Australian EXPATRIATE Superannuation Fund

Member Guide

29 September 2017

Superannuation and Pension Member Guide

29 September 2017

'Australia's First Retail Superannuation Fund to regain QROPS status' *

The information in this document forms part of the Australian Expatriate Superannuation Fund [AESF] Product Disclosure Statements [PDS]. This Part 3 contains a number of references to important information contained in the following guides [each of which form part of this PDS by way of being incorporated by reference] and should be read in conjunction with:

Part 1 - AESF PDS - dated 29 September 2017; and
Part 2 - AESF Investment Guide - dated 29 September 2017; and
Part 4 - AESF Insurance Guide - dated 29 September 2017.

* HMRC list dated 1 September 2016

Important Information

The information in this Guide forms part of the AESF Product Disclosure Statement [PDS] for the Australian Expatriate Superannuation Fund [AESF / Fund], administered in accordance with the trust deed and rules [Division VII] of the Tidswell Master Superannuation Plan [the Plan]. The Plan is a regulated and complying superannuation fund.

Tidswell Financial Services Ltd ABN 55 010 810 607 [Tidswell / Trustee] Australian Financial Services Licence [AFSL] Number 237628, is the issuer and Registrable Superannuation Entity [RSE], Licensee [Licence No. L0000888] and Trustee of the Tidswell Master Superannuation Plan ABN 34 300 938 877 [Registration No. R1004953].

AESF is a division of the Plan.

The Promoter of AESF is IVCM [Aust] Pty Ltd ABN 16 608 923 477, AFSL 491530.

The Custodian of the Fund is Australian Executor Trustees Ltd ABN 84 007 869 794.

The information in this booklet is not personal advice. In providing this information to you we have not taken into account your objectives, financial situation or needs. We recommend that you seek professional financial advice from a licensed adviser.

The information in this booklet may be updated or replaced at any time. Changes that are not materially adverse will be updated and made available on our website at **ivcm.com/aesf**

Significant benefits and risks

Investing in AESF assists you to save for your retirement in a tax effective environment, whilst those who have retired can access a flexible income stream to meet their needs. It enables you to tailor your investment strategies to your own needs and attitude to risk, as well as offering you insurance cover for Total and Permanent Disablement [TPD] and Income Protection.

You should be aware that if you leave AESF within a few years of joining, you may get back less than the amount of contributions paid in because of the level of investment returns earned by your investment option[s] in AESF, the fees and charges deducted from your account and the impact of tax. This guide is based on current laws and laws affecting superannuation and/or pensions and may change at any time.

The Trustee wants to make the following information clear to you:

> **The performance of AESF, the repayment of capital or any particular rate of return are not guaranteed by the Trustee, the investment managers, advisers, service providers or any of their associates. Investment markets do fluctuate. If the investment options you choose is/are not right for you, you may not achieve the goals you set.**

Who should read this document?

This document is for everyone who wants to invest in AESF where we take the complexity out of superannuation, pensions and investments so that you can get on with what matters to you.

Read this guide together with PDS to make sure you understand all about the benefits and risks of AESF.

Complete the relevant application form enclosed with the PDS and forward it to the us at:

AESF
41A Mount Barker Road
Hahndorf SA 5245
Australia

If you need help call Member Services on **1300 131 227**.

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Section 1
How super works

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The purpose of this section is to provide you with important information that you need to know to help you to understand your super and what you can do to help it grow even faster.

1.1 Is AESF for you?

AESF may be for you if you require either a superannuation or pension account: [refer to Table 1 below]

Table 1. Account types

Personal Super	Personal Pension

- to receive personal contributions and savings;
- to receive transfers from other superannuation funds including overseas funds and transfers of UK Tax-Relieved Scheme Funds [QROPS Funds]
- for your employer to pay your employer contributions, including salary sacrifice contributions and contributions for Superannuation Guarantee purposes;
- if you are self-employed, to make superannuation contributions;
- to consolidate other superannuation accounts.
	- is simple to understand yet flexible
	- provides access to an income stream when you are either:
	  - transitioning to retirement; or
	  - retiring from the workforce
	- assist you to keep your money in a tax advantaged environment whilst providing a regular income;
	- has no exit fees.

It is easy for you, your spouse and your employer to add money to your account. Alternatively, if you are retired you can use this account if you wish to leave your money in a tax-efficient environment from which you do not have to regularly withdraw.	

[1] Ordinary time earnings is generally a reference to the earnings from your ordinary hours of work and the specific definition can be found on the ATO website ato.gov.au

[2] There may be limited circumstances where your employer is not required to accept your Choice of Super Fund form, such as if you have already exercised Super Choice in the last 12 months.

[3] This level is indexed each fiscal year – the base level detailed above applies for the 2016/2017 financial year.

1.2 What money can be added to my superannuation account?

Money can be added to your account right up until you turn 65, whether you are working or not. Then, once you turn 65, you can continue to add money as long as you have worked 40 hours in any consecutive 30-day period in the current financial year. Once you turn 75, money cannot generally be added to your account, unless you are rolling money over from your other super funds - this can be done at any time.

There are some limits [known as 'caps'] that apply when adding money. For more information about 'Contribution caps' refer to the table below under 'Limits'.

Monies which can be added to your account are detailed in Table 2 below.

Table 2. Types of Contributions to your Superannuation Account

Contribution Type	Description	Limits
Employer contributions	In most cases, the law requires that your employer contribute a percentage of your ordinary time earnings [OTE][1] to your super [9.5% in the 2017 financial year and following years to 30 June 2021]. This is called Super Guarantee [SG]. For your employer to start paying SG into your account, simply sign and hand the Choice of Super Fund form[2] to your employer. We will give you this form when you set up your account. If you later change employers, simply reprint the form available online, or call us and we will send you a copy. You may also be able to organise salary sacrifice contributions from your before-tax salary with your employer. Employer Contributions may be made for you where the employer is a non-resident of Australia for tax purposes.	To qualify for SG, generally, if you are over 18 years of age and earn over $450 per month, your employer is required by law to make SG payments into your super. SG contributions are limited to a maximum amount payable per quarter based on a maximum OTE base of $52,760 per quarter[3]. If you're under 18 you must meet these conditions and work more than 30 hours per week to be eligible for super contributions. These types of contributions make up what is referred to as 'concessional' contributions. In the 2017/2018 financial year the maximum concessional contribution that can be made is $25,000. These contributions are subject to the 'non-concessional' contribution limits referred to below [Personal and Spouse Contributions].

Contribution Type	Description	Limits
Personal & Spouse contributions	You and your spouse can make after-tax contributions to your account.	These types of contributions make up what is referred to as 'non-concessional' contributions. In the 2017/2018 financial year, the non-concessional contributions cap is $100,000, or up to $300,000 over 3 years if you are under age 65. Note that the amount of the annual and bring forward provisions were decreased on 1 July 2017. If you triggered the bring forward period in 2015/2016 or 2016/2017 transitional arrangements are in place that mean that the bring forward cap may be higher than $300,000. If you are in this position you should seek personal financial advice. For individuals with a total superannuation balance greater than $1.6 million at the end of 30 June of the previous financial year, any non-concessional contributions will be treated as excess non-concessional contributions. If your balance is greater than $1.4 million it will affect the bring forward amount that is available to you.

Contribution Type	Description	Limits
Money from other super funds or overseas funds	You can transfer money from your other super funds in Australia at any time using our easy rollover service. You can access this service immediately after you have applied for your account, or later when it suits you. Before moving your money, you should consider whether you will incur any withdrawal fees in your other fund and how this may affect any insurance cover or other benefits you have in your other fund. You can transfer money from your UK Pension Fund once you have attained age 55 to AESF as it is a qualifying Recognised Overseas Pension Scheme [QROPS]. Transfers from other foreign pension funds can also be received in certain circumstances. Please check with your adviser.	There are no limits applied to entitlements transferred from other complying superannuation funds into your AESF account. However from 1 July 2017 there is limit on how much of your super you can transfer from your accumulation super account to an account based pension. This is called the Transfer Balance Cap [TBC] and will start at $1.6 million and will be indexed in line with the Consumer Price Index [CPI]. Any account based pensions that commence before 1 July 2017 will count towards the TBC. If you exceed our TBC you may have to remove the excess amount and pay tax on the notional earnings related to that excess. Monies transferred from foreign pension funds, including QROPS Funds, are subject to the non-concessional contribution limits, or Personal limits outlined above. For more information about QROPS Funds see 'Transfers [including QROPS Funds]' on page 8.

Contribution Type	Description	Limits

Government co-contributions	The Government pays your co-contribution after:
	- you have lodged your income tax return;
	- your super fund has lodged a Member Contributions Statement [MCS] for you [this is usually done after 1 July and before 31 October], and
	- the ATO has received any additional information that they require and deem you eligible to receive a co-contribution.
	Once this has been done your co-contribution should be paid into your super account within 60 days. The ATO will send you a letter confirming the details of your co-contribution.
		To qualify for the Government co-contribution, your total income for the 2017/2018 financial year must be less than $51,813 and you must:
		- make a personal after-tax contribution into your super account;
		- not be a temporary resident;
		- be under 71 at the end of the fiscal year;
		- lodge a tax return for the fiscal year;
		- have at least 10% of your total income for the fiscal year attributed to either or both:
		  - you engaging in activities where you were treated as an employee for purposes of SG; and/or
		  - you carried on a business.
		The Government will match your personal contributions at a rate of 50%up to a maximum of $500 in a financial year provided your total income is $36,813 or less. The Government co contribution will reduce by 3⅓ cents for every dollar of total income in excess of $36,813, reducing to nil once your total income reaches $51,813 in a fiscal year.
		In order to be eligible your superannuation balance on 30 June of the previous year must be less than $1.6 million and your non-concessional contributions cannot exceed your non-concessional contributions cap for that year.
		You do not need to claim this contribution, provided you meet the above criteria, the ATO will determine your entitlement and remit it to your super account.

Contribution Type	Description	Limits
Contributions relating to CGT small business concessions	You may contribute certain proceeds from disposal of qualifying small business assets. Such a contribution must be made no later than the day you are required to lodge your tax return for the financial year in which the Capital Gains Tax [CGT] event occurred or 30 days after the day you received the capital proceeds, whichever is later. Where the capital proceeds are received and contributed in instalments, each instalment is a separate contribution which must be made within the above time frames. You must notify the Trustee when the contribution is made that you are electing to use the CGT cap for all or part of the contribution by providing and completing the election form from the ATO. You should seek professional advice about whether your contributions qualify for the CGT cap.	Contributions which are referable to capital proceeds from a qualifying CGT Event are subject to a lifetime limit for all individuals which is an amount of $1.445 million for the 2017/18 year. You should seek professional advice about whether your contributions qualify for the CGT cap.

For information with respect to the taxation treatment of contributions please refer to 'Tax paid on contributions' in section 6.1 of this document.

Transfers [Including QROPS Funds]

You may apply to the Trustee to have part or all of any other superannuation or pension interest transferred to your AESF account. Transfers from other superannuation funds will be at the discretion of the transferring trustee and the assets received and allocated to you will be transferred and held subject to such terms and conditions as are agreed between the transferring trustee and the Trustee.

If you are at least 55 years old, then you may also apply to transfer QROPS Funds to AESF. This is on the condition of the ongoing ability of AESF to accept such funds. The value of the QROPS Funds being transferred will be credited to your superannuation account. There may be tax due and payable to the Australian Taxation Office on the growth of your QROPS Funds between the date you entered Australia to commence or resumed Australian residency and the date the transfer is received by the Trustee. You should consult your financial adviser if you think you may be affected by this.

Any pension money which transfers from or through a UK Registered Pension Scheme is considered to be part of the UK Relevant Transfer in the eyes of HMRC. In the AESF the UK Relevant Transfer is completely restricted in accordance with the QROPS rules and restrictions as detailed by HMRC. All withdrawals from your AESF account are assumed to come from the UK Relevant Transfer portion first.

As AESF has been registered by UK HMRC as a QROPS, that means that any transfer to AESF of QROPS Funds will not incur UK HMRC tax charges if the amount transferred is within the UK ‘lifetime allowance’ threshold. Future changes to UK HMRC rules could subsequently affect the treatment of QROPS Funds upon transfer to AESF.

If your transferring plan contains any guaranteed minimum benefits such as those contained in a defined benefit scheme or a final salary scheme, such a guarantee will not apply to any sums transferred from the UK Pension plan to your super account. If your pension plan is a defined benefit scheme with a cash equivalent transfer value over £30,000 you will need to obtain advice from a UK authorised adviser on the suitability of the transfer in order for the transferring scheme to be able to consider the transfer.

The Trustee has agreed to inform UK HMRC of any withdrawals, payments or transfers made from your super account when you are a UK tax resident or have been a UK tax resident in the previous ten complete UK tax years or within ten years after you have made a transfer of QROPS Funds to AESF. The Trustee reserves the right to retain such funds from your super account balance as are necessary should any tax levy become due to UK HMRC, including the Overseas Transfer charge.

Contribution splitting

If your spouse [including de facto] is on a low income or not working, you can help build up their super balance by splitting part of your contributions.

You can split up to 85% of your concessional contributions, providing your spouse is under 55, or between 55 and 65 and not retired.

Contribution splitting applies to super contributions only and not to existing balances. You can request to split contributions once a year, i.e. within 12 months following the end of the financial year, or at the time of leaving the Fund, in relation to the prior year’s contributions.

1.3 Eligibility rules for accessing superannuation

What are the preservation rules and when can I access my superannuation?

Super is designed so that you cannot access it until you retire or meet another condition of release [see below]. In return for tax concessions, the Government has placed restrictions on when you can access your super benefits. These restrictions are known as the preservation rules.

Access to your super is possible when one of the following has happened:

- You turn 65
- You retire from work and have attained your preservation age[4]
- You have reached preservation age and wish to commence a transition to retirement pension[4]

Your preservation age, determined by the Government, is 60; unless you were born in 1964 or earlier, as outlined in table 3 on the next page:

[4] From 1 April 2009 these conditions of release are not available to current or former holders of temporary visas, unless they are permanent residents of Australia, or citizens of Australia or New Zealand. In addition, under certain circumstances super funds may be required to transfer a temporary resident’s super to the ATO following their departure from Australia. This may occur when at least six months have passed since the temporary resident’s visa had ceased to be in effect, they have left Australia and not taken their benefit. If this occurs, the temporary resident may access their benefit from the ATO who can be contacted on 13 10 20. Additional tax may be payable upon accessing the benefit if you are a temporary resident.

Table 3. Preservation age

Date of birth	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

If you have reached your preservation age and you are aged less than 60, you will be classified as retired if you do not intend to become gainfully employed again for ten hours or more per week.

After turning 60, if you leave an employment arrangement, you will be able to access your super benefits, even if you decide to go back to work.

QROPS

Benefits payable to you, to the extent that they relate to QROPS Funds, are payable no earlier than the time of which you attain preservation age unless you are in ill health [as that term is used in the Finance Act 2004 [UK].

If you become Totally and Permanently Disabled [TPD]

TPD means ill-health [whether physical or mental)]making you unable to engage in gainful employment for which you are reasonably qualified by education, training or experience. If you think this may apply to you then early release of your super may be allowed.

In addition, if you have insurance with your AESF account you may also be eligible for a payout of your insurance cover subject to satisfying the Insurer's claim requirements and the applicable definition under the policy.

If you believe you are TPD and decide to make application for early release of your super on the basis of TPD, you will initially need to fully complete and return a Benefit Payment Request form. You will then be provided with the necessary additional forms and details of what evidence you will need to submit to progress your claim.

If you die

Your beneficiaries may access your benefits if you die. See 2.2 Death Benefit Nomination on page 12 for information on nominating beneficiaries.

You are experiencing financial hardship [5]

If you are having difficulty meeting reasonable and immediate family living expenses and are receiving Commonwealth income support payments you may qualify for the early release of your super. There are limits on the amount you can access. To find out all the requirements and apply to have your super released you will need to complete and return to the Trustee a Financial Hardship Benefit Release form. Tax may apply.

Compassionate grounds

You can apply through the Commonwealth Department of Human Services [DHS] for the early release of your super on compassionate grounds. There are limits on the amounts you can access. This may be considered to cover expenses related to you or your dependants relating to:

- a serious medical condition
- the prevention of the forced sale of your home by your mortgagee
- the modification of your home or vehicle to accommodate a severe disability
- palliative care
- funeral expenses for a dependant.

To find out more information and to apply for the early release of your super you will need to contact the Member Services on 1300 131 227, who will assist you in your application to the DHS.

Departing Australia Superannuation Payment [DASP] [5]

To qualify for a DASP, you need to have worked in Australia while visiting on an eligible temporary resident visa. You can have your super paid to you once you leave Australia and your temporary resident visa has expired or been cancelled.

More information and eligibility criteria are available from the Australian Taxation Office [ATO] website ato.gov.au

[5] From 1 April 2009 these conditions of release are not available to current or former holders of temporary visas, unless they are permanent residents of Australia, or citizens of Australia or New Zealand. In addition, under certain circumstances super funds may be required to transfer a temporary resident's super to the ATO following their departure from Australia. This may occur when at least six months have passed since the temporary resident's visa had ceased to be in effect, they have left Australia and not taken their benefit. If this occurs, the temporary resident may access their benefit from the ATO who can be contacted on 13 10 20. Additional tax may be payable upon accessing the benefit if you are a temporary resident.

Unclaimed money

The Trustee is obliged to transfer your entitlements to the ATO if you are considered to be a 'lost member':

- with a balance of less than $6,000; or
- where your account has been inactive for a period of twelve months and the Trustee is satisfied that it will never be possible to pay an amount to you as the member.

If your account balance is transferred, you will be able to reclaim it from the ATO.

If you are a temporary resident and the holder of a temporary visa under the Migration Act 1958, the Australian Government requires AESF to pay temporary residents' unclaimed super to the ATO after at least 6 months have passed since the later of:

- the date a temporary resident's visa ceased to be in effect; and
- the date a temporary resident permanently left Australia.

The ATO identifies and informs AESF of the impacted members on a twice yearly basis. Once your benefit has been transferred to the ATO you will need to claim it directly from the ATO. You may not be issued an exit statement in this circumstance.

If you are a temporary resident and your benefit has not yet been transferred to the ATO, you can claim it from us under the DASP regime. Full information regarding DASP procedures and current taxation rates can be found at ato.gov.au

1.4 Retirement income streams

If retirement is on your horizon, you may consider a Personal Pension. AESF offers transition to retirement pensions [TTR] and account based pensions.

Transition to retirement [TTR]

A TTR is a pension account set up using your superannuation funds which can be commenced once you attain preservation age. You need to have more than $20,000 in superannuation funds to start a TTR. It can help you in flexibility transitioning to retirement by using a tax-effective income stream while you are still working.

However note that from 1 July 2017 TTR pensions are treated as being in the 'accumulation phrase' and not the 'pension phrase'. As a result superannuation funds will no longer receive a tax exemption for earnings on assets supporting a TTR.

There are restrictions on lump sum withdrawals from TTRs income stream and you can only withdraw lump sums if you meet an unlimited condition of release as specified in item 1.3.
When you retire or reach the age of 65, a TTR income stream will automatically transfer to an account based pension.

Account Based Pension

An account based pension lets you convert your superannuation into a regular income in retirement. It gives you easy access to your superannuation savings and may have some tax advantages.

You do not have to be an existing AESF member to take advantage of this product, you just need to have more than $20,000 in super savings and have either met your preservation age or another condition of release [as detailed above].

Before you open an account based pension, it's a good idea to consolidate all of your super accounts because once you open an account based pension you are not allowed to deposit any more money into it.

You may commence an account based pension once you satisfy a full condition of release, see section 1.3. However from 1 July 2017 there is a limit on how much of your super you can transfer from your accumulation super account to an account based pension. This is called the Transfer Balance Cap [TBC] and will start at $1.6 million and will be indexed in line with the Consumer Priced Inxed [CPI]. Any account based pensions that commenced before 1 July 2017 will count towards the TBC. If you exceed our TBC cap you may have to remove the excess amount and pay tax on the notional earnings related to that excess.

Other information about Personal Pensions

Both pension options offer significant tax advantages. Investment earnings on your pension account are tax free in AESF. However note that from 1 July 2017 TTR pensions are treated as being in the 'accumulation phase' and not the 'pension phrase' and as a result superannuation funds will no longer received a tax exemption from earnings on assets supporting a TTR. Also note that from 1 July 2017 there is a limit on how much of your super you can transfer form your accumulation super account to an account based penison. This is called the TBC as described in the previous point.

If you choose to invest in more than one investment option, you can nominate one or more of these options for your income payments from your account.

A minimum investment of $20,000 in the form of a super lump sum payment or transfer is required to begin an AESF TTR Pension or Account Based Pension.

You need to nominate on your 'Pension Application' form the bank account or other financial institution account into which you want your pension payments to be paid. You can choose how often your regular income payments are made to your nominated account - monthly, quarterly, half yearly or yearly.

Payments will be forwarded to your nominated account on or about the 15th day of a month. However, your financial institution may not allow access to the money until the following day.

There is a legal requirement that a minimum payment be made to you at least annually. This amount is based on your age and your account balance as at the start of the financial year, or when you opened your account in the first year of your pension.

The minimum payment requirements set out in legislation are shown in table 4 below.

Table 4. Minimum payment requirements

Age	Minimum annual payment percentages: %*
Under 65	4
65 - 74	5
75 - 79	6
80 - 84	7
85 - 89	9
90 - 94	11
95+	14

* Percentage is applied to pension account balance.

Please note that the above figures may be subject to legislative change. We will contact you at the end of each financial year to let you know what your minimum payment requirements will be for the following year.

Changing your payment amount

You may alter the amount you receive from your pension as long as it falls between the minimum and maximum requirements. Remember, maximum requirements only apply to TTR pensions and is limited to 10% of your pension account balance in any one year.

Should your account balance fall to $2,000 or lower, AESF will arrange for the balance of your account to be paid to you and close your account. In the event your entitlement includes funds subject to preservation, your account will be rolled either into your nominated superannuation fund or AESF's Eligible Rollover Fund, refer 'Eligible Rollover Fund [ERF]' page 29 for details.

The length of time that you will receive payments from your Personal Pension will depend on factors such as the amount of regular payment you choose, investment returns, and any lump sum withdrawals you take [you can't usually make additional cash withdrawals from a TTR Pension]. When deciding your payments each year make sure you consider your personal circumstances and how long you want your Personal Pension account to last.

We strongly recommend that you seek professional advice from your financial planner before commencing, withdrawing or transferring your AESF Pension to ensure it meets your specific financial situation, needs and objectives.

NEED HELP

It's strongly recommended that you consult a licensed financial adviser to assist you in understanding how super works to ensure you can take advantage of the benefits of joining AESF. Alternatively, contact Member Services on **1300 131 227** for information of a general nature.

Section 2

Benefits of Investing with AESF

2

2.1 Benefits of Investing with AESF

Flexibility & Investment Choice

Investors are increasingly aware of the need to access low cost managed investment solutions for super with an international outlook. The AESF range of investments has been developed specifically to provide members with multi-currency managed funds and Exchange Traded Funds [ETFs]. ETF's offer lower operating costs than traditional open-end funds, flexible trading, greater transparency, and better tax efficiency in taxable accounts

Registered as a QROPS Fund

AESF is registered with Her Majesty's Revenue & Customs [HMRC] in the United Kingdom as a Qualifying Recognised Overseas Pension Scheme [QROPS] with the reference number 503375. This means that, subject to certain restrictions imposed by UK legislation and scheme rules [see Section 3] detailed later on in this document, and on the acceptance of the Trustee, AESF can accept transfers from UK registered pension Schemes, usually without incurring any tax liability.

Multi-Currency Investment Choice & low cost Foreign Exchange

Transfers to the AESF often require foreign exchange. We have partnered with one of the world's largest non-bank providers of foreign payment solutions, to offer you an extremely cost competitive solution on your transfer to the AESF. We have also included in our investment range USD and GBP investment choices and competitive, interest paying cash funds. Maximising your return from investment wherever possible is our top priority. As AESF is resident in Australia, all holdings within your account will be expressed in Australian dollars [AUD] even though you may have selected GBP and/or USD investment options.

Death Benefit Certainty

As an expatriate you often have various investments and assets in many jurisdictions subject to different local inheritance laws which may or may not be in keeping with your own wishes. Your investment in the AESF is subject to Australian law and you have the ability to nominate beneficiaries of your choice [as set out in Australian legislation] and this nomination can be binding on the Trustee. You can be certain of the distribution of your superannuation assets in the event of death.

2.2 Death Benefit Nomination

It is important to leave clear instructions should the worst happen. AESF offers you three death benefit nomination options:

- non-lapsing binding nomination [for both Personal Super and Personal Pension]; or
- non-binding nomination [for both Personal Super and Personal Pension]; or
- reversionary beneficiary nomination [for Personal Pension only].

Depending on your membership of AESF you can only choose to make **one** of the above types of death benefit nomination covering your benefits within AESF.

In the event you make two or more types of death benefit nominations, a binding death benefit nomination will take precedence over a non-binding death benefit nomination and if you have a Personal Pension, a reversionary beneficiary nomination will invalidate all other types of nominations in respect of your Personal Pension.

You should be aware that different tax laws apply to different beneficiaries. If you are unsure about your decision, please discuss this with your financial adviser.

Details of your nominated beneficiaries and the type of nomination you have made [if any] will be listed on your Annual Member Statement.

Non-lapsing binding nomination

If you provide the Trustee with a non-lapsing binding nomination that satisfies all legal requirements subject to our accepting the nomination, the Trustee must pay your death benefit to the beneficiary[ies] you have nominated and in such proportions as you have specified, provided:

- each nominated beneficiary is a dependant or your legal personal representative at the time of your death; and
- your binding nomination is in writing and two persons over 18 years of age who are not nominated beneficiaries have witnessed you signing your nomination on the same day.

Note: the binding nomination is non-lapsing, i.e. it will remain in place until it is amended or revoked.

Non-binding nomination

If you provide us with a non-binding nomination, your nomination is not binding on the Trustee and only provides a guide as to how you would like your death benefit to be paid, provided:

- each nominated beneficiary is a dependant or your legal personal representative at the time of your death;
- you have not married, entered a de facto or like relationship with a person of either sex or permanently separated from your spouse or partner since making your nomination; and
- your non-binding nomination has not been revoked and is not defective for any reason.

If you have already made a binding nomination you must revoke it first and then make a non-binding nomination for a non-binding nomination to take effect.

Download the 'Beneficiary Nomination' form from the website ivcm.com/aesf, or you can find out more by contacting your financial adviser, or calling Member Services on **1300 131 227**.

Reversionary beneficiary [Pension Members only]

When you commence a Personal Pension you can choose to nominate a reversionary beneficiary. This means that if you die during the lifetime of your payments, your remaining pension account balance immediately reverts to your nominated reversionary beneficiary and is not payable as a lump sum to your Estate and/or dependants.

This ensures continuity of income for your nominated reversionary beneficiary, as payments continue to be made without any need to wait for your Estate to be concluded. Your reversionary beneficiary may also choose to cease payments and withdraw the total remaining account balance.

A reversionary pension can only be paid to a person who at the time of your death was:

- your Spouse [including de facto spouse or same-sex partner]
- your child [including adopted child or step-child] - but only if the child is less than 18 years of age, or is 18 years of age but less than 25 years of age and financially dependent on you, or has a permanent disability that meets the definition as defined in the Disability Services Act
- a person with whom you had an interdependency relationship
- a person who was financially dependent on you.

If a person nominated as a reversionary beneficiary does not meet the eligibility criteria for a reversionary pension then any reversionary benefit can only be paid as a lump sum. An adult child is ineligible for receipt of a reversionary pension if they are over age 25 even where they remain financially dependent on you or have an interdependency relationship with you [other than in a case where the child suffers a permanent disability - see previous dot point]. In this case the death benefit can only be paid to an adult child [over 25] as a lump sum, not a pension.

It is not possible to nominate more than one reversionary beneficiary. We recommend you discuss the implications of this choice with a financial adviser.

Section 3

Risks of AESF

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All investments carry some level of risk, including superannuation and pension facilities. It is important to understand what these risks are.

Please refer to the separate Investment Guide issued as Part 2 of the Product Disclosure Statement as it provides information about each of these investment options offered by AESF.

3.1 UK Tax & Regulatory Risk

There is a risk that a transfer or withdrawal of QROPS Funds to or from the AESF will give rise to a liability for tax in the UK. To mitigate this, the AESF will only operate the Fund in accordance with the contents herein and in accordance with the prevailing legislation and regulations set out by HMRC. The Trustee will endeavour to meet any such change in requirements and notify you of any impacts on your circumstances.

3.2 Member Payment Provision Period

The UK HMRC requires an individual to be a non-UK tax resident for 10 complete consecutive UK tax years before their UK pension benefits are free of UK taxation. This means that a rollover in this period can only be made to another QROPS. These restrictions do not affect your ability to take benefits from your UK pension monies under normal Australian superannuation rules, however all payments made out of the Australian superannuation fund either to you or to another QROPS are reported to HMRC for 10 years from receipt of the transfer. You may therefore be required to file a UK tax return to report this money and claim exemption from UK tax under the Australian/UK Double Taxation Treaty.

3.3 Overseas Transfer Charge

Following the introduction in the UK of the overseas transfer charge on 9th March 2017 you may be liable for a 25% tax charge on your UK transfer funds.

3.4 Post transfer charges - 'relevant period'

If you had met the necessary requirements [becoming an Australian resident] such that your original transfer was not liable to the overseas transfer charge, you may become liable to the overseas transfer charge in the future.

Should your residency status change so that you are no longer an Australian resident, the overseas transfer charge may become payable. This is only applicable where residence status changes within [the 'relevant period'].

The relevant period is defined as the total of five FULL tax years [UK] from the date the original transfer was made. You are required to inform the AESF within 60 days of ceasing to be an Australian resident. The requirement to notify AESF only applies during the relevant period.

Section 4

How we invest your money

4

It is important to remember that generally super and/or pensions are long term investments with the aim of building a nest egg for your retirement. So remember the performance of your investment should be judged over the longer term rather than being influenced too much by short term performance.

AESF offers a range of investment options to help you reach your retirement goals, with flexibility to tailor your investments to suit your changing needs, whatever your stage of life.

Please refer to the separate Investment Guide issued as Part 2 of the Product Disclosure Statement as it provides information about each of these investment options offered by AESF.

Section 5

Fees and costs

5

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.

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 assets of the Fund as a whole.

Other fees, such as activity fees, advice fees for personal advice and insurance fees, may also be charged, but these will depend on the nature of the activity, advice or insurance chosen by you.

Taxes, insurance fees and other costs relating to insurance are set out in another part of this document.

Unless otherwise stated, all fees and costs are shown inclusive of GST and stamp duty if applicable. We do not reduce fees by any income tax deduction we (or an interposed vehicle) may be able to claim.

You can find out more about AESF Insurance from the Insurance Guide as Part 4 of the Product Disclosure Statement. You should read all the information about fees and costs because it is important to understand their impact on your investment. The fees and costs for each investment option offered by the Fund are set out in the separate Investment Guide issued as Part 2 of the Product Disclosure Statement.

Table 5. Fee Table – Australian Expatriate Superannuation Fund

Type of fee or cost [6]	Amount	How and when paid
Investment fee [7]	The fee varies depending upon the investment option you have chosen and ranges from 0.00% to 0.68%pa. Refer to the Investment Guide to determine the fee which applies to each investment option.	The fee is charged by the underlying Fund Manager and is deducted from the underlying assets of your investment and is reflected in the unit price of your chosen investment option[s].
Administration fee	**Asset Range** / **Fee** $0 - $250,000 / 1.25% pa $250,001 - $500,000 / 0.70% pa $500,001 - $1 million / 0.45% pa $1,000,001 - $1.5 million / 0.10% pa $1,500,001 + / NIL	Deducted from the underlying assets of your investment and reflected in the unit price of your chosen investment option[s].
Buy-sell spread	The buy-sell spread is a fee incurred when units are bought and sold and varies depending on the investment option, ranging from 0.00% to 0.12%. Refer to the Investment Guide to determine the buy-sell spread which applies to each investment option.	Deducted on a transactional basis every time units in an investment option are bought or sold and is reflected in the unit price.
Switching fee	Nil	Not applicable
Exit fee	$2,200	Deducted once out of the withdrawal proceeds. Only applicable on full exit of UK transfer amounts within 12 months of receipt of transfer.
Advice fees relating to all members investing in a particular investment option[8]	Nil	Not applicable
Other Fees and Costs[9]	These amounts will depend on each member's personal circumstances.	See Table 6 – Additional Explanation of Fees and Costs following, including the Adviser Remuneration section.
Indirect Cost Ratio[10]	0.10% pa	Deducted from the underlying assets of your investment and reflected in the unit price of your chosen investment option[s]. This fee fully supports the Operational Risk Reserve Levy described under the Additional Explanation of Fees and Costs below.

6 Defined fees - see the 'Defined Fees' section below.

7 Investment fee - the investment fee reflects the underlying investment managers' investment fee which is an estimate only and may include a performance fee. Please note that this fee is an estimate only, based on the most recent actual investment fee declared by each investment manager as at 30 June 2017, and may vary from the actual fee deducted for the period. See the 'Additional Explanation of Fees and Costs' section for more details.

8 Advice fees - with the exception of fees for personal financial advice that you have agreed with your financial adviser. See the section 'Additional Explanation of Fees and Costs' below for a detailed explanation.

9 Other fees and costs - activity fees may also apply [i.e. insurance administration fees and fees for personal financial advice that you have agreed with your financial adviser, and fees that you have consented to the Trustee deducting from your account]. See the section 'Additional Explanation of Fees and Costs' below for a detailed explanation.

10 Indirect cost ratio [ICR] - the ICR shown above is indicative only. The actual amount you will be charged in subsequent financial years is not currently known and could be different. See the 'Additional Explanation of Fees and Costs' section below.

Table 6. Additional Explanation of Fees and Costs

Type of fee or cost	Additional Information
Investment fees	The Investment fee represent the fees and costs for operating your underlying managed investment options and are charged by the individual fund managers and may include a performance related fee - see below. This is not a fee or expense charged by Tidswell. Please note that investment costs are deducted by the fund manager before unit prices and/or distributions are declared and are not an additional direct cost to you. The investment costs for each investment option available through the Plan are detailed in the Investment Guide.
Administration Fee	The administration fee described in Table 5 covers the costs of administering and operating the Fund and is based on a charge of 1.25% p.a. of the balance of the underlying assets held in your account. This fee scales down as the asset range increases.
Buy-Sell Spread	Investment managers may impose different buying and selling prices in respect of the investments they manage. The buy-sell spread is the difference between the buying and selling price of a unit. Its purpose is to recover costs associated with the buying and selling of investments. The buy-sell differentials can vary from 0.00% to 0.12% depending on the investments you select. The charge is incurred at the time of buying or selling units and is an additional cost to investors. The fee tables for each of the investment options in the Investment Guide disclose the buy-sell spread.
Exit Fee	The exit fee is a fee to recover the costs of disposing of all or part of a member's interest in the Fund. It is in addition to the buy-sell spread.
Performance Fee	The Trustee does not charge a performance fee. The underlying investment manager's fee, may include a performance related fee, which is a fee paid to the investment managers for performance over agreed benchmarks. Performance related fees are in addition to the investment costs and are calculated as a percentage of the value by which an investment outperformed a specified performance benchmark. Refer to the Investment Guide and relevant investment options PDS for details on how this amount is calculated [if applicable].
Insurance Costs	A fee is an insurance fee if: [a] the fee relates directly to either or both of the following: - insurance premiums paid by the Trustee in relation to a member or members of AESF; or - costs incurred by the Trustee in relation to the provision of insurance for a member or members of AESF; and [b] the fee does not relate to any part of a premium paid or cost incurred in relation to a life policy or a contract of insurance that relates to a benefit to the member that is based on the performance of an investment rather than the realisation of a risk; and [c] the premium and costs to which the fee relates are not otherwise charged as an administration fee, an investment fee, a switching fee, an exit fee, an activity fee or an advice fee. The insurance fee is included in the premium deducted from your account to pay for any TPD and/or Income Protection insurance you have in place. The fee payable to each of Tidswell and the Promoter is 5.5% p.a. of the total premium, which is included in your insurance premium cost. For details of your insurance premium cost see the Insurance Guide in Part 4 of the PDS. The premium is made up of a number of components which may include base insurance cost, Trustee and Promoter fees, stamp duty and GST.

Table 6. Additional Explanation of Fees and Costs [cont.]

Type of fee or cost	Additional Information
Indirect Cost Ratio	Indirect costs are any amounts that have reduced or will reduce [whether directly or indirectly] the return on a product or an investment option, or reduce the amount or value of the income of or property attributable to an interposed vehicle in or through which the property attributable to a product or investment option is invested, and that are not charged as a fee. The ICR for each specific investment option is representative of the underlying costs of investments and running the Fund and is an estimate only. Actual costs may vary. Warning: the indirect costs information included is based on information available [and if applicable, estimates] as at the date of issue of the PDS. You should refer to our website for any updates which are not materially adverse from time to time. The ICR represents the amount retained by the Fund before earning rates/unit prices are declared and any transaction fees are charged. The ICR fully supports the Operational Risk Reserve which the Trustee is required to establish to cover Operational Risks. This involves an internal fund charge being raised at the rate of 0.10% pa against each investment option. This is deducted from the underlying assets of your investments and is reflected in the unit price of your chosen investment option/s. This is the same fee as described in Table 5 as the Operational Risk Reserve levy.
Brokerage Costs for the Exchange Traded Funds	Brokerage costs are incurred when ETFs are bought or sold. Brokerage costs are deducted from the purchase and sale cost of your chosen investment option[s] and are reflected in the unit price of your chosen investment option[s].
Goods and Services Tax [GST]	All fees and charges quoted are inclusive of GST [where applicable]. The Fund is entitled to claim reduced input tax credits on certain fees and charges and these are retained in the Fund.
Operational Risk Financial Reserve	Every public offer superannuation fund is required to establish a reserve to cover operational risks. The reserve can only be used to cover risks arising from the day to day operations. The Trustee has determined to impose a levy 0.10% of total Fund assets per annum for this purpose. This amount will be included within the unit price calculations of each investment option. This levy is raised against all of your investments by way of the Indirect Cost Ratio as described above.

Type of fee or cost	Additional Information
Cash Account Charge	A fee of 1.00% pa of investments held within a Cash Account will be deducted from the Cash Account assets and will be reflected in the unit price of the Cash Account.
Foreign Transfer Establishment Fee	A fee of $880 is applied to disperse the costs associated with the transfer of funds from overseas. It is deducted once, out of the first tranche of pension foreign monies transferred to AESF, at the exchange rate applicable on the date of receipt by AESF.
QROPS Annual Fee	A fee of $264 per annum which is deducted monthly is applied to meet the ongoing administration requirements of HMRC reporting on your QROPS funds. This only applies if there are QROPS funds in your account.
Expense Recovery	Presently the Trustee had determined this fee be set at 0.30% pa of the first $250,000 of assets held in your account. This enables the Trustee to recover from the Fund expenses that cannot be met from the administration or investment fees. This is included within the unit price calculations of each investment option. Please also note that this amount has also been included under the Administration fee within the two tables shown within this section.
Foreign Currency Investment Charge	A fee of 0.35% pa of investments held in a foreign currency will be deducted from those underlying assets and will be reflected in the unit price of your chosen investment option[s].
Taxation	Please refer to Section 6 'How Superannuation and Pensions are taxed' for the impact of taxation on contributions, fund earnings and benefit payments.
Foreign Exchange Costs	Funds transferred in British Pounds [£] from your UK Pension Fund or from any other foreign currency source are converted to the investment currency of your choice by our foreign exchange dealer who provides the Fund with wholesale rates of conversion inclusive of bank charges. Any transfers between GBP/USD/AUD cash funds are subject to the foreign exchange rates on the date and time of conversion. The Trustee will seek to minimise foreign exchange transactions wherever possible.

Table 6. **Additional Explanation of Fees and Costs [cont.]**

Adviser remuneration	The adviser selling you this product may receive payment [remuneration] for the sale. Adviser fees are negotiable with your adviser and the Trustee must be advised in writing of the agreed fee when your application is received or at the time of any renegotiated fee arrangement. Contact details for the adviser will be provided to you on your request. The Trustee may pay your adviser the following fees from the total fees and insurance premiums collected from your account by the Fund.	
	Contributions fee [including roll overs]	A percentage or a flat dollar amount agreed with your adviser.
	Adviser services fee	You may negotiate a service fee [whether dollar or percentage based] with your adviser over and above the Investment fee. Any adviser service fee to be deducted from your account must be consented to prior to the fee being deducted.
	Details of the fees paid to your adviser should be set out in the Statement of Advice provided by your adviser.	
Incidental fee	A cheque dishonour fee of $20.00 may apply. This amount is deducted from your account.	
Other fees	Fees may be charged for extraordinary services required by members that are not part of the Trustee's normal services. For example, for photocopying documents required by a customer.	
Family law charges	The Trustee allows either the splitting or deferral of your account on separation or divorce. Government regulations allow the Trustee to charge a reasonable fee for any requests to comply with the family law provisions. The charges are:	
	Request for information by a member:	Nil
	Request for information by a non-member:	$120 [payable at the time of request by the person who makes the request]
	An order to split or flag an interest:	$240 [payable at the time of request by the person who makes the request]
	Splitting a benefit:	$360 [deducted in equal parts from the benefit payment and the retained benefit unless prior arrangements are agreed to]

Fee changes

The Trustee may increase dollar based fees each financial year by the annual change in the Average Weekly Ordinary Time Earnings [AWOTE] weighted average for all Australian capital cities as at 1 July each year. The AWOTE each year will represent the percentage change from the corresponding June quarter of the previous year for the weighted average of eight capital cities.

The Trustee will not increase the dollar based fees by more than AWOTE or any other fees without 30 days' prior written notice to you [other than Government fees and taxes].

The Trustee may charge you out of pocket expenses if considered necessary to recover the costs in operating the Fund [including custodian fees and investment consulting fees]. Thirty [30] days' written notice would be provided before such costs are deducted from member account balances.

Fund managers, who charge the Investment Fees and Buy / Sell Spread may vary their fees from time to time.

Table 7. Defined fees

Type of fee	Definition
Activity fee	A fee is an activity fee if: [a] the fee relates to costs incurred by the Trustee that are directly related to an activity of the Trustee: - that is engaged in at the request, or with the consent, of a member; or - that relates to a member and is required by law; and [b] those costs are not otherwise charged as an administration fee, an investment fee, a buy sell spread, a switching fee, an exit fee, an advice fee or an insurance fee.
Administration fee	An administration fee is a fee that relates to the administration or operation of the Fund and includes costs that relate to that administration or operation, other than: [a] borrowing costs; and [b] indirect costs that are not paid out of the Fund that the Trustee has elected in writing will be treated as indirect costs and not fees, incurred by the Trustee or in an interposed vehicle or derivative financial product; and [c] costs that are otherwise charged as an investment fee, a buy-sell spread, a switching fee, an exit fee, an activity fee, an advice fee or an insurance fee..
Advice fee	A fee is an advice fee if: [a] the fee relates directly to costs incurred by the Trustee because of the provision of financial product advice to a member by: - the Trustee; or - another person acting as an employee of, or under an arrangement with, the Trustee; and [b] those costs are not otherwise charged as an administration fee, an investment fee, a switching fee, an exit fee, an activity fee or an insurance fee.
Buy sell spread	A buy-sell spread is a fee to recover transaction costs incurred by the Trustee in relation to the sale and purchase of assets of the Fund.
Exit fee	An exit fee is a fee to recover the costs of disposing of all or part of a members' UK pension interest in the Fund.
Indirect cost ratio	The Indirect Cost Ratio ['ICR'], for an investment option offered by the Fund is the ratio of the total of the indirect costs for the investment option to the total average net assets of the superannuation entity attributed to the investment option. Note: A fee deducted from a member's account or paid out of the superannuation entity is not an indirect cost.
Investment fee	An investment fee is a fee that relates to the investment of the assets of the Fund and includes: [a] fees in payment for the exercise of care and expertise in the investment of those assets (including performance fees); and [b] costs that relate to the investment of assets of the entity, other than: - borrowing costs; and - indirect costs that are not paid out of the Fund that the Trustee has elected in writing will be treated as indirect costs and not fees incurred by the Trustee or in an interposed vehicle or derivative financial product; and - costs that are otherwise charged as an administration fee, a buy-sell spread, a switching fee, an exit fee, an activity fee, an advice fee or an insurance fee.
Switching fee	A switching fee is a fee to recover the costs of switching all or part of a member's interest in the Fund from one investment option in the Fund to another.

Section 6

How Superannuation and Pensions are taxed

6

The information in this section gives a general overview of the taxation of super. The levels and limits provided within this section are those set down by the Australian Taxation Office in respect of the 2017/18 financial year. As tax is complex, we always recommend you seek professional advice as to how the rules might impact you or your beneficiaries.

Note: This tax information is of a general nature and based on current laws as at the date of this document. These laws may change at any time. Please refer to the ATO website ato.gov.au for the latest information. Tax may be levied on the money in your super account in three ways:

- when contributions come into your account
- on investment earnings in your account
- when funds leave your account.

The tables in this section summarise the various taxes that may be applied to your funds.

6.1 Tax paid on contributions

Presently contributions into a regulated superannuation fund such as AESF are classified as either:

- Concessional; or
- Non-concessional

Concessional contributions

The following more common contribution types will be included in an individual's concessional contribution cap:

- after tax contributions for which a personal tax deduction has been claimed, and
- Employer contributions except that if you or your employer are non-resident for Australian taxation purposes contributions from your employer may be treated as non-concessional contributions.

It should be noted a number of less common contribution types have not been listed and fall within the definition of a concessional contribution. We recommend you seek professional advice as to the full impact of these contribution types.

Non-Concessional contributions

The following contribution types will be included in an individual's Non-concessional contribution cap:

- after tax contributions for which no tax deduction is claimed;
- spouse contributions;
- amounts transferred from overseas superannuation funds including QROPS Funds[10] [excluding the taxable amount of such transfers];
- amounts of concessional contributions in excess of the concessional contributions cap.
- contributions made by an employer which is not resident in Australia.
- contributions which are referrable to capital proceeds from a qualifying CGT Event and which are subject to a lifetime limit for all individuals which is an amount of $1.445 million for the 2017/18 year.

Table 8. Tax Payable

Contribution type	Tax below contribution cap	Tax above contribution cap [11]
Concessional contributions [e.g. before-tax contributions]	15% or 30% pa to the extent contributions cause adjusted taxable income to exceed $250,000. From 1 July 2017, eligible individuals with an adjusted taxable up to $37,000 will receive a Low Income Super Tax Offset contribution to their superannuation fund. It will be equal to 15% of their total concessional super contributions for an income year cap at $500.	Excess concessional contributions will be included in the individual's assessable income for the corresponding year and taxed at their marginal tax rate. In addition, the individual will be liable for the excess concessional contributions charge.
Non-concessional contributions [eg after-tax contributions]	0%	47% unless valid election made to withdraw. Where a member has made contributions that exceed their non-concessional cap from 1 July 2013, they can generally elect to withdraw the excess [plus earnings] rather than pay the tax.
Spouse contributions	0% Note: Rebates may apply according to the contributing spouse's income. In order to be eligible for this rebate your spouses's superannuation balance on 30 June of the previous year must be less than $1.6 million and they cannot exceed their non-concessional contributions cap for the relevant financial year.	n/a

10 Unless APRA has granted an exemption, a super fund is generally unable to accept an overseas transfer exceeding $300,000 [or $100,000 if the individual is 65 or over on 1 July of the financial year in which the transfer is made].

11 The tax rates quoted include Medicare Levy [2% for the 2017/18 year].

We are required to report all contributions to the ATO and the ATO will determine if you have exceeded the contribution cap.

If it is determined that you have exceeded the contribution cap, the ATO will issue you with a Release Authority which you may use to direct AESF to release the money from your super account. Alternatively, you may pay the excess tax directly to the ATO.

If you do not provide us with your TFN, a higher tax rate may apply to your contributions.

6.2 Tax on earnings

If you have a superannuation account, your investment earnings within the Fund are taxed at a rate of 15%. If you have a pension account, your investment earnings within the Fund are tax free.

6.3 Contribution caps [limits]

The concessional contribution cap for the 2017/18 financial year is $25,000.

From 1 July 2017, the non-concessional contribution cap is $100,000 for members 65 or over but under 75. Members under 65 years of age have the option of contributing up to $300,000 over a three-year period depending on their total superannuation balance. The contribution and bring forward available to members under 65 is outlined in the following table based on their total superannuation balance as at the previous 30 June. [see table 2 in section 1.2]

Table 9. Non-concessional contribution caps

Total Superannuation Balance	Contribution and bring forward available
Less than $1.4 million	Access to $300,000 cap [over 3 years]
Greater than or = to $1.4 m and less than $1.5 million	Access to $200,000 cap [over 2 years]
Greater than or = to $1.5m and less than $1.6 million	Access to $100,000 cap [over 1 year]
Greater than or = to $1.6 million	Nil

6.4 Tax on payments from super

Different tax applies to lump sum paid in accordance with tax laws relating to Terminal Illness and Departing Australia Superannuation Payments. Please refer to the next table.

Table 10. Tax on payments from super by preservation age

	Tax free component	Taxable component [12]
Under preservation age	0%	22%
Over preservation age but under 60	0%	0% up to $200,000 17% over $200,000
Over 60	0%	0%

Table 11.

Type of benefit payment	Tax free component 'non-preserved'	Taxable component 'preserved'
Terminal illness	0%	0%
Departing Australia Superannuation	0%	38%

[12] The tax rates quoted include Medicare Levy [2% in the 2017/18 financial year].

6.5 Tax on payments from a pension

Note that from 1 July 2017 TTR pensions are treated as being in the 'accumulation' phrase and not the 'pension' phrase and as a result superannuation funds will no longer receive a tax exemption for earnings on assets supporting a TTR.

Tax if you are 60 or over

If you are 60 or over, your retirement income payments [including any one-off payments] are generally tax-free and don't need to be declared as assessable income when you lodge a tax return.

Tax if you are under 60

If you are under 60, your account is divided into a tax-free amount and a taxable amount. These are the same tax-free and taxable amounts you had in your superannuation account.

Tax offset

Prior to age 60 the tax free proportion of your pension will be tax free. The taxable proportion of your pension will be assessable but will attract a 15% tax offset [that is, the tax rate at the margin is reduced by 15%].

Paying tax

In the same way tax comes out of a working wage, any tax payable is deducted from payments and any additional withdrawals you may request before it's deposited into your bank account. In fact before your pension account can be established within AESF you will be required to complete and return to us an ATO Tax file Declaration form.

We'll work out any tax you need to pay, deduct it and pay it to the ATO. The taxable from your payments is based on a number of factors, such as the tax-free portion of your account, whether you'll claim the tax-free threshold and if you're eligible for the 15% tax offset.

6.6 Centrelink/Department of Veteran Affairs entitlements

You may be eligible to receive the Commonwealth Age or Department of Veteran Affairs [DVA] Pension along with your AESF Pension depending on your circumstances. Both Centrelink and the DVA have two key tests to assess your eligibility for an Age Pension.

Income test

Part of your AESF Pension payment may be treated as income for the purposes of the income test. Your annual income is added to any assessable income from other investments. This may reduce your pension entitlement.

Assets test

Your AESF Pension balance is an assessable asset under the asset test. Centrelink and the DVA generally do not include the value of your home in the asset limits, but the assets test threshold varies based on home ownership and whether you have single or couple status. Assets over these amounts may reduce Commonwealth Age or DVA Pension payments.

For more information about your Centrelink or DVA entitlements you can contact:

Centrelink	Department of Veteran Affairs
Ph. 13 2300	Ph. 13 3254
Website. centrelink.gov.au	Website. dva.gov.au

6.7 Death benefits

Tax relating to a death benefit will depend on if the benefit is being paid to a dependant or non-dependant [dependants for tax purposes are different for dependants for superannuation regulatory purposes].

Refer to Table 12 below for details.

Table 12.

If death benefit paid to:	Tax rate [13]
Dependant, e.g. spouse, child under 18, financial dependant, person with whom you have an interdependency relationship	0%
Non-dependant	Tax element 17% Untaxed element 32%

[13] The tax rates quoted include Medicare Levy [2% in the 2017/18 financial year].

6.8 Rollover between super funds

Generally, there is no tax payable if you transfer super between Australian super funds, unless the amount transferred contains an untaxed element, which could occur when rolling your super out of an untaxed public sector fund.

The information in the table below relates to transferring super between Australian super funds. We strongly suggest that you seek professional advice before transferring benefits from an overseas fund.

Table 13. Transferring super between Australian funds

Age group	Tax free component	Taxable component	
		Taxed element	Untaxed element [14]
All ages	0%	0%	17% up to $1.445 million 47% over $1.445 million

6.9 Income Protection benefits

Income Protection benefits are generally taxed at your marginal tax rate.

6.10 Partial withdrawals

When you make a partial withdrawal, it is taken proportionally from the tax free and the taxable component. You cannot choose to have a partial withdrawal from one particular component.

If your member account comprises UK Tax Relieved Pension monies they are deemed to be withdrawn prior to the withdrawal of your accumulated Australian benefits.

6.11 Providing your Tax file number [TFN]

You must provide us with your TFN on your Application Form. We will not accept your application without a TFN.

Your employer must pass your TFN to us on your behalf. Your TFN remains confidential and we will use it only for legal purposes.

TO FIND OUT MORE ABOUT TFN'S

Call

Australian Prudential Regulation Authority [APRA] 1300 131 060

Australian Taxation Office [ATO]

Super Hotline 13 10 20

TFN enquiries 13 28 61

Office of the Federal Privacy Commissioner 1300 363 992

[14] The tax rates quoted include Medicare Levy [2% in the 2017/18 financial year].

Section 7

Insurance in your super

7

Insurance cover is automatically provided to all upon joining AESF.

By providing yourself with adequate protection, you can help minimise the financial strain on family members in the event that you become disabled.

The Trustee has arranged for insurance to be automatically provided when you elect to become a member of AESF in Personal Super. You can, if you choose, elect to refuse the insurance that is automatically provided.

Please note that insurance is not available in Personal Pension.

Please refer to the separate Insurance Guide issued as Part 4 of the Product Disclosure Statement as it provides full details of the insurance offered by AESF.

Section 8

How to open an account in AESF

8

ABOUT YOUR MEMBERSHIP

When you join, we will send you a Member certificate as well as other information as part of your welcome documentation.

We will also set up an account in your name. All contributions from your employer and contributions you make yourself towards your superannuation, or are made on your behalf [e.g. government co-contribution], will be placed in your account.

Superannuation you have in other funds may also be consolidated into your account. It's easy! Speak to your adviser, or call Member Services on 1300 131 227 and ask for a 'Consolidate your super' form.

We will give you a client number that is specific to you and is your personal client identification. Each account you have with AESF will also have a unique member number. It's important to keep these numbers in a safe place, as you'll need them to access your personal information, either via the secure member section of the website or when contacting Member Services.

8.1 How to Join

To gain the full benefits of investing with AESF, whether a superannuation or pension member you should complete the following steps to join:

Step 1
Read the current PDS together with all the other supporting documents that make up the PDS.

Step 2
Complete a Superannuation Application form or Pension Application Form. This will allow you to select many of the features offered by AESF. Refer to the respective Application forms.

Step 3
If you are applying to become a member in Personal Super, cost effective insurance cover for Total and Permanent Disablement [TPD] and Income Protection is automatically provided if you are under age 59. Refer to the Insurance Guide for details.

Step 4
If you are applying for a pension:

- and are aged less than 65, you can choose the type of pension that will best suit your requirements;
- choose the frequency of your payment options;
- complete an 'Application to Transfer' your superannuation to AESF pension. Note if you are transferring balances from more than one superannuation fund, you will need to complete additional forms. You can download extra forms from our website or contact Member Services to have these forms posted to you; and
- complete a 'Tax File Number [TFN] declaration' form [only if under age 60]. If you are aged under 60 when you commence your pension, you will need to advise us of any tax rebates or exemptions which may apply to your payments. You can call Member Services to have a TFN declaration form mailed to you. Alternatively they are available at most Australia Post outlets.

Step 5
Nominate a beneficiary – someone to receive your benefits in the event of your death [see page 12 for more information].

Step 6
Attach certified proof of identity documents. Under government legislation, you are required to provide AESF with certified copy of a photo ID such as a driver's licence or passport details page AND residential address details on your application form. In the case of pensioners, these requirements must be met before the pension can commence. Provision of this material also assists the Trustee to ensure your privacy is maintained. Accordingly AESF requires you to provide certified documentation verifying your identity. The source documents may be either one of the following documents:

- a driver's licence issued under State or Territory law, or
- a passport (a passport that has expired within the preceding two years is acceptable), or
- a card issued under State of Territory law for the purpose of providing a person's age, containing a photograph of the person,

OR one of the following documents:

- birth certificate or birth extract, or
- citizenship certificate issued by the Commonwealth, or
- pension card issued by Centrelink that entitles the person to financial benefits, or
- national identity card issued by a foreign government containing a photograph of the person in whose name the card was issued,

AND one of the following documents:

- A notice issued within the past three months which contains the name of the individual and his or her residential address; and
- records the provision of services by a local government body or utilities provider to that address or to that person, or
- notice issued by Commonwealth, State or Territory Government or local council within the past 12 months that contains your name and residential address [for example an ATO Notice of Assessment, a rates notice from your local council].

Visit the website aesf.com.au and download the 'Proof of Identity' form, for more information on providing proof of identity.

Step 7
Return your completed form[s] to the Trustee by post, please sent it to:

Australian Expatriate Superannuation Fund
41A Mount Barker Road
Hahndorf SA 5245
Australia

Step 8
You will receive a Welcome Kit confirming receipt of your Application together with confirmation from the Trustee confirming your entitlements within AESF.

Cooling-off period

We sincerely trust that AESF provides all that you need in a super fund. However, you have the right to redeem your investment and cancel your membership by notifying us either in writing or electronically, no later than 14 days after confirmation of membership or within 19 days of the Trustee receiving your initial contributions or application to join.

You must nominate another complying super fund, retirement savings account or approved deposit fund to which your investment will be transferred, subject to taxation and any adjustments for market movements, either up or down. The Trustee will not deduct fees or charges for membership cancelled during this period.

Keeping you informed

As a member you'll receive an Annual Member Statement. These statements will show your account balance, insurance benefits and a list of all transactions made during the financial year.

We will communicate with you via the telephone, brochures, email, post and through your adviser to ensure you get all the information you need.

Copies of the PDS, this Guide and other important information can be obtained electronically via the website ivcm.com/aesf

If your details change, please let your adviser, or Member Services know so that we can update your records.

Lost members

Super legislation requires that details of all lost members are provided to the ATO, which will then attempt to advise those members of their super entitlements.

The Trustee will classify you as a lost member if two pieces of written correspondence have been returned unclaimed or we cannot find an address for you or contact you in any way and the Fund has not received a contribution or rollover within the last 12 months of your membership.

The government requires super funds, including AESF, to transfer lost and inactive super accounts to the ATO where you have been classified as a lost member and:

- your account balance is under $6,000; or
- the Fund has not received an amount in respect of your account within the last 12 months and the Trustee is satisfied that it will never be possible, having regard to the information reasonably available to the Trustee, to pay an amount to you.

You can get your super back from the ATO if you can prove that it is yours.

Your insurance cover will cease with AESF on transfer.

The Trustee will provide details of all lost members to the ATO's Lost Member Register, which will endeavour to locate lost members and advise them of their superannuation entitlements.

Alternatively, if you believe you may have lost contact with past superannuation funds, you may check the Lost Member Register by phoning 13 10 20.

Eligible Rollover Fund (ERF)

In the event your account balance falls below $2,000 and there is no likelihood that the account balance will be increased up to a minimum balance of $5,000 together with the prospect of further growth through ongoing contributions and/ roll-overs, the Trustee in your best interest will roll over your benefit as soon as practical to an ERF.

Once your benefits are paid to the ERF, you will no longer be a member of, nor entitled to claim any benefits from AESF.

The Trustee has selected the following ERF who's details are:

SuperTrace
C/- The Colonial Mutual Life Assurance Society Limited
Locked Bag No 5429
PARRAMATTA NSW 2124

Telephone.	1300 788 750
Web.	supertrace.com.au
SPIN.	LGL0515AU
USI.	73 703 878 235 251
ABN.	73 703 878 235

Unclaimed benefits

If your benefit is payable and you have reached 65 years of age and:

- you have not provided any payment instructions, or
- you cannot be contacted, after making reasonable efforts to do so, or
- you have died, and after a reasonable period has passed, we are unable to locate an eligible dependant or legal personal representative of your Estate, or are prohibited by law from paying the benefit in any other way.

The Trustee is obliged to transfer your benefit to the Unclaimed Monies section of the ATO.

You can contact the ATO from ato.gov.au/super or by calling 13 10 20 between 8am - 6pm, Monday to Friday.

Unclaimed benefits may be reclaimed from the ATO by an eligible person.

Information for temporary residents

Your super benefit may be transferred as an unclaimed benefit to the ATO if six months have elapsed since you've departed Australia and your visa has expired or been cancelled.

A Member Exit Advice will not be provided as the Trustee relies on the relief from the obligation to provide an exit advice to members whose benefits are compulsorily transferred to the ATO.

When contacted, the Trustee will provide members with sufficient information about the payment that will allow them to apply to the ATO to claim their benefit.

Complaints handling process

We continually strive to provide exceptional service to members.

If we do not meet your expectations and you have an enquiry or complaint, in the first instance please call Member Services on **1300 131 227**. They will deal with your enquiry or complaint as a matter of urgency. If you are unhappy with their response and you wish to lodge a written complaint, please write to:

The Complaints Officer
AESF
GPO Box 1900
ADELAIDE SA 5001

Given that some enquiries or complaints can take time to research, we aim to deal with it within 90 days. If you're not satisfied with our handling of your complaint, or with the Trustee's decision, you can contact the Superannuation Complaints Tribunal [SCT].

The SCT is an independent tribunal established by the Federal Government to conciliate and review Trustee decisions relating to members. Please note that strict time limits apply. If you wish to lodge a complaint with the SCT, please contact them on 1300 884 114.

Protecting your privacy

The Trustee complies with the National Privacy Principles [NPPs] outlined in the Privacy Act 1998.

The Privacy Act requires us to tell you that the purpose of the collection, use and storage of your personal and sensitive information is to:

- issue you a superannuation interest [i.e. membership]
- maintain your super account
- provide insurance cover
- pay any benefits, or
- handle inquiries, complaints or claims.

The Trustee may in certain circumstances [e.g. benefit payments and claims handling] disclose personal information to third parties such as insurers, doctors, lawyers, your spouse [intended, current or former], your adviser or anyone else as required by law. The Trustee will also disclose certain details to its mailing house for mail outs or to the regulators, such as the Australian Prudential Regulation Authority [APRA], the Australian Securities and Investment Commission [ASIC], AUSTRAC[15] and the ATO.

[15] AUSTRAC is Australia's anti-money laundering and counter-terrorism financing regulator and specialist intelligence unit.

The Trustee will not trade, rent or sell your personal information to any third parties, but we or other related entities and business partners, may use your personal information to tell you about other products and services or offerings the Trustee, or its related entities or business partners may provide.

You can access your information at any time and it is asked that you notify Member Services of any change in your personal information to ensure records are up to date and for direct marketing purposes. If you don't want to receive marketing material, please call Member Services on **1300 131 227**.

Policies adopted by the Trustee in order to comply with the NPPs are available on request from Member Services on **1300 131 227**.

You can read the Privacy Policy Statement on the AESF website **ivcm.com/aesf**

Personal information when making a claim

If you make an insurance claim, the Insurer may conduct investigations to assess the validity of the claim. This may involve the use of investigation agents, legal advisers and the collection of personal information, including health information that the Insurer believes is relevant.

Third party authority form

You may use this form to allow a third party, e.g. your spouse or adviser, to gain access to your account details for information purposes only. Please contact Member Services on 1300 131 227 if you require this form.

Authorised representative form

You may use this form to authorise your financial adviser and their AFS licensee to access information, switch investment options and make contributions on your account. Your authorised representative is not permitted to perform any other actions in respect of your account.

Accounts with a nil account balance

If your account balance is zero and inactive it will be closed.

8.2 Further information

About AESF

AESF is administered in accordance with the trust deed and rules [Division VII] governing the Tidswell Master Superannuation Plan, a complying public offer superannuation fund.

AESF has been specifically designed to provide members with a wide choice of investment and insurance options and to accept transfers from foreign pension funds and UK Pension schemes.

The governing rules

AESF is a division of the Tidswell Master Superannuation Plan. The trust deed and rules constituting the Plan were made in 1988. The trust deed and rules have been amended and updated a number of times since then to ensure the Plan's continued compliance with legislative requirements and/or to deliver administrative efficiencies. The trust deed together with Government requirements determines the rights of members.

Copies of the trust deed and rules may be inspected by arrangement during business hours at the offices of the Trustee or can be viewed on the website.

Anti-money laundering and counter-terrorism financing

Under the anti-money laundering and counter-terrorism financing [AML/CTF] legislation, we are required to obtain proof of identification before undertaking some transactions in relation to your account. This means we need to identify you, your estate and/or beneficiaries, or anyone acting on your behalf [such as under a power of attorney]. Accordingly, if you are establishing a:

1. superannuation account, you will need to provide necessary proof of identity prior to any benefit payment; and
2. pension account, you will need to provide necessary proof of identity when establishing your pension account.

If proof of identity cannot be provided, we may be required to delay or refuse any request or transaction in relation to your account[s].

About the Trustee

The Trustee is Tidswell Financial Services Ltd, a financial services organisation which began operating in 1980. The Trustee is responsible for the operation of AESF and compliance with the trust deed and superannuation law.

Tidswell Financial Services Ltd [ABN 55 010 810 607] is the Registrable Superannuation Licensee [Licence No. L0000888] of the Tidswell Master Superannuation Plan of which AESF is a part.

The Trustee has overall responsibility for the management and administration of AESF and protects the rights and interests of members.

All your enquiries relating to any of the above, or questions regarding your membership, should be directed to:

The Trustee
AESF
GPO Box 1900
ADELAIDE SA 5001

Fund details and address for correspondence

Australian Expatriate Superannuation Fund

ABN 34 300 938 877
Registration No. R1004953

Telephone:	**1300 131 227** [Australia only]
International:	**+61 8 8188 1159**
Fax:	**+61 8 8188 1026**
Email:	**info@aesf.com.au**
Website:	**ivcm.com/aesf**
Postal address:	**41A Mount Barker Road Hahndorf SA 5245 Australia**

The Issuer, RSE Licensee and the Trustee

Tidswell Financial Services Ltd
ABN 55 010 810 607
AFSL 237628
RSE Licence L0000888

The Custodian

Australian Executor Trustees Ltd
ABN 84 007 869 794

The Promoter

IVCM [Aust] Pty Ltd
ABN 16 608 923 477
AFSL 491530