



Date Issued: 1 September 2009

PUBLIC ELIGIBLE ROLLOVER FUND – Product Disclosure Statement



Structure of the PERF

Equity Trustees Superannuation Limited ('ETSL' or 'the Trustee') is the Trustee of the Public Eligible Rollover Fund ('PERF' or 'the Fund'). Equity Investment Management Limited ('EIML') administers the Fund. ETSL and EIML are wholly owned by Equity Trustees Limited ('EQT').

The Australian Prudential Regulation Authority ('APRA') has granted the Trustee approval to act on certain conditions, as required by the Superannuation Industry (Supervision) Act 1993 ('SIS') and set out in the RSE Licence issued to the Trustee by APRA.

One condition of the approval is that a custodian holds the assets of the Fund. ANZ Custodian Services acts as the custodian of the Fund and holds all the assets of the Fund in its name.

Important Information

This Product Disclosure Statement ('PDS') is an important document. You should read it carefully.

This PDS describes the main features of the Fund. It should help to you:

- decide whether this product will meet your needs; and
- compare this product to others that you may be considering.

An interest in the Fund is not a deposit or bank security. It is an investment in a superannuation trust and is subject to investment risk, including the possibility of delays in payment in some circumstances or even income or capital losses. To obtain further information or advice about the Fund you should speak to one of our financial advisers.

This PDS was current at the date of issue. The Trustee will amend the PDS or withdraw it from circulation in the event of any material alteration occurring in any of the information contained in the PDS. We will advise you of any changes or updates by using a supplementary PDS or in another manner permitted by law in the case of materially adverse changes.

A copy of any updated information may also be obtained, at no cost, by calling Client Services on **1300 659 799** or by writing to us.

If you would like to obtain further information about the Fund, please telephone Client Services between 8.30am and 5.00pm, Monday to Friday (Eastern Standard Time). Alternatively, you can visit our website at www.eqt.com.au

If you request further information, we will provide all information we believe that you will reasonably need to make an informed assessment of the:

- management and financial condition of the Fund; and
- investment performance of the Fund.

Neither the Trustee, nor EIML, nor EQT nor their directors referred to in this PDS guarantees the performance of the Fund, nor the repayment of capital, nor any particular rate of return. The investment consultant or managers as named in PDS Part 2 – Investment Options were not involved in the preparation of this PDS. The Trustee has indemnity insurance.

If members leave the Fund or withdraw monies within a few years of joining, they may get back less than the amount paid in because of the level of returns earned by the investment strategy (including negative returns) and the Fund's fees and costs.

Nothing in this PDS is intended as, nor should take the place of, personal advice from a licensed financial adviser. You should discuss your investment objectives, financial situation and particular needs with a licensed financial adviser before investing in the Fund. Nothing in this PDS should be regarded as financial product advice; it provides information only. By becoming a member of the Fund, you agree to be bound by the Trust Deed and amendments which may occur from time to time.

Privacy Statement

The Trustee's Privacy Policy confirms our commitment to protecting the confidentiality of our clients' personal information, by compliance with the 10 National Privacy Principles in the Privacy Amendment (Private Sector) Act 2001.

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Glossary of Important Terms

In this Product Disclosure Statement:

PERF – Public Eligible Rollover Fund referred to as 'PERF' throughout.

ETSL – Equity Trustees Superannuation Limited, the Trustee of PERF.

PDS – Product Disclosure Statement.

Trustee – ETSL.

We/Us/Our – the Trustee of PERF.

You/Your – investor, member or a potential member in PERF.

Fund – PERF, an eligible rollover fund.

Benefits in the Public Eligible Rollover Fund

What benefits does the Public Eligible Rollover Fund accept?

PERF is an eligible rollover fund. This means it can automatically accept eligible benefits that are rolled over from other complying superannuation and rollover funds and retirement savings accounts, including in the following circumstances:

- if a member whose benefit has become payable fails to nominate a fund to which their benefit is to be transferred; or
- if a member becomes uncontactable.

PERF also accepts contributions resulting from a shortfall in an employer's SGC obligations. PERF is not intended to accept other contributions by or for members.

For 'lost' members who are at pension eligibility age (as defined by the Department of Social Security), the benefit will be transferred to the Australian Taxation Office ('ATO') as unclaimed money.

How are members' benefits being calculated?

The balance in a member's account is the member's benefit. This balance consists of the amount of the eligible benefit rolled over, which is then adjusted to reflect investment returns, as well as the member's share of any fees and expenses.

When can members access their benefit?

Superannuation is a long-term investment. The Government has placed restrictions on when members of superannuation entities can access benefits. In general, members of PERF cannot have their benefits paid to them until age 65, or until they retire after reaching their Preservation Age.

A member's Preservation Age depends on when the member was born. If the member was born before 1 July 1960 their Preservation Age is 55. If the member was born on or after that date their Preservation Age is shown in the following chart.

Date of Birth	Preservation Age
1 July 1960 to 30 June 1961	56
1 July 1961 to 30 June 1962	57
1 July 1962 to 30 June 1963	58
1 July 1963 to 30 June 1964	59
1 July 1964 or after	60

Generally, a member's benefit may not be paid prior to the member reaching their Preservation Age, except where early release is permitted under SIS. Part or all of a member's benefit, depending on the circumstances, can be paid to a member before their preservation age if:

- they are totally and permanently disabled; or
- they are suffering financial hardship (as defined in Federal Government Legislation); or
- the member qualifies on compassionate grounds (as approved by APRA).

The retirement benefit may be paid if:

- a member has reached the preservation age and has permanently retired;
- a member has reached age 60 and an arrangement under which they were gainfully employed has come to an end; or
- a member has reached age 65 and has requested payment of the benefit.

Under current superannuation legislation your superannuation benefits may remain in PERF indefinitely; that is you no longer need to prove you are still working.

ETSL supplies withdrawal documentation to members on request. Benefits can be paid as a lump sum or they can be converted to an ETSL pension product without charge. Alternatively, benefits can be rolled over to another superannuation or pension fund in accordance with the law.

What are the charges?

PERF administration fees are \$1.00 per week per member, and are deducted from the member's account. A benefit payment fee of \$25.00 applies if your PERF benefit is paid to you or rolled over to another fund. These administration fees and benefit payment fees are protected fees (see the 'Member protection for small balances' section of this PDS). No fees or agents' commissions have been charged on any amounts transferred into PERF on your behalf. Refer to the 'Fees and Other Costs' section for a full outline.

Investments

Where are the assets of the PERF invested?

All of the assets of PERF are invested in the EquitySuper Pooled Superannuation Trust ('PST'), which provides a fund of funds investment designed to maximise returns and reduce risk. The current strategy allocates 86% of its investments into growth assets and 14% into defensive assets as shown below:

Average annual return (compound) #1	
Over 5 years (to 30/06/2009) #2	5.3% p.a.
Strategic asset allocation (at 30/06/2009) #3	
International shares	31%
Australian shares	45%
Listed property	10%
Australian fixed interest	9%
International fixed interest	3%
Cash	2%

#1 All figures are after tax & investment charges.

#2 The PERF was established in the 2000/2001 year

#3 Strategic asset allocations represent the long-term view of independent asset consultants van Eyk Research Limited. Tactical allocations may vary significantly from strategic allocations for investments in growth assets during business cycles.

Each of the fund managers investing on behalf of EquitySuper PST has been carefully selected for their expertise and performance in a particular investment sector such as shares or bonds. The current nominated fund managers are Capital International, PIMCO Australia Pty Limited and Schroder Investment Management Australia Limited.

The history of investment returns net of tax and management fees to 30 June 2009 for the strategy has been:

1 Year	2 Years	3 Years	4 Years	5 Years
-7.8%	-6.65%	0.13%	4.0%	5.3%

Investment Returns

A member's account will be credited with investment earnings monthly.

Fees and Other Costs

DID YOU KNOW?

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

For example, total annual fees and costs of 2% of your fund balance rather than 1% could reduce your final return by up to 20% over a 30 year period (for example, reduce it from \$100,000 to \$80,000).

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

You may be able to negotiate to pay lower contribution fees and management costs where applicable.

Ask the fund or your financial adviser.

TO FIND OUT MORE

If you would like to find out more, or see the impact of fees based on your own circumstances, the **Australian Securities and Investments Commission ('ASIC')** website (www.fido.asic.gov.au) has a managed investment fee 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 fund assets as a whole.

Taxes and insurance costs are set out in another part of this document.

You should read all the information about fees and costs because it is important to understand their impact on your investment.

Type of fee or cost	Amount	How and when paid
Fees when your money moves in or out of the fund		
Establishment fee The fee to open your investment	Nil	N/A
Contribution fee	Nil	N/A
Withdrawal fee The fee on each amount you take out of your investment.	\$25.00	The withdrawal fee is deducted from your account on withdrawal of funds from your account.
Termination fee The fee to close your investment.	Nil	N/A

Type of fee or cost	Amount	How and when paid
Management costs		
<p>The fees and costs for managing your investment.</p>	<p>The Management costs consist of a Participation fee, Plan Management fee and Investment Manager fees.</p> <p>Participation Fee This fee is also referred to as the Member Administration fee, and is equal to \$1.00 per week.</p> <p>Plan Management Fee The Plan Management Fee comprises the Trustee fee and an Expense Recovery Charge, equal to 1.68% of your account balance.</p> <p>Investment Manager Fees The Investment Manager fees are the fees paid to investment managers. The Investment Manager fee for the PERF investment option is 0.61%.</p>	<p>The Participation fee is deducted from your account monthly.</p> <p>The Plan Management fee is calculated monthly or at the time you exit the Fund and is deducted from your account. The monthly amount of the fee is calculated on one twelfth of your account balance.</p> <p>Investment Manager fees are not deducted directly from your account. The fees are deducted from the value of the investment options and are reflected in the unit prices of those investment earnings credited to your account.</p>
Service fees		
<p>Investment Switching fee The fee for changing investment options.</p>	<p>Nil</p>	<p>N/A</p>

Fees and Other Costs (cont.)

Example of annual fees and costs

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

Example – the Balanced investment option#		Balance of \$50,000 with an investment of \$5,000 during year
Contribution fees	N/A	For every \$5,000 you put in, you will be charged \$0.*
Plus Management costs	2.29% + \$52.00	And for every \$50,000 you have in the fund you will be charged \$1,145 each year plus \$52 in administration fees regardless of your balance
Equals Cost of fund		If you put in \$5,000 during a year and your balance was \$50,000, then for that year you will be charged fees of from: \$1,197.** What it costs you will depend on the investment option you choose and the fees you negotiate with your fund or financial adviser.***

The PERF investment option has 86% in growth assets. The PERF has no Balanced investment option as such.

*The PERF is not structured to accept contributions.

**Additional fees may apply:

If you withdraw an amount from the fund, you may be charged a withdrawal fee of \$25 for each benefit payment, or partial benefit payment.

*** The PERF has no financial advisers. Fees are not negotiable. There is only one investment strategy; there is no investment choice.

Additional Explanation of Fees and Other Costs

Plan Management Fee

The Plan Management fee comprises:

- a Trustee fee, which is payable to the Trustee as remuneration. General Fund operating costs are met from the Trustee fee, including salaries and wages, rent, computer equipment, maintenance and development of the Fund's software platform and systems, internal compliance and quality control functions and investment operations for selecting and monitoring the range of investments offered by the PERF.
- An Expense Recovery Charge from which external service provider costs and regulatory costs are met. The Expense Recovery Charge is an estimate of these costs. If the Fund's actual costs are greater than the Expense Recovery Charges levied, the additional costs are paid out of the Fund's earnings. If the actual costs are less than the Expense Recovery Charge the excess is distributed as earnings.

Costs paid from the Expense Recovery Charge include:

- Custodian – fees for an independent party to hold the assets of the PERF.
- Audit – fees for financial statement and additional operational audits.
- Printing – costs for producing member reports and disclosure documentation.
- Postage – mailing costs for member reports and disclosure documentation.
- Internet – software costs for electronic information delivery.
- Legal – fees for consultation on the development of Fund governance and disclosure documentation.
- Regulatory – fees and levies paid to APRA and ASIC, the primary Regulators of the Australian superannuation industry.

Taxation

The taxation matters described in this PDS are general statements only relating to some key taxation issues. Each individual's circumstances may differ. We recommend that individuals seek professional advice from a taxation adviser to fully understand the taxation rules applying to their personal circumstances.

Tax on earnings

Being a complying superannuation fund, any investment earnings made by the Fund will be taxed at a maximum concessional rate of 15%.

Where the Fund has net capital gains which relate to assets held by the Fund for at least 12 months, the maximum tax rate on those gains will generally be 10%. Where the assets have been held for less than 12 months, the maximum tax rate is 15%.

The Fund's tax may be reduced by imputation credits attached to franked dividends received by the Fund and foreign tax credits. The Fund may also receive a refund of any excess imputation credits over its tax payable.

Tax on lump sum withdrawals

When superannuation benefits are taken in cash, the amount of tax payable depends upon the age of the member and the components of a member's lump sum benefit payment.

Tax free component

This component will be tax-free when you receive your benefit irrespective of your age. For most members, the major part of this is likely to be any after-tax contributions you have made to your super after 30 June 1983.

There may be other amounts to which you are entitled that will form part of the tax-free component. For example, if any part of your benefit included a pre 1 July 1983 component, this amount was crystallised as at 1 July 2007, with that amount forming part of the tax-free component.

Taxation (cont.)

The taxable component

Primarily, the taxable component comprises investment earnings, employer contributions and your salary sacrifice contributions.

The tax payable is based on the maximum rates as follows:

Component	Under preservation age	Preservation age up to 59 years	Aged 60 and over
Tax-free component	Nil	Nil	Nil
Taxable component	20% plus Medicare Levy	First \$150,000 (2009-10 financial year) tax-free. Balance taxed at 15% plus Medicare Levy.	Tax-free

It should be noted that special taxation rules apply to any untaxed benefits (including a limit on the concessional tax treatment) received by an individual.

You will only be able to withdraw lump sum amounts from your benefit in equal portions of tax-free and taxable components.

Tax on benefits paid in the event of a member's death

All lump sum death benefits paid to tax dependants will be tax-free.

Lump sums paid to non-tax dependants will be taxed with reference to the tax components referred to above. No tax is payable on the tax-free component. The taxable component will be taxed at 15% plus Medicare Levy irrespective of the recipient's age. If your death benefit includes insurance proceeds, a portion of the taxable component may include an untaxed element which will be taxed at higher rates.

You should consult your taxation adviser for advice in respect of this issue.

We will also not deduct tax on death benefits that are paid to a deceased's estate. Any tax liability that is incurred by the estate will be the responsibility of the executor or trustee of the estate.

Additional Information

Nominated Dependants

In the event of your death, the following lump sum benefits may be payable:

- The amount of your superannuation benefits in PERF, being your account balance.

Where you make a valid Binding Death Benefit Direction/Advice of Nominated Beneficiaries ('Binding Nomination'), you are instructing the Trustee to pay your benefit to the person or persons nominated by you.

You can only nominate your dependants or your Legal Personal Representative ('LPR') on behalf of your estate to receive your death benefit.

A person nominated in a Binding Nomination must be a dependant within the requirements of SIS and only includes:

- a spouse or de-facto spouse of the member, excluding same-sex spouses, unless the same-sex spouse is wholly or partially dependent on the member for financial support; or
- a child of the member; or
- any other person who in the opinion of the Trustee was wholly or partially dependent on the member for financial support; or
- any other person with whom the member shared an interdependency relationship. Interdependency also exists where there is a close personal relationship and either or both of you suffer from a physical, intellectual or psychiatric disability. This means that no requirement for cohabitation or provision of financial or domestic support is required in this circumstance. Where your Binding Nomination is valid and in effect at the date of your death, the Trustee must pay your death benefits in accordance with your nomination.

If you do not make a Binding Nomination, or your nomination is not valid or becomes invalid, your death benefits will be paid to your LPR as a lump sum payment.

The nomination is valid for three years from the date that it is made. You must renew or confirm your nomination within this period for it to remain valid. A Binding Nomination form containing further details about the conditions that apply is included with this PDS or is available from our website, or by contacting Client Services on **1300 659 799**.

Unclaimed benefits

If you have reached age 65 or over and not claimed your benefit, and we are unable to locate you, the benefit becomes unclaimed money. We must pay the unclaimed money to the ATO, within four months of the end of each half-year. Furthermore, unclaimed benefits of temporary resident members who have departed Australia also must now be remitted to the ATO. (Please note that under relief granted by ASIC, the Trustee need not issue exit statements to members whose benefits are transferred to the ATO in the above manner; accordingly, we do not do so.) You must then seek payment directly from the ATO (refer to www.ato.gov.au).

Information about lost benefits may also be found in the Lost Member Register managed by the ATO.

Insurance

Insurance benefits are not available under the PERF.

Member protection for small balances

Member protection legislation generally prohibits trustees of superannuation funds from charging administration fees in excess of interest earned on member account balances less than \$1,000. Unlike other superannuation funds, eligible rollover funds (such as PERF), must protect all members' entitlements, even if they exceed \$1,000. This means that the administration fees outlined in the 'What are the charges?' section which PERF deducts (government taxes are not fees, and are therefore excluded), cannot exceed the interest credited to your account in the same period.

However, in times of poor investment returns, where the PERF total investment earnings are less than its total administration costs, legislation specifies that the PERF may apportion such administration fees in a fair and equitable manner, where the costs recouped are limited to any positive investment returns plus a fee of up to \$10 per member.

Regular reports on investments

Each year the Trustee will provide the following information to members with current addresses:

- Fund information – this will provide information on the management and financial condition of PERF and investment performance.
- Member statements – this will show current balances and summary transactions for the financial year to date.

Enquiries and complaints

PERF provides members with a procedure for dealing with enquiries and complaints. All enquiries and complaints will be dealt with as soon as possible.

Enquiries, complaints or disputes should be made in writing to the Superannuation Enquiry Officer care of ETSL. If you are not satisfied with our handling of an enquiry or complaint then you may contact the Superannuation Complaints Tribunal.

If the Tribunal accepts the complaint, it will attempt to resolve the matter through conciliation. If unsuccessful, the complaint may, under the law establishing the Tribunal, be referred to the Tribunal for a determination which is binding. To contact the Tribunal telephone 1300 780 808 or write to:

Superannuation Complaints Tribunal

Locked Bag 3060

Melbourne VIC 3001

They will tell you if they can deal with your complaint and if so, what information to supply.

Trust Deed

A copy of the Trust Deed regulating PERF can be obtained by contacting ETSL.

Under the Trust Deed, ETSL must amend the Trust Deed by deed variation. Where any amendment is likely to adversely affect the rights of members, the prior approval of all affected members is necessary.

Auditors reports

A copy of audited accounts and auditors reports can be obtained by contacting ETSL.

**Trustee**

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