advice services.
- **Stay with us when you change jobs or retire** – keep your account wherever you work and choose an income stream to help you move into retirement.
- **Online access** – gives you easy access to information that will help you understand and manage your super.
- **Non-lapsing and binding beneficiary nominations** – helps you ensure your death benefit is paid according to your wishes.

 You should read the important information about the benefits of investing in the Personal Retirement Plan before making a decision. Go to the *TSP and PRP Additional Information Booklet* at stateplus.com.au/pds. The material relating to the benefits of investing with the Personal Retirement Plan may change between the time when you read this Statement and the day when you acquire the product.

4 Risks of super

Investment risk

All investments involve a level of risk. The key short-term risk is market volatility and the impact this can have on your superannuation balance. The two main risks over the long term are that your super savings (including contributions and returns) are not enough to provide adequately for your whole retirement, or don't keep up with the rising cost of living over time.

Your super may be invested in different asset classes such as shares, fixed interest, property and cash, and each of these can rise or fall in value. The size and frequency of these rises and falls is referred to as the risk profile. In general, investments that are volatile over short periods of time, such as Australian and international shares, grow more over longer periods. This means that assets with the highest long term returns may also carry the highest level of short-term risk. By contrast, investments like cash and fixed interest tend to produce more stable but lower returns, and may not generate the returns you need to reach your retirement goals. This is often called the risk/return trade off and is a key thing to keep in mind when choosing an investment option.

Each diversified investment option is made up of a mix of asset classes, with the risk level of these options depending on the proportion allocated to each asset class. Each single asset class investment option reflects the risk profile of that particular asset class.

When choosing an investment option, you should consider the level of investment risk that is appropriate for you. This will depend on your age, investment timeframe, where other parts of your wealth are invested and your attitude to risk. Seeking advice from a financial planner can help you choose the most suitable investment option.


Your investment is not guaranteed and you may lose some of the money you have invested due to investment losses. The value of your investments and the level of returns will vary, and while past performance shows how an investment has performed in the past, future returns may differ.

Other risks


Changes to laws and regulations in the future may affect the value of your super (for example, changes to taxation rules) or when and how you can access your super. Changes to rules about when and how much you can contribute to super, or how we are required to manage your super, may also affect you. We will communicate material changes that affect your superannuation.

The fund itself is exposed to certain operational risks. The Operational Risk Financial Requirement (ORFR) reserve provides funding for material losses that may arise from operational risks such as unit pricing errors, major systems failures or other errors, or fraud against the fund.

Finally, our fees may increase, or we may discontinue or significantly change the investment option you are invested in. We will communicate material changes that affect your superannuation and you will be given at least 30 days written notice before an increase in fees takes effect. This notice period does not apply to Investment fees (other than Management fees) or the indirect cost ratio, as these amounts may vary from year-to-year and cannot be known precisely in advance. For more information on fees and costs, refer to the 'Fees and costs' section.

 You should read the important information about the risks of investing in super before making a decision as contained in this PDS and *PRP Investment and Fee Booklet*. Go to the 'Risks of investing' section of the *PRP Investment and Fee Booklet* at stateplus.com.au/pds. The material relating to the risks of investing in super may change between the time when you read this Statement and the day when you acquire the product.

5 How we invest your money

 You should read the important information on 'How we invest your money', 'Investment options' and the Fixed Term Fund before making a decision. Go to the *PRP Investment and Fee Booklet* and *Investment Booklet – Fixed Term Fund*, available at stateplus.com.au/pds. The material relating to 'How we invest your money', 'Investment options' and the Fixed Term Fund may change between the time when you read this Statement and the day when you acquire the product.

When choosing an investment option, it's important to consider your personal objectives, financial situation and needs. Your choices range from conservative investment options that invest mostly in cash and fixed interest, to investment options that offer greater growth potential from higher weightings to shares and property.

The Personal Retirement Plan gives you a choice of ten investment options, each with a specified investment objective.

Our investment options include five diversified options, four single asset class options, and the Fixed Term Fund.

Diversified investment options

The diversified investment options provide you with the benefit of diversification by being invested across different asset classes, investment styles and managers. The percentage allocated to each asset class varies, which means each diversified investment option has a different risk/return profile.

The diversified investment options are:

- Capital Stable Fund
- Moderate Fund
- Balanced Fund
- Growth Fund
- Growth Plus Fund.

Each diversified investment option is assigned a medium to longer term target asset allocation, known as the strategic asset allocation, as well as asset allocation ranges, which are the minimum and maximum amounts we can invest in each asset class. The strategic asset allocation and asset allocation ranges for each investment option, as at the date of this PDS, are shown in the investment option tables in the *PRP Investment and Fee Booklet*. Note that the actual asset allocation in place at a particular time may vary from the strategic asset allocation because we use an active asset allocation approach.

We may vary the strategic asset allocation and asset allocation ranges for an investment option from time to time without prior notice.

Single asset class investment options

The single asset class investment options are invested in one asset class only. These investment options allow you to take a greater degree of control over your investment by choosing your allocation to one or more asset classes. However, some asset classes are not available as a single asset class investment option (e.g. infrastructure and property), so it may be difficult to obtain the same degree of diversification as the diversified investment options. The risk and potential return of the single asset class investment options reflect the particular asset type in which they are invested.

The single asset class investment options are:

- Cash Fund
- Fixed Interest Fund
- Australian Equities Fund
- International Equities Fund

Fixed Term Fund

The Fixed Term Fund is a non-united investment option that provides a fixed rate of return for terms of 1, 2, 3 or 5 years. The fixed rate of return is set after you apply but before your investment begins, so you know what you will earn over the life of the investment, assuming you hold the investment for the full term.

You should consider the likely investment return, risk and your investment time frame when choosing which option to invest in.

You can choose to invest in one option or a combination of different investment options. Generally, you can reduce your level of investment risk by spreading your money across a range of asset classes. This can be achieved by investing in the diversified options or by investing in a variety of single asset class options. You can mix and match the options in any combination.

You can transfer (switch) your money into other investment options at any time, or ask that future contributions be paid into a different investment option. Currently, no fee is charged for switching.

If your application does not specify the investment option(s) for investment, we will contact you to obtain your investment allocation. If we are unable to contact you we may not be able to accept your application.

Standard Risk Measures


A Standard Risk Measure (SRM) is assigned to each investment option to indicate the expected level of risk associated with the option. The SRM is based on industry standards to allow members to compare investment options but is not a complete assessment of all forms of investment risk. For instance, it does not show the size of a potential negative return, or the likelihood that a positive return will be less than a member may need to meet their objectives. In addition, it does not take into account administration costs.

You should be comfortable with the potential losses of your chosen investment options. For more details on the Standard Risk Measure please refer to the *PRP Investment and Fee Booklet*.

Investment details for the Balanced Fund

For illustrative purposes, we have set out details of the Balanced Fund below. See the *PRP Investment and Fee Booklet* and the *Investment Booklet – Fixed Term Fund* for details on all the investment options offered in the Personal Retirement Plan.

Balanced Fund

Summary	Invests in a diversified portfolio of income and growth assets with a slight bias towards growth assets such as Australian and international equities.		
Investment objective¹	CPI +3.5% p.a. gross of tax ² and net of fees and costs over rolling five-year periods.		
Growth / income allocation³	Target	Range	
	Growth assets	57%	50% to 70%
	Income assets	43%	30% to 50%
Strategic asset allocation		Target	Range
	● Australian fixed interest	15%	10% to 50%
	● International fixed interest	4%	0% to 15%
	● Cash	10%	0% to 15%
	● Australian equities	18%	10% to 30%
	● International equities	23%	10% to 30%
	Alternatives	30%	0% to 65%
	● Credit income	10%	
	● Property	8%	
	● Infrastructure	8%	
	● Other alternatives	4%	
	Currency exposure ⁴	17%	0% to 33%
Minimum suggested investment timeframe	Medium term (5 years)		
Standard Risk Measure⁵	5 – Medium to high		
Estimated frequency of annual negative returns every 20 years⁵	3 to less than 4		
Who might invest in this option?	This option may suit investors who can accept some years when returns are negative but who expect that over the long term returns will be well above inflation.		

¹ The investment objectives do not constitute a forecast or guarantee of future performance or the future rates of return of the investment option.

² Gross of tax means prior to tax being taken out and with the value of franking credits added back in.

³ We may vary the actual asset allocation for an investment option from time to time.

⁴ This currency exposure target and range refers to the proportion of assets that are subject to foreign exchange rate movements. For further information, refer to the 'Foreign currency management' section in the *PRP Investment and Fee Booklet*.

⁵ The underlying modelling methodology used to determine risk measures and the estimated number of negative annual returns is available in the 'Standard Risk Measures' section or at stateplus.com.au/srm.

6 Fees and costs

 You should read the important information about 'Fees and costs' and 'Additional explanation of fees and costs' before making a decision. Go to the *PRP Investment and Fee Booklet* at stateplus.com.au/pds. The material relating to 'Fees and costs' and 'Additional explanation of fees and costs' may change between the time when you read this Statement and the day when you acquire the product.

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 account 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 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 (moneysmart.gov.au) has a superannuation calculator to help you check out different fee options.

* We are required by law to include this statement however it is not applicable as the Personal Retirement Plan is not an employer sponsored product, nor are fees negotiable.

Fees and costs for the Balanced Fund

This section provides summary information about the fees and costs for our Balanced Fund. Similar information is included in other PDS's so you can compare the Personal Retirement Plan's fees and costs with those for other funds. Please note: the fees below are not negotiable.

Fees and costs table – Personal Retirement Plan

Type of fee	Amount	How and when paid
Investment fee^{1,2,3}	Management fee: 0.45% p.a. of the amount you invest in the investment option. Plus A performance-related fee: will be payable when certain investment managers exceed performance targets. The level of the performance-related fee expressed as a percentage of the amount you invest in the investment option was 0.04% for the 2018-19 financial year.	Management fees are calculated and accrued each day and included in the calculation of the unit price of the investment option on each business day. Management fees are generally deducted from investment option assets each month. Performance-related fees are calculated and accrued on a regular basis (at least quarterly) and incorporated into the calculation of unit prices. Performance-related fees are deducted from unitheld investment option assets as they become payable, typically after a period of one year or longer (in certain circumstances, payments may be delayed).
Administration fee^{1,2}	Administration fee: 0.20% of the amount you invest in that investment option. Plus Government costs and levies: were 0.01% for the 2018-19 financial year.	Administration fees are calculated and accrued each day, and included in the calculation of the unit price of on each business day and paid monthly. Government costs and levies for investment options are accrued into the calculation of unit prices when they become known and deducted as they are incurred.
Buy-sell spread²	Nil	N/A
Switching fee²	Nil	N/A
Advice fees² Relating to all members investing in a particular investment option	Nil	N/A
Other fees and costs⁴	An early closure cost may be incurred if your investment in the Fixed Term Fund is redeemed before maturity.	If applicable, early closure costs for the non-unitheld investment option will be deducted before the withdrawal amount is paid to you.
Indirect cost ratio^{1,2,5}	For the 2018-19 financial year, at 0.14% of the amount you invest in the investment option.	Costs are accrued into the calculation of unit prices when they become known and deducted as they are incurred.

¹ If your account balance for a product offered 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.

² Please see 'Additional explanation of fees and costs' in the *PRP Investment and Fee Booklet* for a definition of each fee. These are the fees and costs of each option for the 12 months to 30 June 2019. Past costs are not a reliable indicator of future costs.

³ Performance-related fees may vary from year to year and cannot be precisely calculated in advance. See 'Additional explanation of fees and costs' in the *PRP Investment and Fee Booklet* for more details.

⁴ There are costs associated with closing a Fixed Term Fund investment option investment before maturity. Please refer to 'Additional explanation of fees and costs' in the *PRP Investment and Fee Booklet*.

⁵ The indirect cost information is based on information available and (if applicable) estimates of the indirect costs for the 2018-19 financial year based on the information available about the indirect costs for the 2018-19 financial year at the date of issue of the PDS. Please refer to 'Additional explanation of fees and costs' in the *PRP Investment and Fee Booklet*.

Additional explanation of fees and costs

Taxes

Where applicable, government taxes will be deducted from your account balance.

How fees and costs are charged to your account

Fees and costs can be deducted from your account, from the returns on your investment or from the investment option's assets as a whole.

Personal advice fees

An additional fee may apply for personal advice services provided to you when you choose an advice relationship with a financial planner and elect to deduct the fees for personal advice from your account. If applicable, the advice fee will be determined and charged in accordance with the fee arrangement that you have agreed with your planner.

Please see the Statement of Advice from your financial planner for more details, including for contact details of your financial planner.

Fee definitions

Please see the 'Fees and costs' section of the *PRP Investment and Fee Booklet* for a definition of each type of fee referred to in this PDS. A definition of each type of fee is also provided at stateplus.com.au/documents.

Example of annual fees and costs

This table gives an example of how the fees and costs for the Balanced Fund for this superannuation product 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 – the Balanced Fund		BALANCE OF \$50,000
Investment fees ¹	0.49 % p.a.	For every \$50,000 you have in the superannuation product you will be charged \$245 each year
Plus Administration fees ²	0.21% p.a.	And, you will be charged \$105 in administration fees
Plus Indirect costs for the superannuation product ³	0.14% p.a.	And, indirect costs of \$70 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: \$420 for the superannuation product

¹ The investment fee is calculated as the sum of the management fee of 0.45% p.a. plus performance-related fees of 0.04% p.a. for the 2018-19 financial year.

² The administration fee includes government costs and levies of 0.01% p.a. for the 2018-19 financial year.

³ This is the indirect cost ratio for the 2018-19 financial year. Please see 'Additional explanation of fees and costs' in the *PRP Investment and Fee Booklet* for more details on the indirect cost ratio.

Note: Additional fees may apply. We currently do not charge a buy/sell spread.



Please note: The example above is illustrative only and is based on the factors stated. It should not be taken to contain or provide an estimate of the fees and other costs you will pay in relation to the Personal Retirement Plan.

7 How super is taxed

You should read the important information about 'How super is taxed' and 'The importance of providing your tax file number' before making a decision. Go to the *TSP and PRP Additional Information Booklet* available at stateplus.com.au/pds. The material relating to 'How super is taxed' and 'The importance of providing your tax file number' may change between the time when you read this Statement and the day when you acquire the product.

There are a number of ways that super is taxed. Please see the table below:


Type of tax	Description	How the tax is paid
Tax on contributions	<p>Prior to the issue of units in the relevant investment option, a provision for tax at the rate of 15%¹ is deducted from employer, personal 'before-tax' and salary sacrifice contributions.</p> <p>Contributions from your after-tax savings are not taxed unless you exceed the after-tax contributions limit and the excess contributions are not withdrawn from your super (see the <i>TSP and PRP Additional Information Booklet</i> for further information).</p>	<p>Instalments of contributions tax are paid by us to the ATO when they become due.</p> <p>The provision for this tax is deducted before your concessional contribution is invested.</p> <p>If tax is payable on your excess after-tax contributions, the ATO will issue a release authority for an amount to be withdrawn from the fund to satisfy the tax on the excess after-tax contributions.</p>
Tax on fund earnings	Generally taxed at a rate of up to 15%.	A provision for this tax is reflected in each investment option's unit price or, in the case of the Fixed Term Fund, the interest rate, and is not deducted directly from your account.
Tax on withdrawals	<p>60 and over: Generally, the whole amount of each lump sum withdrawal received on or after age 60 is not included in your assessable income and is not subject to income tax.</p> <p>Under age 60: If you are below age 60, lump sum withdrawals will be taxed at lump sum rates as outlined in the 'How super is taxed' section in the <i>TSP and PRP Additional Information Booklet</i>.</p>	Tax (where applicable) is payable on assessment of your income tax return, but we deduct an amount from your withdrawal benefit as prescribed by law. The prescribed amount may differ from the tax payable on assessment.

¹ If your income (as calculated for surcharge purposes, other than reportable super contributions) and low tax contributions (i.e. concessional contributions less any excess concessional contributions) exceeds \$250,000 p.a. in a financial year, you will be liable for an additional tax of 15% (on the lesser of the excess amount over \$250,000 and the contributions).

 **Please note:** tax on death benefits paid to beneficiaries or your legal personal representative may be different. Please refer to the *TSP and PRP Additional information booklet* for more information.

When you join the Personal Retirement Plan, you should consider providing us with your tax file number. You are not required to provide your TFN but if you decline to provide it, the trustee will not be able to accept your application and we may not be able to accept any contributions made by you or in respect of you.

If the ATO, your employer or another superfund has provided your TFN to us we will update your records accordingly.

 The above tax rules apply except if you exceed the before or after-tax contribution limits for superannuation. **If you exceed the contribution limits for super additional charges and taxes may be payable.** Please refer to the *TSP and PRP Additional Information Booklet* for more detail.

8 How to open an account

You should read the important information about 'Cooling off period' and 'Enquiries and complaints' before making a decision. Go to the *TSP and PRP Additional Information Booklet* available at stateplus.com.au/pds. The material relating to 'Cooling off period' and 'Enquiries and complaints' may change between the time when you read this Statement and the day when you acquire the product.

- Read this PDS, the *TSP and PRP Additional Information Booklet*, the *PRP Investment and Fee Booklet* and *Investment Booklet – Fixed Term Fund*.
- Call StatePlus on **1800 620 305** and ask one of the Client Services team to help you with your application. Alternatively, you can complete your application in your local StatePlus office.
- You or your employer can then start to make regular and/or ad hoc contributions into your account.

The minimum initial investment (total of contributions and rollovers) in the Personal Retirement Plan is \$2000.

Cooling-off period

As a new investor, you have a 14-day cooling-off period to decide whether the Personal Retirement Plan is right for you. The cooling-off period starts on the earlier of either the day you receive confirmation of your initial investment, or five business days after we open your Personal Retirement Plan, whichever happens first.

If you cancel your account, the amount returned to you or transferred to another fund may vary from the amount you invested because there may be changes in the value of the investment option in which your retirement income stream account is invested (which could be either positive or negative). We will also deduct any tax that may be payable on the amount you have invested and any payments made to you. You may wish to obtain financial advice before exercising your cooling-off rights as it may have tax implications.

The amount refunded is based on the unit price for the business day on which we receive your request (provided we receive it electronically by 3.00pm or at one of the StatePlus offices by 2.00pm Sydney time on a business day), less any applicable tax.

Cooling-off does not apply to switching between investment options.

You cannot exercise your cooling-off rights if you have exercised any other right or power you have in relation to your Personal Retirement Plan.

Enquiries and complaints

You can make a complaint in the following ways:

- call us on 1800 620 305
- send an email to complaints@stateplus.com.au
- write to the Complaints Manager – StatePlus, GPO Box 5336, Sydney NSW 2001

We'll investigate your complaint and try to resolve it in 45 business days. If we can't respond fully in that time, we will keep you informed about the progress of your complaint. We have a maximum timeframe of 90 days to resolve your complaint. Our response will detail the outcome of the investigation and the reason for our decision. This process is free of charge.

External dispute resolution

If you're not satisfied with the response or have not received a formal response within 90 days of lodging the original complaint, you can contact the Australian Financial Complaints Authority (AFCA) in the following ways:

Telephone	1800 931 678 (free call)
Email	info@afca.org.au
Fax	+61 3 9613 6399
Mail	Australian Financial Complaints Authority GPO Box 3 Melbourne VIC 3001
Online	afca.org.au

9 Other information

You should read the important information about:

- Privacy
- Family law
- Our responsibilities to you
- Anti-money laundering and counter terrorism financing

before making a decision. For more detail, go to the relevant sections under the heading 'Other things to know' of the *TSP and PRP Additional Information Booklet* available at stateplus.com.au/pds or from one of the StatePlus offices. The material relating to the additional important information may change between the time when you read this Statement and the day when you acquire the product.



Contact details

If you have any questions or would like more information about the Personal Retirement Plan.

Phone 1800 620 305
Mail GPO Box 5336, SYDNEY NSW 2001
Web stateplus.com.au