PIVOT

WEALTH MANAGEMENT

18 JUNE 2020

Pivot Super & Pension

MEMBER GUIDE

The information in this Guide forms part of the
Pivot Super and Pension Product Disclosure Statement ('PDS')

Issued by Aracon Superannuation Pty Ltd as the Trustee of
Pivot Super and Pension, a division of Xplore Super and Pension which
is a Sub-Plan of the Aracon Superannuation Fund ABN 40 586 548 205

RSE Licence No. L0003384 **ABN** 13 133 547 396

www.paccapital.com.au

SYDNEY - MELBOURNE - BRISBANE - ADELAIDE

Trustee

Aracon Superannuation Pty Ltd

ABN: 13 133 547 396

AFSL: 507184

RSEL: L0003384

Administrator

DIY Master Pty Ltd

ABN: 41 123 035 245

AFSL: 312431

Investment Manager

Investment Administration Services Pty Ltd

ABN: 86 109 199 108

AFSL: 284316

Investment Administrator

Margaret Street Administration Services Pty Ltd

ABN: 63 163 681 678

AFS Representative: 440581

Sub Promoter & Distributor

PWM Financial Services Pty Ltd

ABN: 87 080 344 850

AFSL: 226143

Sub Investment Manager

P.A.C. Capital Pty Ltd

ABN: 25 627 341 217

AFS Representative: 001266321

This Member Guide provides additional detail on the terms and features relating to the accumulation and pension accounts available from Pivot Super and Pension. The terms and features described in this Guide apply to each account you hold in Pivot Super and Pension, unless specified otherwise.

The information in this Guide forms part of the PDS dated 18 June 2020. You should read this Guide and the PDS before making a decision to invest in this product. The PDS can be obtained from the website www.paccapital.com.au.

The information contained in this document is general information only and should not be taken as advice or a recommendation to invest in Pivot Super and Pension. It does not take into account your particular objectives, your financial situation or needs. You should consider obtaining professional advice tailored to your personal circumstances before making an investment decision.

The Trustee will appoint P.A.C. Capital Pty Ltd as the sub-investment manager of Pivot Super and Pension on or around the date of this PDS.

All parties named in the PDS and this Guide have consented to being named in the form and context in which they have been named and have not withdrawn their consent. Any statements in the PDS or this Guide that are attributable to or based on statements made by another person have been included with the consent of that person, whose consent has not been withdrawn.

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Should you require any information about the services or issues covered in the PDS or this Guide, or require any clarification, you should contact your Financial Adviser.

Section 01

About Pivot Super and Pension

Pivot Super and Pension is:

Sub Promoted and Distributed by

PWM Financial Services Pty Ltd

ABN: 87 080 344 850

Administered by

DIY Master Pty Ltd

ABN: 41 123 035 245

AFSL: 312431

Sub Investment Managed by

P.A.C. Capital Pty Ltd

ABN: 25 627 341 217

AFS Representative: 001266321

You may request a copy of the PDS free of charge. It is available from your Financial Adviser or online at www.paccapital.com.au.

Section 02

How Super Works

Pivot Super and Pension is a division of Xplore Super and Pension which is a sub-plan of the Aracon Superannuation Fund ('The Fund'), a complying superannuation fund providing an investment vehicle that allows you to save for your retirement in a tax effective manner. Superannuation benefits are a long-term investment, and you cannot usually access your superannuation until you reach your preservation age.

Concessional tax rates apply for contributions to a superannuation fund, earnings on investment, and to some withdrawals from Pivot Super and Pension within capped limits.

Contributions

This section contains a summary of the contribution rules applicable to accumulation accounts in superannuation funds. When contributing to a superannuation fund, you should also consider any taxation implications. For more information about taxation (see Section 8 of this Guide for details).

Pivot Super and Pension is **NOT** a MySuper registered product. As such it cannot be named as an employer default fund nor accept members nominated by an employer. Pivot Super and Pension does not have any default investment options and members must make an investment choice (for more information about investment choice, see Section 6 of this Guide for details).

Who can contribute?

When you become a member of Pivot Super and Pension, contributions can be made to an accumulation account by you or your employer either regularly or by occasional lump sums. Amounts can also be transferred from other regulated superannuation or rollover funds. Contributions may be made in specie at the discretion of the Trustee, that is, by way of a transfer of an asset or investment to your Account. In specie contributions are subject to the contribution rules and tax rates applicable to contributions.

In addition, contributions may be made by you on behalf of your spouse to qualify for the spouse rebate. If you wish to make contributions for your spouse, your spouse must complete a separate membership application form to open an accumulation account in Pivot Super and Pension. Your spouse may include your husband or wife or a person recognised as a spouse under relevant government legislation. It may include a de-facto spouse of the same or opposite sex.

You cannot make further contributions to a pension account once the pension has been commenced.

Contribution Rules

Superannuation legislation prescribes the contributions that can be accepted by the Trustee, depending on your age and (in some circumstances) your work status.

We can accept a wide range of contributions, including the following:

Member Contributions

If you are under age 65, we may accept member contributions from you. If you are aged 65 to 74, we may accept all member contributions provided that you have worked at least 40 hours in not more than 30 consecutive days in the financial year in which the contributions are made.

Note: We cannot accept member contributions if we do not hold your Tax File Number (TFN) or if your contributions exceed your 'non-concessional contribution' limit (described in Section 8 of this Guide).

Employer Contributions

Employer contributions are generally paid as required by your employer's industrial arrangement or Superannuation Guarantee (SG) legislation. You may agree with your employer that they contribute sums in excess of these obligations including via a salary sacrifice arrangement (if your employer allows) which involves contributions being made from your before-tax salary. You should note that salary sacrifice contributions may be treated as income for various Government programs (for example, the Government co-contribution, spouse contributions rebate and personal contribution deductions).

If you are aged under age 65, we may accept any employer contributions made for you. If you are aged 65 or more, we may accept all mandated employer contributions (that is, a contribution that is compulsory because it is required by law or an employment award or other prescribed arrangement). If you are aged 65 to 74, we may accept voluntary employer contributions provided that you have worked at least 40 hours in not more than 30 consecutive days in the financial year in which the contributions are made.

Note: Limits apply to the amount of taxable contributions (including employer contributions) you can make without incurring additional tax (see Section 8 of this Guide for details).

Contributions can generally be accepted by the Trustee in the following circumstances:

Employer Contributions				Member Contributions
Age Group	**Superannuation Guarantee**	**Award**	**Voluntary**	
Under age 65*	Yes	Yes	Yes	Yes
Age 65 – 69**	Yes	Yes	Only if you have worked at least 40 hours in not more than 30 consecutive days in the financial year.	Other than for downsizing contributions up to $300,000, only if you have worked at least 40 hours in not more than 30 consecutive days in the financial year.***
Age 70 – 74	Yes	Yes	Only if you have worked at least 40 hours in not more than 30 consecutive days in the financial year.	Other than for downsizing contributions up to $300,000, only if you have worked at least 40 hours in not more than 30 consecutive days in the financial year.***
Age 75 and over	Yes	Yes	No	No

*From 1 July 2020 this will change to Under 67

**From 1 July 2020 this will change to Age 67-69

***From 1 July 2018, members over the age of 65 can make a contribution of up to $300,000 where the funds are sourced from the sale of their principal place of residence sold after 1 July 2018 providing the property was owned for over 10 years. Other conditions apply and you should discuss this with your Adviser before making this type of contribution (see Section 8 for more information on Home Downsizing).

If contributions are received by the Trustee in contravention of the contribution rules in superannuation legislation, they must generally be returned in the timeframe and manner stipulated by law (adjustments for investment fluctuations and reasonable costs can be made).

Rollovers, Transfers or Other Payments into Pivot Super and Pension

You can also pay superannuation benefits from another superannuation fund into Pivot Super and Pension. Other payments may also be made, for example, disability settlement amounts, foreign sourced superannuation and the proceeds from the sale of a small business. We recommend you seek advice from your Financial Adviser regarding these contributions.

Rollovers or transfers may be paid into Pivot Super and Pension in specie at the discretion of the Trustee, that is, by way of a transfer of an asset or investment from another superannuation fund to the relevant Member's account in Pivot Super and Pension.

Government Co-Contributions

The Government Co-Contribution is a contribution made by the Federal Government to the superannuation account of eligible low and middle-income earners. To qualify for the Government Co-Contribution in respect of contributions you make, you must satisfy certain requirements. Among other things, you must have an 'assessable income', 'reportable fringe benefits' and 'reportable employer superannuation contributions' (eligible income) below a certain amount each year and make personal contributions out of your taxable income (this does not include contributions which are made by way of salary sacrifice, SG (compulsory) or spouse contributions). The Government Co-Contribution is also available to self-employed persons provided certain eligibility criterion is met.

The Government Co-Contribution payable is subject to a maximum amount each year and reduces as your eligible income increases. For more detailed information about the eligibility criteria, income thresholds and maximum Government Co-Contribution, refer to www.ato.gov.au.

You should be aware that the Trustee may be required to pay back monies which have been attributed to persons who are or who become disentitled to those amounts.

Low Income Superannuation Tax Offset (LISTO)

The LISTO provides a super contribution tax payment of up to $500 (not indexed) annually for low income earners. The payment amount will be equivalent to 15% of concessional contributions (including employer contributions) made by or for individuals with an adjusted taxable income that does not exceed $37,000.

For further information including information about the eligibility criteria for the LISTO, refer to www.ato.gov.au.

Restrictions on when you can access your benefits

Superannuation is a long-term investment. The Government has placed restrictions on when you can access your superannuation as a lump sum or via an income stream. In general, Members cannot access their benefits until they have reached age 65 or have reached their Preservation Age and have permanently retired from the workforce.

Married couples separating or divorcing can divide their superannuation benefits by agreement or by court order. This extends to de-facto couples (including same-sex couples) eligible under family law legislation. You should consult a legal adviser about the splitting of superannuation benefits on marriage breakdown or breakdown of other relationships.

Preservation

Preservation is a legislative term that means that you must keep your superannuation benefits in a superannuation or rollover fund until your permanent retirement from the workforce after attaining your Preservation Age or you satisfy some other condition of release (see below).

Preserved benefits cannot be paid to a Member, but benefits can be transferred to another fund (refer to the Portability of Benefits section below).

The Preservation Age is being gradually extended to age 60, as set out in the following table:

Date of Birth	Preservation Age
Before 01/07/1960	55
01/07/1960 – 30/06/1961	56
01/07/1961 – 30/06/1962	57
01/07/1962 – 30/06/1963	58
01/07/1963 – 30/06/1964	59
From 01/07/1964	60

Under current legislation, if you are an Australian citizen, New Zealand citizen or permanent resident of Australia, preserved benefits can be released if one of the following conditions is met:

- you cease employment with an employer sponsor and your account balance is less than $200;
- you leave employment after age 60;
- you turn age 65;
- you reach your Preservation Age and take your benefit as a non-commutable income stream (often referred to as a 'transition to retirement' pension);
- you permanently retire from the workforce after attaining your Preservation Age;
- you die;
- you become permanently incapacitated;
- you experience severe financial hardship, or
- on compassionate grounds acceptable to the Department of Human Services.

Temporary residents can only access preserved benefits in more limited circumstances (for example, death or permanent incapacity). Temporary residents may also have the option of taking their superannuation benefits with them when their visa has expired, and they have permanently departed Australia. In some circumstances, the superannuation of temporary residents may be treated as unclaimed money and must be transferred by the Trustee to the Australian Taxation Office (ATO).

Preserved benefits can also be released upon presentation of an ATO Release Authority to the Trustee in respect of excess contribution tax (see Section 8 of this Guide for more details).

Release of superannuation due to terminal illness

You can access your superannuation early if you are diagnosed with a terminal medical condition. You must provide two medical practitioner certificates (including a specialist in the particular field) that you are likely to die within 24 months from the date of the certification to gain unrestricted tax-free access to your superannuation balance. It should be noted that the terminal illness definitions in the insurance policy align with the SIS regulations for a condition of release.

Portability of benefits

You can transfer your benefits to another regulated fund at any time (sometimes referred to as 'portability').

Upon receipt of all necessary information, the transfer of benefits will be made as soon as practicable, within the timeframe required by law. The Trustee may refuse your request if:

- a similar request has been met in the last 12 months
- you are requesting a partial transfer or rollover and after transferring the money your account would remain open and your interest in Pivot Super and Pension would be less than $6,000 and
- the receiving fund will not accept the transfer.

Requests to rollover benefits to another superannuation fund must be in writing and proof of identity requirements may apply. Additional information may be required in the case of a request to transfer benefits to a self-managed superannuation fund.

If you request to rollover your account to another fund, the Trustee must be satisfied that you have received or know that you can request all the information you reasonably need to understand the impact of your request on your benefits, for example, insurance benefits will cease. There may be other consequences depending on the nature of your investments. Transferring your pension account to another fund may be subject to restrictions, for example, in the case of a Term Allocated Pension. If you require any further information prior to making a rollover request, contact your Financial Adviser. For advice that has regard to your personal circumstances including your investments, contact your Financial Adviser.

Section 03

How Pensions Work

This section contains a summary of the rules and other considerations applicable to commencing a pension. It explains the types of pension products that available from Pivot Super and Pension, subject to pension standards in Government legislation, which will prevail in the event of any inconsistency between the information in this Guide and the legislation. Further information about pension payments is contained in Section 4 of this Guide.

A superannuation pension allows you to receive some or all of your superannuation benefits as an income stream, rather than a lump sum payment. A superannuation pension is provided through a separate account in Pivot Super and Pension (Pension Account).

Account types

There are three pension account options available in Pivot Super and Pension:

1. A **Standard Account Based Pension**. Standard Account Based Pensions are highly flexible. You can select the frequency of your pension payments as well as the size of the pension payments you wish to receive, above a required minimum amount.

2. A **Transition to Retirement Pension**. An Account Based Pension taken out under the Transition to Retirement rules. These pensions are also flexible but are subject to some additional restrictions. You can select the frequency of your pension payments as well as the size of the pension payments you wish to receive provided they meet required minimum and maximum limits. (Standard Account Based Pensions and Transition to Retirement Pensions are referred to as Account Based Pensions in this Guide).

3. If you already have a **Term Allocated Pension** in another superannuation product or fund, a Term Allocated Pension which provides you with the ability to choose the term you wish to receive your benefits (Note this option is only available for rollovers of existing Term Allocated Pensions into Pivot Super and Pension).

You can apply for a single pension or more than one pension depending on your individual needs and circumstances. You can also receive a pension while continuing a separate accumulation account providing you satisfy the minimum Cash Account balance requirements (described in Section 6 of this Guide).

For the remainder of the 2019/2020 financial year and the 2020/2021 full financial year, the minimum annual pension payment percentages have been halved for:

- Account-based annuities and pensions,
- Allocated annuities and pensions, and
- Market-linked annuities and pensions.**

** Implemented as part of the Coronavirus Economic Response Package Omnibus Bill 2020 enacted on 24 March 2020.

Account Based Pensions

An Account Based Pension is a regular income stream for your retirement. The payment amount you receive and the frequency of payment is based on your selection (subject to Government limits depending on whether a standard Account Based Pension or Transition to Retirement Pension is acquired). Members transferring funds from an accumulation account to an Account Based Pension account, may have existing investments held in their accumulation account transferred to their Account Based Pension account without triggering any capital gains tax liability.

Minimum Investment

The minimum initial investment to establish an Account Based Pension account per member is $25,000 subject to variation at the Trustee's discretion.

Eligibility to Commence an Account Based Pension

To begin a standard Account Based Pension, you must be at or over your Preservation Age and satisfy a condition of release (refer to the Restrictions on When You Can Access your Benefit in Section 2 of this Guide for more information about the Preservation Age and conditions of release).

It is also a condition of commencing a pension that you supply your TFN.

Transition to Retirement Pensions

A Transition to Retirement Pension is **a non-commutable Account Based Pension** which provides a regular periodic payment of income from your superannuation. Generally, you cannot receive any amount from your Transition to Retirement Pension balance as a lump sum payment.

You may start a Transition to Retirement Pension if you have reached your Preservation Age but have not yet fully retired from the workforce.

The conditions surrounding a Transition to Retirement Pension are the same as those for a standard Account Based Pension taken out upon retirement, with the exception of the following additional conditions:

- a maximum of 10% of your account balance can be taken as pension payments in any one year, regardless of age. Where you start your pension part-way through the year, the 10 per cent maximum is pro-rated according to the number of days until 30 June of the next year;
- you are unable to make any partial or lump sum withdrawals from the pension (commutations) until you satisfy a 'condition of release', such as fully retiring; and
- From 1 July 2017 Transition to Retirement Pension accounts in the pre-retirement phase are subject to the same tax treatment as accumulation members.

Once you retire, or satisfy a condition of release, your pension will continue and become a standard Account Based Pension. The additional restrictions outlined above will no longer apply.

There are other limited circumstances in which a Transition to Retirement Pension may be commuted including:

- in order to transfer your pension account balance back into your accumulation account in Pivot Super and Pension;
- to rollover your benefit into the accumulation or pension section of another complying superannuation fund or other acceptable retirement savings product; or
- on death.

If your Transition to Retirement Pension includes an unrestricted non-preserved component, it can be taken as a lump sum at any time (i.e. as a partial commutation).

Money you can use to begin your pension

In the case of an Account Based Pension, you can begin a pension utilising an accumulation account balance already held within Pivot Super and Pension, or you can roll over benefits from another superannuation fund or other sources permitted by the relevant law. In the case of a Term Allocated Pension, you can only begin the pension utilising a rollover of an existing Term Allocated Pension from another superannuation product or fund.

Other amounts such as certain disablement amounts on settlement of a disability claim (outside of superannuation), proceeds from the sale of a small business and superannuation sourced from a foreign superannuation fund, can also be paid into superannuation for the purpose of commencing an Account Based Pension.

The acceptance of other amounts from these other sources may be subject to contribution rules applicable to superannuation funds and give rise to different taxation implications (depending on your personal circumstances). A summary of contribution rules is shown in Section 2 of this Guide. If you are going to receive any of these amounts or are considering payment of them into superannuation, we recommend you obtain advice from your Financial Adviser.

From 1 July 2017 Account Based Pensions are subject to a maximum balance at commencement of $1.6 million.

You cannot add additional money to your Account Based Pension once it has begun. As such, you may need to consolidate your various superannuation account balances, or other eligible amounts you receive, into a single Account Based Pension account prior to commencing receipt of pension payments. Alternatively, you may commence more than one Account Based Pension using separate superannuation entitlements.

As a result of anti-money laundering and counter terrorism financing (AML/CTF) requirements in Government legislation, you may be required to provide proof of identity prior to establishing your pension (called "customer identification and verification" requirements). These requirements may also be applied by the Trustee from time to time in relation to the administration of your superannuation benefits as required or considered appropriate under the Government's legislation. You will be notified of any requirements when applicable.

Under the AML/CTF laws the Trustee is required to provide yearly compliance reports to AUSTRAC and notify AUSTRAC of suspicious transactions. This may involve the provision of personal information about you to AUSTRAC.

Government pensions and social security benefits

Centrelink usually applies two tests for the purposes of assessing an individual's eligibility to receive the Government's 'old-age pension', being an assets test and an income test.

For the assets test, 100% of the purchase price (the amount of money you utilised to commence your pension) of an Account Based Pension will be assessable. For the income test, the assets will be assessable as a financial investment subject to deeming.

Special rules apply to Term Allocated Pensions. Usually, your investment in a Term Allocated Pension will be considered an asset for social security purposes and the income received from your pension will also be assessable, less any deductible amount, against the income test. Any previously applicable asset test exemption may not apply.

For more information about the social security implications of receiving a pension from Pivot Super and Pension go to www.centrelink.gov.au or contact their Financial Information Service (FIS) on 13 23 00 or consult your Financial Adviser. We recommend you seek advice from your Financial Adviser about transferring an existing Term Allocated Pension into Pivot Super and Pension because the social security implications may be significant.

How your pension payments are calculated

Account Based Pensions

Each financial year, you are able to select the pension amount that you will receive for that upcoming year. The amount you receive must be equal to or above a legislated, prescribed minimum level, based upon your age (a maximum limit also applies to Transition to Retirement Pensions).

The minimum annual pension payment percentages of your pension account balance are as follows:

Age*	Annual payment amount (%)
Under 65	4.00
65 – 74	5.00
75 – 79	6.00
80 – 84	7.00
85 – 89	9.00
90 – 94	11.00
95 +	14.00

* Your age at the commencement of your pension, or at each 1 July thereafter.

If your pension does not commence on 1 July, the pension percentage is applied proportionately for the number of remaining days in the financial year, in order to determine the minimum pension amount. The Administrator will calculate and advise you of your minimum pension amounts (and maximum pension amounts, where applicable) each year, from which you can elect the amount you would like to receive.

Transition to Retirement members can elect the amount of their pension subject to a maximum of 10% of their account balance in any one year, regardless of age. Where you start your pension part-way through the year, the 10% maximum is pro-rated according to the number of days until 30 June of the next year.

Transfers to another superannuation fund do not count towards meeting the minimum pension payment requirements.

Term Allocated Pensions

Pension payments from a Term Allocated Pension must satisfy the following rules:

- payments are a fixed amount, which must be paid to you at least annually (but can also be paid to you monthly, quarterly or semi-annually). A rollover of monies from your account to another superannuation fund or product does not count when assessing whether the minimum pension payment requirement has been met;
- your annual payment is calculated according to a schedule of payment factors (this table is available by contacting the Administrator). The pension payment is calculated by dividing your account balance on 1 July each year (or on the pension commencement date) by the payment factor for the remaining term of your pension (rounded up or down in accordance with legislative requirements). You can choose an income amount between 90% and 110% of this calculated amount. From time to time, the income amount allowed by law may change. For more information about this please contact the Administrator.

Term Allocated Pension payments are also subject to the prescribed annual minimum amount applicable to Account Based Pensions (see above).

By the end of the term of your pension there should be no money left in your account. In order to achieve this, your annual pension payment is calculated on 1 July each year based on the balance of your investment and the remaining term.

Source of Pension Payments

Your pension payments will be deducted from your Investments.

Changing the Pension Amount You are Paid

For Account Based Pensions, you can change the payment amount or, in the case of a pension other than a Transition to Retirement Pension, apply to take out a lump sum payment (commute) at any other time. Any variation in your regular pension payment will be presumed to be an irregular pension payment unless you otherwise elect.

You cannot elect to change the amount paid to you through a Term Allocated Pension, except where permitted by relevant regulations, having regard to set limits (mentioned above). The amount paid is calculated based on your account balance and the relevant payment factor on 1 July each year.

The amount of your Term Allocated Pension payment will not change during that financial year. Investment earnings during that year will be accounted for when your Term Allocated Pension payment is recalculated at the next 1 July.

If your Financial Adviser does not ask the Administrator to alter your annual pension amount (where permissible), then your payment will be the same as for the previous financial year, unless we have to adjust your payment to remain within your income range for that year.

Note: different taxation consequences may apply depending on whether your payment is a pension payment or (where permissible) a partial commutation. The Trustee may also adjust the pension payments of a Member to the extent permitted by the relevant law and Trust Deed (for example, to meet pension rules in superannuation legislation, where instructions are not received from your Financial Adviser).

Frequency of Pension Payments

Generally, you must receive at least one pension payment per financial year. If, however, you begin a pension after 1 June in any financial year, you can defer the beginning of your pension payments until the next financial year. You may specify the frequency at which you receive your pension payments at any time during the life of your pension to be paid monthly, quarterly, half yearly or yearly. You can change the frequency at any time.

Withdrawing from your pension

As a standard Account Based Pension is purchased with unrestricted and non-preserved superannuation benefits, you can withdraw your pension in full as a lump sum (i.e. commute your pension) or you can take a portion of your account balance, underlying the pension, as a partial lump sum (i.e. a partial commutation) at any time, subject to any redemption requirements or consequences (as outlined in Section 6 of this Guide). As a Transition to Retirement Pension is usually purchased with preserved superannuation benefits, you will be unable to commute the pension (in whole or in part) until you retire or meet other circumstances prescribed in the relevant law.

You cannot make commutations (i.e. lump sum cash withdrawals) from a Term Allocation Pension (except in very limited circumstances).

For Transition to Retirement Pensions and Term Allocated Pensions, the limited circumstances in which you may be able to access your benefits other than when your pension payments are made include:

- to give effect to a payment split under family law; or
- to purchase another complying income stream; or
- upon your death, or where you have selected the reversionary option for your Term Allocated Pension, upon the death of both yourself and your reversionary pension beneficiary.

Any lump sum commutation (where permissible) must be withdrawn proportionately from the exempt and taxable components of your pension (see the Section 8 of this Guide for more information). You cannot nominate from which component a lump sum payment is withdrawn.

There is no minimum value or limit on how many partial commutations you may request. However, your pension will not operate for any guaranteed period. It will last only as long as your account balance lasts. As such, it is your responsibility to monitor your pension assets to appropriately fund your retirement.

Superannuation legislation requires that in any year in which all or any part of a pension is commuted, a pro-rata payment amount of the minimum payment for that year must be paid except in certain limited circumstances, for example, if the commutation arises due to death of the pensioner or to give effect to an entitlement of a non-Member spouse under a family law payment split.

Full or partial withdrawals from your pension may be subject to tax at lump sum rates, based upon the components of the taxable component of your pension account balance, the minimum pension income received, and your age at the date of payment. (see Section 8 of this Guide for information about lump sum tax rates).

Lump sum benefits may be paid in specie at the discretion of the Trustee, that is, by way of a transfer of underlying assets to the relevant Member.

You should discuss your intention to commute with your Financial Adviser because it may have taxation and social security implications for you.

Section 04

Benefits of Investing with Pivot Super and Pension

Type of benefits

Subject to Government payment restrictions, the following benefits are payable from an accumulation account in Pivot Super and Pension:

- **a retirement benefit** – on retiring on or after your Preservation Age while a Member of Pivot Super and Pension (see Section 2 of this Guide for details on Preservation Age). The retirement benefit is the balance of your account at the time you retire;
- **a death benefit** – on death while a Member of Pivot Super and Pension. The death benefit is your account balance plus any insurance benefit payable and will be distributed among your dependents or estate as determined by the Trustee having regard to any nomination you have made (see below for information about nominating beneficiaries);
- **a permanent incapacity benefit** – if you become permanently incapacitated as defined in superannuation legislation while a member of Pivot Super and Pension. The permanent incapacity benefit is your account balance plus any insurance benefit payable.

Benefits may also be released, in cash, in other circumstances as permitted by superannuation legislation (example, financial hardship).

A Member's benefit is calculated as the accumulated value of the Member's account, plus any amount paid to the Trustee by the Insurer in respect of insurance benefits. The payment of all benefits is subject to the Trust Deed and, where relevant, the terms and conditions of the insurance policy. Benefits can only be paid to a Member where permitted under superannuation legislation. Acceptance of a claim by the Insurer does not automatically mean that the amount can be paid to the Member by the Trustee. Insurance benefits cease in certain circumstances including if there are insufficient monies in a Member's account to meet insurance premiums (see Section 8 of this Guide for more information about when insurance benefits are payable).

The value (or amount) of a Member's account balance (or benefit) is based on the following (where applicable):

- contributions received;
- transfers/rollovers received;
- investment returns;
- insurance benefit premiums paid;
- government charges or taxes paid or payable; and
- fees or costs paid or payable.

The Trustee may adjust the benefits of a Member to the extent permitted by the relevant law and Trust Deed (for example, adjustments arising from the application of the taxation laws).

Payment of benefits

Benefits may be paid as a lump sum or pension, by opening a pension account in Pivot Super and Pension (see Section 2 of this Guide for more information about commencing a pension in Pivot Super and Pension). The payment of benefits in the form of a pension is subject to rules in superannuation legislation, which are summarised below.

Any payment in relation to any superannuation interest you have in Pivot Super and Pension must be made on a proportionate basis from your taxable and exempt (tax-free) components. If you have both an accumulation account and pension account, the pension account is treated as a separate interest for this purpose. For more information about the taxable and exempt components see Section 8 of this Guide.

The Trustee is required to carry out proof of identity procedures before paying a lump sum benefit to a Member in cash or commencing to pay a pension. The requirements arise under the Government's Anti-Money Laundering and Counter-Terrorism Financing legislation. If any further information is required from you to enable a benefit to be made, you will be notified.

Lump sum benefits (including lump sum death benefits from a pension account) may be paid in specie at the discretion of the Trustee, that is, by way of a transfer of underlying assets to the relevant Member.

Lump sum death benefits (including lump sum death benefits from a pension account) may be paid to a Member's dependent(s) and/or the estate as determined by the Trustee:

- having regard to the Member's wishes (if the Member has made a non-binding nomination of beneficiaries), or
- in accordance with the Member's wishes (if the Member has made a valid binding nomination).

Death Benefit Nominations

You can choose how the Trustee pays a lump sum death benefit in the event of your death while a Member. You may nominate a dependent, a legal representative or a combination of both. You can either make a binding nomination, a non-lapsing binding nomination or a non-binding nomination for an account (accumulation or pension). Alternatively, members in one of the pension options (other than a Transition to Retirement Pension) can nominate a continuation of pension payments from their pension account to a reversionary beneficiary, instead of a lump sum death benefit.

If you do not make any nomination in respect of an account and there is no specific claim lodged with the Trustee after your death, the death benefit will generally be paid to your estate. You will be treated as not having made a binding nomination if you have made an invalid binding nomination or your non-lapsing binding nomination becomes invalid. An invalid binding nomination will not be treated as a non-binding nomination.

If you wish to make a nomination and have more than one account in Pivot Super and Pension, please note that a separate nomination must be made for each account e.g. if you have an accumulation and pension account you must make a nomination for each account.

Binding Nomination

If you make a binding nomination, you instruct the Trustee as to whom you want your benefit to be paid in the event of your death. Provided your nomination is valid, it cannot be overridden by the Trustee. The nomination is valid for three years from the date on which it is signed. You must renew or confirm your nomination within this three-year period for it to remain valid. If any beneficiary nominated is no longer your dependent (see below) or legal personal representative at the date of death, they will not be entitled to receive a share of your benefit and their share may be paid to the remaining nominees based on their proportional entitlement to your benefit.

If the binding nomination is or becomes invalid, it will have no effect (it will not be treated as a non-binding nomination).

Non-Lapsing Binding Death Benefit Nomination

If you make a non-lapsing binding death nomination, (referred to as a Death Benefit Instruction) the Trustee will pay your benefit according to your nomination as long as the Death Benefit Instruction is valid at the time of your death.

To ensure you make a valid Death Benefit Instruction;

- you must nominate either dependant(s) or your legal personal representative; and
- the proportion of the benefit that will be paid to each person you nominate must be certain or readily ascertainable from your nomination and add to 100%.

Your Death Benefit Instruction must be in writing and be signed and dated, in the presence of two witnesses, being persons who are at least 18 years of age and neither of whom is nominated as a beneficiary in the instruction. The instruction must contain a declaration signed and dated by the witnesses stating that the instruction was signed by you in their presence.

A Death Benefit Instruction becomes invalid if:

a) the Member's Spouse named in a Death Benefit Instruction ceases to be the Member's Spouse or in the opinion of the Trustee becomes permanently separated from the Member;

b) any person nominated as a Dependant:

- dies;
- ceases to be a Dependant of the Member; or
- ceases to be in a class of persons the Trustee has prescribed as eligible to be nominated in a Death Benefit Instruction.

The Trustee is required to follow the Death Benefit Instruction unless it becomes invalid as set out above even if your circumstances may have changed between the date of the Death Benefit Instruction and the time of your death.

You can obtain a copy of the Death Benefit Instruction form by contacting the Administrator.

Non-Binding Nomination

If you make a non-binding nomination, the Trustee has the discretion to determine who should receive the death benefit. The Trustee may consider your nomination but is not bound to follow it. The Trustee has the discretion to pay to any of your dependents or to your legal personal representative(s) or a combination of both.

It is important to note that:

- a non-binding nomination will not override a current, valid binding nomination, and
- if you have a current binding nomination you must revoke it before a non-binding nomination can be considered.

To nominate a beneficiary on a binding or non-binding basis, please complete the Nomination of Beneficiaries Form available from www.diymaster.com.au or the Administrator on 1800 455 666.

Meaning of 'Dependent'

For the purpose of nominating a beneficiary, a dependent includes a spouse, child (of any age) including child of a spouse, any person financially dependent on you at the time of your death and any person with whom you had an interdependency relationship as permitted by the Trust Deed and superannuation legislation.

In determining whether two people have an interdependency relationship, the Trustee must consider factors stipulated in the superannuation legislation. If you would like further information about this, contact the Administrator.

Your nomination may have tax implications for the taxation of death benefits (see Section 8 of this Guide for details).

Reversionary Pension Nomination

Pension members (other than members receiving a Transition to Retirement Pension) can nominate their spouse or other dependent as a reversionary beneficiary to continue to receive their pension in the event of their death. The reversionary beneficiary must be a dependent at the date of your death.

A pension can only continue to be paid to a child (upon a Member's death) if, at the date of death the child is:

- aged under 18;
- aged 18 – 24 and is financially dependent on the Member; or
- aged 18 or more and permanently disabled.

When a child reaches age 25, the pension must be converted into a lump sum benefit unless the child is permanently disabled.

A pension cannot be paid to a non-dependent.

Unless otherwise required by law, pension payments will continue to be received by your nominated reversionary beneficiary after your death.

Where your reversionary beneficiary does not wish to continue to receive the benefit in the form of a pension, they can elect to receive the benefit as a lump sum.

As different taxation and social security implications may arise depending on who you nominate as a reversionary beneficiary, we recommend you consult your Financial Adviser about nominating a reversionary beneficiary. This is particularly important if you are transferring a Term Allocated Pension from another superannuation product or fund to Pivot Super and Pension, where you have previously based the term of your Term Allocated Pension on your spouse's life expectancy.

For Term Allocated Pensions, nomination of your spouse as a reversionary beneficiary may affect the term of your pension and amount of pension payments. Nomination of a reversionary beneficiary (or change of reversionary beneficiary) for a Term Allocated Pension should be considered having regard to social security and taxation considerations applicable to your personal circumstances.

Payment of unclaimed monies to the Australian Tax Office

Under Federal Government (Unclaimed Money) legislation, there are a number of circumstances in which superannuation must be paid to the Australian Taxation Office as unclaimed money including inactive benefits of an uncontactable member who has reached age 65 and certain benefits of 'lost' members.

The following accounts of 'lost' members must be paid to the Australian Taxation Office as unclaimed money:

- account balances of less than $6,000 (or such other threshold determined by the Government from time to time); or
- accounts which have been inactive for a period of 12 months and there are insufficient records to ever identify the owner of the account.

A former temporary resident's superannuation benefit must also be paid to the Australian Taxation Office as unclaimed money where it has been at least six months since they have departed Australia and their visa has lapsed AND the Australian Taxation Office issues a notice to Pivot Super and Pension requesting the benefit be paid to the Australian Taxation Office.

If this happens, you have a right, under the Government's legislation, to claim your super money directly from the Australian Taxation Office (subject to the applicable tax rates). Further information about unclaimed money can be obtained from the Australian Taxation Office website www.ato.gov.au.

Inactive low balance accounts

Members who are inactive for a period of 16 months and have account balances under $6,000 as at 30 June and 31 December each year will be transferred to the Australian Tax Office (ATO).

An account is considered an 'inactive low-balance account' where:

- no contribution has been received for 16 months;
- the balance of the account is less than $6,000;
- there is no insurance on the account; and
- the member has not taken certain other actions within that 16-month period that demonstrate some engagement with the fund, such as changing their insurance or investment arrangements, or making a death benefit nomination.

The ATO will look to reunite members with their fund. Members can contact the ATO in writing and advise they are not a member of an inactive low-balance account.

Section 05

Risks of Super

Note: refer to Section 6 of this Guide for definitions which may be relevant to the descriptions of risks below.

Investment Risks

There are many risk factors (outlined below) that can impact the performance of an investment. The major risks that you should be aware of when investing through Pivot Super and Pension include but are not limited to the risks outlined below. The relevance of these risks will depend on the investments selected (for example, currency risk will be a greater consideration for an investment in international shares) and your personal circumstances. You should consult your Financial Adviser for information about risks that has regard to your objectives, financial situation and needs. For example, your attitude to risk may be different depending on whether you are nearing or in retirement and have a pension account.

Also consider the product disclosure statement or other disclosure document for any investment you may be considering including product disclosures for approved Managed Funds, available from your Financial Adviser or the Administrator at www.diymaster.com.au.

Commodity Price

A portfolio may hold investments, the price of which is significantly determined by the price of commodities. Commodity prices can fluctuate significantly over short periods of time. Falls in commodity prices may lead to loss in value of the investment.

Concentration Risk

The fewer the number of holdings in a portfolio the higher the concentration risk. With a more concentrated portfolio there is a greater risk that poor performance by one or a group of investments can significantly affect the performance of the whole portfolio.

Conversion Risk

Hybrid or other convertible securities that convert into ordinary shares may not be readily converted into an equivalent value of cash.

Counterparty Risk

Certain investments rely on counterparties such as brokers, lenders, issuers and clearing exchanges and these parties may be unable to meet their obligations.

Credit Risk

Credit risk is the risk that the issuer of a debt security is unable to satisfy its obligation under the terms attaching to the security. These obligations include payment of interest or a dividend or payment or the repayment on maturity. A decline in credit quality of the issuer of a security could result in a capital loss being incurred on those securities.

Currency Risk

Where a portfolio holds international investments priced in a foreign currency, movements in the Australian dollar against that foreign currency may negatively impact on its value. Currency risk may be managed through use of hedging techniques. You should refer to the relevant product disclosure statement applicable to an investment to determine whether this risk is managed through use of hedging techniques.

Derivative Risk

Where a specific investment derives its value from another security through the use of futures, options, swaps and other derivatives, there is a risk that the value of the derivative fails to move in line with the underlying asset and the potential illiquidity of the derivative.

Economic risk

A downturn in the general economic conditions in Australia or globally may adversely affect the performance of a Managed Portfolio.

Emerging Market Risk

Emerging markets are financial markets in countries with developing economies. The financial markets in these countries are immature compared to those of the world's major financial centres. These markets may provide potentially high returns but are subject to high risk including market, regulatory, liquidity and credit risk.

ETF Risk

An investment in an Exchange Traded Fund (ETF) may carry a default risk, also known as a credit or counterparty risk, which may emanate from a default or inability of another party to meet financial commitments e.g. if an investor buys a corporate bond ETF and a fund component files for bankruptcy the investor may incur losses because the ETF may lose value or become worthless.

Industry Risk

Industry risk is the risk that a particular industry may perform poorly. This can mean that the assets held in those industries may fall in value.

Inflation Risk

The increasing price of goods and services may exceed the rate at which your investment grows, thereby reducing the value of your investment in real terms.

Interest Rate Risk

Changes in interest rates will affect the value of interest-bearing securities and shares in some companies. Rises in interest rates may lead to loss in capital value and falls in interest rates may lead to rises in value.

Liquidity Risk

Liquidity risk arises when investments are made in securities which are traded on an infrequent basis. If an investment is exposed to less liquid securities, it may be difficult to dispose of the security at a fair price, at particular times. Other types of investments (for example, managed funds) may also become illiquid. If an investment becomes illiquid or subject to restrictions for any reason, the Trustee reserves the right to take whatever steps it considers necessary in relation to that investment including delaying the payment of benefits.

Manager Risk

Underlying investment managers may not anticipate market movements or execute investment strategies effectively. Changes in staff may also have an impact on the performance of an investment such as a Managed Fund.

Market Risk

Market risk is the risk associated with being exposed to a particular investment market, such as the Australian share market or income securities market. Current and anticipated economic conditions, political events, general movements in the Australian and international stock markets, investor sentiment, interest rates and exchange rates are all factors that may influence (positively or negatively) the value of securities and their investment returns.

Regulatory Risk

This is the risk that a government or regulator may introduce regulatory or tax changes that affect the value of securities in which Pivot Super and Pension invests. Pivot Super and Pension may be affected by changes in legislation or government policy in Australia or in other countries.

Specific Security Risk

An individual company's shares and interest-bearing securities may change as a result of factors such as changes in management, market sentiment or company/industry specific events.

Implementation Risk

Trades and transactions may not always occur exactly as envisioned because of external factors, e.g. as a result of markets being closed, illiquidity, a trade or transaction being subsequently cancelled or disputed or failures in external transaction systems or processes.

Other Risks

Third Party Risk

Pivot Super and Pension uses information and services provided by third party service providers. Procedures are in place to address risks associated with outsourcing, such as having comprehensive service agreements with the service providers. If a service provider advises of an error or we detect an error, it is corrected and if material, it will be communicated to you.

Systems and Technology Risk

Pivot Super and Pension relies on the integrity and reliability of the portfolio trading and administration systems used to manage your account. To minimise potential risks, established systems operated by experienced system providers are used. The system providers must have back-up arrangements and Business Continuity Plans.

In the event that the systems fail, there may be delays in processing transactions or in accessing your investment capital and investment returns may differ from those that would have been achieved.

What is your investment risk profile?

The key to managing risk is to be comfortable with the highs and lows your investments may experience over a defined period of time.

Generally, you trade off higher returns for investment security. The higher the potential return, the greater the risk of loss over the short term. Historically, growth assets such as shares, and property have generated higher returns than investments in cash or bonds over the longer term. However, these assets are also more volatile, and as a result, carry more risk.

Risk means different things to different people. Even the simplest investment has inherent risk. Finding the balance between the amount of risk you are prepared to take with the return you want (your 'risk profile') is the challenge all investors face.

Each of the investments available in Pivot Super and Pension carry different investment risks depending on the nature of the underlying investments (including asset classes invested in and underlying fund managers or investments used).

A 'risk profile' or 'risk level' (including the Risk Band, Risk label and the likelihood of a negative return over a specified period) is shown for Pivot Super and Pension's Managed Portfolios in the Investment Guide based on the Standard Risk Measure. The higher the Risk Band number, the higher the risk. The Risk label summarises the level of risk (e.g. Low, medium or high).

The Standard Risk Measure is based on industry guidance to allow members to compare Managed Portfolios that are expected to deliver a similar number of negative annual returns over any 20-year period.

The Standard Risk Measure is not a complete assessment of all forms of investment risk, for instance it does not detail what the size of a negative return could be or the potential for a positive return to be less than a member may require to meet their objectives. Further, it does not take into account the impact of administration fees and tax on the likelihood of a negative return.

Members should still ensure they are comfortable with the risks and potential losses associated with their chosen investment option/s.

The Standard Risk Measure is grouped into the following bands:

Risk Band	Risk Label	Estimated number of negative annual returns over any 20-year period
1	Very Low	Less than 0.5
2	Low	0.5 to less than 1
3	Low to medium	1 to less than 2
4	Medium	2 to less than 3
5	Medium to high	3 to less than 4
6	High	4 to less than 6
7	Very high	6 or Greater

When making any decision about investing in Pivot Super and Pension, including selecting or changing your investments, you should consult your Financial Adviser for advice about how these risks may affect you having regard to your personal circumstances.

Your investment is not guaranteed, and the value of your investment can rise or fall. The PDS sets out other general risks when investing.

Section 06

How we invest your money

Investment choice

Pivot Super and Pension makes available a wide range of investment options which are listed in the Investment Guide, you should read this guide and seek advice from your Financial Adviser as to the available investments that are suitable to you and which align with your financial goals.

The Trustee has set investment holding limits on how much you can invest in certain investment options. You and your Financial Adviser need to be aware of these limits when devising your investment strategy. The limits applicable to each investment option is available in the Investment Guide.

When you invest in Pivot Super and Pension, a member account is established for you which is linked to the investments made for you via Pivot Super and Pension.

Your member account may comprise:

- 'Cash Account' which is central to the operation of your Account in Pivot Super and Pension and is the cash hub known as your Cash Account.
- 'Managed Portfolios', which are professionally managed by Investment Managers according to their stated Mandate; and/or
- 'Tailored Investments', which provide you the flexibility to select any investment options we list in the Investment Guide to follow your own strategy.

You and your Financial Adviser can select the investments that make up your Pivot Super and Pension account.

Subject to any applicable investment limits (refer to the Investment Guide), an account in Pivot Super and Pension may include:

- Managed Portfolios
- Managed Funds
- ASX securities
- Cash
- Term Deposits
- International securities
- Exchange Traded Funds (ETF) / Listed Investment Companies
- Fixed Interest securities
- Initial Public Offerings

Providing investment instructions to us through your Financial Adviser

Please refer to Section 11 of this Guide for information about the role of your Financial Adviser and specifically about the authority to give instructions on your account.

The transactions for which this authority applies are:

- Investment of the initial contribution or investment amount into an account;
- Changing a regular contribution amount;
- Starting or stopping a regular contribution amount;
- Changing a regular withdrawal amount (where withdrawal is permissible under superannuation legislation);
- Starting or stopping a regular withdrawal amount (where withdrawal is permissible under superannuation legislation);
- Updating changes in member personal details including change of address and bank accounts;
- Making elections on dividend or distribution re-investment and corporate actions where applicable; and
- Arranging insurance under an individual insurance policy (subject to Trustee approval).

Refer to the Application Form accompanying the PDS for further information about the terms and conditions applicable to your appointment of a Financial Adviser.

When you transfer funds from an accumulation account to a pension account, any investment instructions which applied to your accumulation account will continue to apply to the pension account until investment instructions specifically relating to the pension account are received.

Selecting your Investment Options

Your Financial Adviser will assist you to choose the investment options for your account.

The Trustee does not in any way endorse, warrant or accept responsibility for any services provided by your Financial Adviser.

Your investment returns after relevant fees, costs and taxes will reflect as far as practicable the performance of your Portfolio.

Your Cash Account

Central to the operation of your Account in Pivot Super and Pension is the cash hub known as your Cash Account. The Cash Account is not a Managed Portfolio, but it does earn interest. The balance of your Cash Account is deposited with Australia and New Zealand Banking Group Limited ABN 11 005 357 522 (ANZ). Interest on your Cash Account is calculated and accrued on the end of day balance and paid monthly at the rate determined by the Trustee and notified to your Financial Adviser from time to time. The Trustee may earn a fee called a Cash Administration Fee which is not paid directly by you but is deducted from the interest that is credited to your Cash Account.

Contributions into your Account are automatically allocated to your Cash Account until we receive an Investment Instruction to invest in the available investment options.

The Cash Account is used:

- to settle all transactions;
- as the default option for earnings (interest, dividends and distribution);
- for allocating contributions;
- for funding withdrawals and investment purchases; and
- for paying fees and other expenses including adviser fees (if applicable).

We credit any bank interest or dividends/distribution income earned on your investments to your Cash Account or relevant Managed Portfolio as and when it is received by the Administrator.

A minimum cash percentage of 2% applies for the operation of your Account. This is to ensure there is sufficient cash to pay ongoing fees and to settle any charges incurred in your account.

This is in addition to any cash holding that a particular Investment Option (such as a Managed Portfolio) may require as part of its asset allocation. The Administrator at times may hold more than 2% of your Account in cash to cover anticipated withdrawals.

We may allow your Cash Account balance to go negative for a short period of time. Any negative balances must be restored to the 2% minimum immediately.

Where the Cash Account balance falls below the required minimum we may sell some of the investments in your Account. However, before we do that we will contact your Financial Adviser to request an instruction on which assets are to be sold. We may continue to sell investments until your Cash Account balance is brought up to the required minimum level. If we do not have an instruction from your Financial Adviser we will sell down assets, generally in order of the lowest value first.

If, at any time, you provide Account instructions, such as withdrawing funds or purchasing additional investments, you may need to ensure there is sufficient cash to cover the instructions as well as maintaining the minimum Cash Account balance of 2% of the total value of your account balance, or $2,000, whichever is the greater. We may waive the minimum percentage requirement from time to time if we are satisfied that the shortfall will be covered by incoming cash flow from contributions, interest and dividends, or where the minimum percentage is temporarily breached due to fluctuations in the market value of the investments in your Account.

The balance of the cash account in Pivot Super and Pension is deposited with ANZ. Other than to make payments for fees, costs and other charges as disclosed in this PDS, the Trustee will not withdraw your money from the Cash Account except where instructed by you including an authorisation by you in accordance with this PDS.

Any amounts you invest in your account are subject to maintaining a minimum cash holding (Cash Account) of 2% of the total value of your account balance, or $2,000, whichever is the greater.

Tailored Investments

Pivot Super and Pension allows you to select 'Tailored Investments' from the Investment Guide including managed funds, Australian and International securities, fixed interest, terms deposits and cash. This provides you with the flexibility to choose and construct a diversified portfolio with the assistance of your Financial Adviser.

Managed Portfolios

Managed Portfolios are also known as Separately Managed Accounts. They are a non-unitised type of managed investment that provides access to a portfolio of investments managed by a professional investment manager or a licensed dealer group. The Investment Manager of the Managed Portfolio will manage the relevant portion of your assets in line with a specified mandate which identifies the underlying investment products and securities of the portfolio and their respective weighting. The investment objective and risk portfolio is determined by your choice of Managed Portfolio.

The Investment Guide sets out the mandate for each Managed Portfolio, including a description of the investment strategy, objectives and investment universe and asset allocation. The Investment Guide also sets out the fees for the Managed Portfolio, which are charged to your Cash Account for the investments you select. The Managed Portfolios are implemented at an account level so that each account will have a pool of assets which are managed in accordance with the Managed Portfolio. The Investment Manager is responsible for the ongoing monitoring of the Managed Portfolio.

Once you decide, with your Financial Adviser, which Managed Portfolio(s) are best suited for your needs and objectives, investments will be purchased in accordance with its Investment Manager's recommendations and included in your Account so that it reflects the Managed Portfolio, or combination of Managed Portfolios, that you have selected.

The underlying Investment Manager will manage the Managed Portfolios on an ongoing basis, and the Administrator will, based on the Investment Manager's instruction, buy and sell investments to be included in, or removed from, all accounts invested in the Managed Portfolio. It is important to select a Managed Portfolio(s) that suits your situation. Your Financial Adviser can assist you in selecting a suitable Managed Portfolio(s) for your particular financial needs.

When you select more than one Managed Portfolio, investments held for you across the Managed Portfolios will be viewed and treated as a single portfolio containing your consolidated holdings. This means you can view all of your holdings as a single portfolio, regardless of whether you hold investments through any combination of Managed Portfolios and Tailored Investments.

Cash Holding in Managed Portfolios

Each Managed Portfolio has a cash holding. Income received on shares and securities held in your Managed Portfolio will be credited to your cash holding of that Managed Portfolio.

At the discretion of the Investment Manager, the income may be used to add to existing investments, invested in a new security or investment, or held in cash.

Generally, Managed Portfolios must have a minimum cash holding of 2% of the total value of your Managed Portfolio, or $2,000, whichever is the greater. Some Managed Portfolios may have higher minimum cash holdings, where this is the case, it will be disclosed in this PDS.

Should the cash holding of your Managed Portfolio fall below the required minimum balance, the holdings of those Managed Portfolio may be rebalanced. Sale of investments may result in the realisation of capital gains, which may result in transaction costs and have tax consequences.

Where the Managed Portfolio has a cash component, you should note this cash holding will be in addition to the cash held in your Cash Account.

Implementing and Managing Your Managed Portfolios

When investing in Managed Portfolios, generally, investments are acquired within twenty business days, although considerations such as market conditions, availability and liquidity of securities and investments, upcoming new issues and economic parcel sizes may affect this timeframe. Where suitable investments are not available, your Managed Portfolio may be allocated to cash until suitable investments become available.

Execution of transactions for your account is the responsibility of the Investment Manager, using brokers approved by the Administrator for any listed securities.

In managing your Managed Portfolio, small uneconomic transactions will be avoided. Generally, a $300 minimum transaction value will apply for a single investment although the minimum, as determined by the Investment Manager, may be higher. Purchases and sales of securities may be aggregated with those of other members. Any costs associated with the purchase and sale of securities will be apportioned between all relevant members.

Your individual weightings or mix of Managed Portfolios are applied on a ‘floating basis’. This means the weightings (i.e. the value in dollars and percentage terms) will fluctuate from time to time as the performance of one Managed Portfolio differs from the performance of another.

The following example is provided for the purpose of demonstrating the effect of applying Managed Portfolio weightings on a floating basis and all values are approximate and indicative only.

For an original investment of $100,000 allocated 50% to Managed Portfolio A and 50% to Managed Portfolio B, your Account would be divided as follows:

If after the first day of your Account being active, Managed Portfolio A had performance of -5% and Managed Portfolio B had performance of +5%, then your Account would adjust to reflect this variance in performance as follows:

Managed Portfolio A: Weighting	49% Value	$49,000
Managed Portfolio B: Weighting	49% Value	$49,000
Cash: Weighting	2% Value	$2,000
Total: Weighting	100% Value	$100,000

This effectively means that your initial account weighting will only apply in the strictest sense on the first day of your investment. After this, each Managed Portfolio will perform differently and therefore, the value of it will change in dollar and percentage terms, thus changing your overall weightings.

Managed Portfolio A: Weighting	46.5% Value	$46,500
Managed Portfolio B: Weighting	51.5% Value	$51,500
Cash: Weighting	2% Value	$2,000
Total: Weighting	100% Value	$100,000

Your Managed Portfolio will only be reweighted on an Investment Instruction from the underlying Investment Manager or your Financial Adviser on your behalf.

The variations in the composition of your Managed Portfolio(s) may differ to other member portfolios. This may result in variations in the performance between your Managed Portfolio and the portfolios of others investing under the same investment option.

Customising your Managed Portfolio

Pivot Super and Pension offers you the ability to customise the Managed Portfolios in your Account by directing the Administrator to exclude or lock certain securities within a Managed Portfolio.

Possible customisations include:

- Lock Managed Portfolio: suspends any transactions from occurring, other than the processing of corporate actions by the Administrator.
- Exclude Securities: Where you do not wish to invest in a particular security, you can elect to exclude that security from a Managed Portfolio. The dollar amount of any excluded security will then be invested across the remainder of the portfolio.

You can customise your Account at any time by having your Financial Adviser provide the Administrator with an online Account instruction.

Any customisation of your holdings may alter the investment performance of your Managed Portfolios compared to that of your chosen Managed Portfolio. Managed Portfolio Managers will make no allowance for your investment preferences when they make investment decisions or report on Managed Portfolio performance.

The Administrator provides you with the ability to customise the underlying investments; this will deviate your investment allocation from the managed portfolio's target investment allocation.

Customisation of your holdings may alter the investment performance of your Managed Portfolios compared to that of your chosen Managed Portfolio. Investment Managers will make no allowance for your investment preferences when they make investment decisions or report on Managed Portfolio performance.

Valuing your Managed Portfolio

Your Managed Portfolio (which forms the basis for determining your account balance) is calculated as the sum of the value of your investments together with your cash holding. The value of your investments is based on information from third parties including prices provided by fund managers and the ASX, the number of managed fund units and ASX-listed securities held, and any term deposits held (as applicable to your account). Prices are generally updated daily (however there may be times when updated prices cannot be provided) and you can check the value of your Managed Portfolio online at any time.

Calculating Investment Returns

The annual return for your account is equal to the gross income generated by the underlying assets or investments of your account (including any cash holding) less any relevant fees, costs and taxes during each financial year (for more information about the fees and costs, see Section 7 of this Guide).

Dividends, distributions and interest earnings are credited to the relevant cash holding on the day that they are received.

Any income, relevant fees, costs and taxes are used to update account balances for members who leave Pivot Super and Pension or close an account during the financial year.

If a term deposit is terminated prior to its maturity date or 'term', an interest rate adjustment may apply.

The tax benefit for any un-recouped CGT losses will not be paid to members who leave Pivot Super and Pension or close an account (including closure of an accumulation account on transfer to a pension account). Any subsequent recovery of these CGT losses will be applied to Pivot Super and Pension expenses in the year of the recoupment.

The investment returns can be positive or negative.

Corporate Actions and Voting

The Investment Manager is responsible for making decisions on any corporate actions arising from investments beneficially held by you in your Managed Portfolio, and for direction of voting at shareholder meetings under the terms of the agreement with the Trustee and may vote on corporate actions.

Corporate actions include:

- participation in share buy-backs or takeover offers,
- rights issues, and
- options.

The Investment Manager, custodians and any specialist investment managers may receive reports, confirmations and other information relating to the investments of your Managed Portfolio from companies, brokers and other parties. A copy of these reports, confirmations and other information will not be provided to you.

Allocation and Redemption of Investments

The allocation (acquisition) and redemption of investments within the Managed Portfolios will be implemented by the Investment Administrator and may depend on unit pricing or other processing arrangements applicable to underlying investments. For example, investments in managed funds which are priced weekly may result in a delay in applications and redemptions until the next unit price is struck. For more detailed information about the unit pricing or other processing arrangements applicable to underlying investments, contact your Adviser or refer to the product disclosure document for the underlying investment available from your Financial Adviser.

Switches or withdrawal transactions will be processed after the redemption of the underlying investments and based on the realised earnings (less relevant fees, costs and taxes) as soon as possible after the date the Administrator receives the completed documentation.

The Trustee reserves the right to delay the payment of benefits (in respect of switches or withdrawal payments) until sufficient redemption monies are available. The Trustee will make reasonable endeavours to process payment requests within any timeframes stipulated under the law.

Labour Standards or Environmental, Social or Ethical Considerations

The Trustee does not have regard to labour standards or environmental, social or ethical considerations when investing in, retaining or realising investments.

When making investment decisions, the managers of the underlying investment choices may take into account labour standards or environmental, social or ethical considerations. When selecting the managers, neither the Trustee nor the Administrator considers whether the managers have such a policy. The product disclosure statements or documents (as applicable) of the underlying Managed Portfolios will outline the philosophy adopted by the investment manager.

Ongoing Management

By selecting a Managed Portfolio, you are instructing the Administrator to ensure that your Managed Portfolio is invested in accordance with the Investment Manager's investment recommendations. You authorise the Investment Manager to make investment decisions within the investment parameters of the particular investment option. This includes buying and selling securities and other investments and responding to corporate actions elections.

In the event that the Agreement between the Trustee and the Investment Manager is terminated, your instructions will be sought.

Selection of Investments

The Trustee may appoint Margaret Street Investment Consulting Services Pty Ltd ABN 84 631 775 481 ('MSIC') to provide investment consulting services to the Trustee in relation to Pivot Super and Pension.

MSIC has established an investment committee ('Investment Committee'), which comprises three members, with at least one member being independent of MSIC.

Available investments, including those that utilise professional investment managers may be reviewed by the Investment Committee. In reviewing investments, the Investment Committee considers criteria including, but not limited to:

- Liquidity of the investment;
- Asset allocation and diversification;
- Research recommendations;
- Standard risk measures;
- Compatibility with the administration platform; and
- Diversification of investments.

Investments reviewed by the Investment Committee may include investments issued by the Trustee or its related parties. The selection of investments is conducted on an arm's length basis and is not constrained by related party relationships. Further information on related party policy and arrangements is available on page 70 of this Member Guide.

If the Investment Committee is satisfied an investment meets its investment criteria, the investment may be included in the Investment Guide after Trustee approval.

The Investment Guide may be monitored by the Investment Committee on an ongoing basis and undergoes an annual review to determine if available investments should continue to be made available and open to investment. If the annual review determines that an investment no longer meets its investment criteria, the Investment Committee may recommend to the Trustee that it remove the investment from the Investment Guide.

If an investment is removed from the Investment Guide, the Administrator will not accept any new applications into that investment. Investors who hold a investment that is removed from the Investment Guide may maintain the investment until such time the Investor decides to liquidate their holding.

If a material change to the investment policy occurs, the Trustee will notify your nominated Financial Adviser.

Definitions

To help you understand some key descriptions and characteristics of the investment options available to you, it is important to understand what the various terms mean.

CPI	means a Consumer Price Index that measures changes in the price level of consumer goods and services purchased by households over time. The annual change in CPI is used as a measure of inflation.
Diversified fund	means an investment fund that contains a wide array of securities to reduce the amount of risk in the fund. Actively maintaining diversification prevents events that affect one sector from affecting an entire portfolio making large losses less likely.
Emerging Markets	are financial markets in countries with developing economies. The financial markets in these countries are immature compared to those of the world's major financial centres.
Externally Managed Investment Options	are managed funds.
Growth Assets	means those assets whose prices are determined by their value as assessed by market trading and may be based on factors such as ability to outperform inflation or capability of growth in earnings. Growth assets include Australian listed shares, International securities (hedged and unhedged), alternative assets (such as commodities, venture capital and infrastructure) and property securities.
Hedged	means an investment position intended to offset potential losses that may be incurred by a companion investment. It may be constructed from many types of financial instruments (e.g. insurance, futures contracts).
Income Assets	means those assets whose value is based on a steady stream of predictable income, with repayment of the capital invested after a specified period. The price of the asset is often determined by both income stream and the current level of interest rates. Income assets include term deposits, government bonds, corporate bonds, International fixed interest (hedged or unhedged) and other debt-based instruments.
Portfolio	is a notional portfolio of assets compiled from the types of investments available via Pivot Super and Pension and from the Approved List for each account you have in Pivot Super and Pension. The portfolio is constructed by you and your Financial Adviser.

For an explanation of other terms used in this Guide, contact your Financial Adviser.

Investment Manager

Investment Administration Services Pty Limited ('IAS') has been appointed as the Investment Manager to manage the Managed Portfolios. IAS is a wholly owned subsidiary of Xplore Wealth Limited ABN 34 128 316 441 (ASX: XPL). IAS has a manage the manager approach to investment management and has appointed P.A.C. Capital Pty Ltd as the Sub-Investment Manager to manage the Managed Portfolios for Pivot Super and Pension. P.A.C. Capital is a related entity of the Sub Promoter and Distributor of Pivot Super and Pension.

Illiquid investments

Generally, an investment will be considered illiquid if it cannot be converted to cash in less than 30 days. A investment may also be illiquid if converting it to cash within 30 days would have a significant adverse impact on the value of the investment.

You may invest in an illiquid investment or an investment may become illiquid after you invest. It may be illiquid, for example, because:

- the investment manager has imposed withdrawal restrictions on the investment, or
- the investment is subject to market liquidity constraints.

A term deposit may be considered illiquid by the Trustee if the 31-day notice period is provided and your request to transfer your benefit cannot be completed within 30 days.

Ordinarily the Trustee must transfer or rollover your benefits within 30 days of receiving all prescribed relevant information (including all information that is necessary to process your request). However, if you hold an investment option(s) with terms greater than 30 days that are (or become) illiquid or suspended, it may take longer than 30 days to transfer your full benefits.

It may take 30 days or longer from the time the Trustee receives all relevant information to finalise a withdrawal request involving illiquid or suspended investments.

Switching investments

You can switch investment options at any time by having your Financial Adviser issue instructions to the Administrator. You should consult your Financial Adviser to assist you with changing any investment options in your Account.

There will be no switching fee for switching investment options. However, transactional or operational costs may apply, associated with the purchase and/or disposal of investments or assets (for more information about fees and costs, see Section 7 of this Guide).

Instructions to switch between investment options received after 1:00pm Australian Eastern Standard Time will be actioned the following day.

Investment Disclaimer

Neither the Trustee, its service providers and/or any underlying investment managers or product issuers or any other company associated with the management or promotion of Pivot Super and Pension guarantees the capital or performance of any investments accessible from Pivot Super and Pension or your Portfolio.

Also, please note that:

- An account in Pivot Super and Pension is subject to investment and other risks. This could involve delays in repayment, loss of income or capital invested, and
- the Trustee may amend the terms and conditions of Pivot Super and Pension subject to its ability to do so under the governing rules and superannuation law.

Section 07

Fees and costs

This Guide shows fees and other costs that may be charged by the Trustee in relation to an account in Pivot Super and Pension. These fees and costs may be deducted from your account balance, from the returns on your investment or from the assets as a whole. The fees deducted from an accumulation account may be less because of the impact of any tax deductions that are passed on to relevant members (for more information about Taxation, see Section 8 of this Guide and for insurance costs see Section 9 of this Guide).

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

Fees and costs for investments are explained below in this Guide. All fees quoted are inclusive of GST. Any Reduced Input Tax Credits (RITC) derived by the Fund will be retained to partly fund the Operational Risk Financial Reserve ("ORFR" – see page 51 below) for the Aracon Superannuation Fund.

Pivot Super and Pension

Type of Fee*	Amount	How and when paid
Investment Fee	0.55% p.a. Each managed portfolio that you may invest in will charge an investment fee being a percentage per annum of the amount held in that managed portfolio. Please refer to the Investment Guide for the actual fee applicable for each managed portfolio.	The Investment Fee (also referred to as the Portfolio Management fee) is calculated daily on the balance in each managed portfolio and deducted from your account monthly in arrears. The Investment Fee (in total) will appear on your cash transactions report as Portfolio Management Fee.
Administration Fee	A tiered percentage fee based on the total balance of your account as detailed below: **All securities including Cash/Term Deposits Administration Fees** $0 to $500,000: 0.40% p.a. $500,001 to $1.5m: 0.19% p.a. Above $1.5m: Nil Admin Fee Cap $3,900 p.a.	The Administration Fee is calculated daily on your total account balance and deducted from your account monthly in arrears. The account balances of up to four linked members are combined for the purpose of applying the tier rate with the total calculated fee allocated to each member based on their account balance. The pension and accumulation account balances are combined for the purpose of applying the tiered rate with the total calculated fee allocated to each account based on their respective account balance.
	International Securities additional 0.105% p.a. for International Securities held	
	Cash Administration Fee of up to 0.80% of the balance in your Cash Account per annum**	The Cash Administration Fee is calculated and accrued daily and deducted monthly in arrears from the interest credited to your Cash Account. This fee is not deducted from your Cash Account.
	$225 Annual Member Fee Linked member pricing up to four immediate family members	The Annual Member Fee is a pro rata amount deducted from your account monthly in arrears.
Buy-Sell Spreads	Nil	Non applicable
Switching Fee	Nil	Non applicable
Adviser Fees	As agreed with your Financial Adviser. Please refer to page 50 for a list of adviser fees which may be paid by the Trustee on your direction.	Deducted and paid monthly from the assets of the fund.

<table>
<tr><th>Type of Fee*</th><th>Amount</th><th>How and when paid</th></tr>
<tr><td colspan="3">Other Fees and Costs*</td></tr>
<tr><td>Expense recoveries</td><td>Up to $84 p.a.</td><td>When an expense recovery amount arises, it is deducted from your account monthly in arrears.</td></tr>
<tr><td>Transaction Fee</td><td>
<table>
<tr><th rowspan="2">Asset type</th><th rowspan="2">Transaction Fee</th><th colspan="2">Minimum Fees</th></tr>
<tr><th>Managed Portfolios</th><th>Tailored Investments</th></tr>
<tr><td>ASX Listed Securities</td><td>0.11% of Transaction value with a minimum fee</td><td>$3.30</td><td>$22</td></tr>
<tr><td>Managed Funds</td><td>Per transaction</td><td>$5.50</td><td>$27.50</td></tr>
<tr><td>Listed International Securities</td><td>0.20% of transaction value with a minimum fee</td><td>$5.50</td><td>$35 plus cost recovery of up to $44 per exchange</td></tr>
<tr><td>Other (e.g. Fixed Income Securities)</td><td>0.11% of transaction value,subject to a minimum fee</td><td>$22</td><td>$35</td></tr>
</table>
</td><td>Deducted from your Account and paid to the Trustee at the time of the transaction when you make a purchase via your Account, or if you are selling then the fee is deducted from the proceeds of sale. Transaction Fees are not payable if an In Specie Transfer Fee applies. Note that other costs may apply in addition to this fee.</td></tr>
<tr><td>In Specie Transfer Fee
The amount you pay for transferring investments into or out of your Account</td><td>Transfer In $11
Transfer Out $33</td><td>If you request an In Specie transfer into or out of your Account, then this amount is deducted from your Account at the time of the transaction. Additional fees may apply for International Securities.</td></tr>
<tr><td>Indirect Cost Ratio</td><td>Between Nil and 2.5% depending on the underlying investment option</td><td>Taken into account in the managed fund's unit price (when unit prices are calculated) depending on the underlying investment option.</td></tr>
<tr><td>Managed Portfolio - Performance Fee</td><td>22% of outperformance of the relevant benchmark after fees.***</td><td>Deducted from your account quarterly in arrears (following the end of the quarter) where a performance fee is payable from your investment in a Managed Portfolio.</td></tr>
</table>

Important:

* Under superannuation laws, where a member's account is less than $6,000 at 30 June each year, a cap will apply to the aggregate amount of administration fees, investment fees and indirect costs applied of a maximum of 3%.

** The Trustee will receive a Cash Administration Fee of up to a maximum of 0.80%. The Trustee, at its discretion, may elect not to receive part or all of the Cash Administration Fee. As the fee is deducted before interest is allocated to each Cash Account and not deducted directly from your Cash Account, you will not see it on an itemised basis in reports available via Pivot Portal. Performance fees (where applicable) for Managed Portfolios are available in the Investment Guide.

*** Performance fees are subject to a Managed Portfolio outperforming a benchmark or a high-water mark. The formula ensures the Investment Manager is only rewarded for fresh outperformance. Any underperformance of the Managed Portfolio from the high-water mark is carried forward and the underperformance must be recouped before a performance fee can be charged for a subsequent outperformance

Other fees and costs may apply depending on how you invest, including the costs of any underlying investments (indirect costs) that are included in the Investment Option in which you invest, buy-sell spreads for underlying managed funds, activity fees, brokerage fees, adviser fees relating to adviser services provided to you and insurance premiums and service fees. For information about other fees and costs refer to 'Additional Explanation of Fees and Costs' on page 47 below. Any amount you agree with your Financial Adviser as an Adviser Fee is an additional cost in addition to the above fees and costs which should be disclosed to you in the Statement of Advice you receive from your Financial Adviser.

The total fees the Trustee is entitled to be paid, in respect of each Account, cannot exceed 1.5% p.a of the total account balance as at the end of each calendar month, this includes Performance Fees. A rebate of Trustee fees over the 1.5% fee cap will be paid into your Cash Account. The Trustee fees along with other fees and charges for each investment option are set out in Section 7 of the Member Guide. All fees quoted are inclusive of GST. Any Reduced Input Tax Credits ('RITC') derived in relation to these fees will be retained by the Administrator to partly fund the Operational Risk Financial Requirement ('ORFR') for Aracon Superannuation Fund. For more information on ORFR refer to page 51 below.

Defined fees

To help you understand some key descriptions and characteristics of the fees being charged, it is important to understand what the various terms mean.

Activity Fees	A fee is an **activity fee** if: a) the fee relates to costs incurred by the trustee of the superannuation entity that are directly related to an activity of the trustee: i. that is engaged in at the request, or with the consent, of a member; or ii. 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 adviser fee or an insurance fee.
Administration Fees	An **administration fee** is a fee that relates to the administration or operation of the superannuation entity 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 superannuation entity that the trustee has elected in writing will be treated as indirect costs and not fees, incurred by the trustee of the entity 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 adviser fee or an insurance fee.
Adviser Fees	A fee is an **adviser fee** if: a) the fee relates directly to costs incurred by the trustee of the superannuation entity because of the provision of financial product advice to a member by: i. a trustee of the entity; or ii. another person acting as an employee of, or under an arrangement with, the trustee of the entity; 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.
Annual Member Fee	**An Annual Member fee** is a fee that relates to the administration or operation of the superannuation entity 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 superannuation entity that the trustee has elected in writing will be treated as indirect costs and not fees, incurred by the trustee of the entity 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 adviser fee or an insurance fee.

Buy-Sell Spreads	A **buy-sell spread** is a fee to recover transaction costs incurred by the trustee of the superannuation entity in relation to the sale and purchase of assets of the entity.
Indirect Cost Ratio	The **indirect cost ratio (ICR)**, for a MySuper product or an investment option offered by a superannuation entity, is the ratio of the total of the indirect costs for the MySuper product or investment option, to the total average net assets of the superannuation entity attributed to the MySuper product or investment option. **Note:** A fee deducted from a member's account or paid out of the superannuation entity is not an indirect cost.
Insurance Fee	An **Insurance Fee** applies where: a) the fee relates directly to either or both of the following: i. insurance premiums paid by the trustee, or the trustees, of a superannuation entity in relation to a member or members of the entity; ii. costs incurred by the trustee, or the trustees, of a superannuation entity in relation to the provision of insurance for a member or members of the entity; 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 the premiums 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 adviser fee.
Investment Fees	An **investment fee** is a fee that relates to the investment of the assets of a superannuation entity 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: i. borrowing costs; and ii. indirect costs that are not paid out of the superannuation entity that the trustee has elected in writing will be treated as indirect costs and not fees, incurred by the trustee of the entity 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 adviser fee or an insurance fee.
Switching Fees	A **switching fee** for a superannuation product other than a MySuper product, is a fee to recover the costs of switching all or part of a member's interest in the superannuation entity from one investment option or product in the entity to another.

Each of the fee definitions set out in this section may be found at www.araconsuper.com.au.

Additional explanation of fees and costs

Investment Fee

The Investment Fee will appear on your cash transaction report as a Portfolio Management Fee.

The Investment Fee is calculated on the daily average balance invested in each Managed Portfolio and deducted from your account monthly in arrears.

Administration Fees

The administration fee (in total) will appear on your cash transaction report as an Administration Fee. The account balances of partners and other immediate family members can be combined for the purpose of applying the tier rate with the total calculated fee allocated to each member based on their account balance.

The pension and accumulation account balances are combined for the purpose of applying the tiered rate with the total calculated fee allocated to each account based on their respective account balance.

You can nominate up to four immediate family members, including your partner, with whom you can link your combined accounts to gain a discount. If eligible, the combined balance of the linked accounts is used to calculate the tiered fee with the total fee allocated to each account based on their respective account balance. If you have more than one account (e.g. a pension and accumulation account) you can also link these accounts for the purpose of fee calculation. We reserve the right to reject a request and may cancel the linking of investors at any time ("linked member pricing").

The Administration Fee is calculated on the daily average account balance and deducted from your account monthly in arrears.

The Trustee also charges members expense recoveries of up to $84 in respect of certain expenses. Government Charges and Statutory Levies, including the APRA annual levy, raised by any government or authority on the assets of Pivot Super and Pension, will be included in the expense recovery.

Buy-Sell Spreads

A buy-sell spread may apply and taken into account in the unit price of the underlying managed fund at the time of the buy or sell.

Performance Fees

Some Managed Portfolios are subject to a performance fee if the investment returns generated by your Managed Portfolio exceed a specific benchmark or certain specified criteria. Refer to the Investment Guide for the performance fees charged for the Managed Portfolios in Pivot Super and Pension. The amount of the performance fees that may apply in future is not known as this depends on the actual performance achieved by the investments and the methodology used to calculate performance fees.

Performance fees are subject to a Managed Portfolio outperforming a benchmark or a high-water mark. The formula ensures the Investment Manager is only rewarded for fresh outperformance. Any underperformance of the Managed Portfolio from the high-water mark is carried forward and the underperformance must be recouped before a performance fee can be charged for a subsequent outperformance.

Certain managed funds (including hedge funds) will charge performance-based fees when investment returns generated by the fund exceed a specific benchmark or certain specified criteria. The amount of the performance fees that may apply in future is not known as this depends on the actual performance achieved by the investments and the methodology used to calculate performance fees.

Adviser Fees

The following adviser fees may be paid by the Trustee on your direction.

Type of adviser fees	Amount	How and when paid
Establishment Fee (initial and ongoing contributions and rollovers)	There is no initial contribution fee. The Establishment Fee comprises of both the: 1. Financial Plan Fee – including the Statement of Advice (SOA) fee; and 2. Implementation Fee. Capped at $5,500 (inclusive of GST) in total.	Deducted from your Cash Account on processing of the application form and the invoice will be sent afterwards.
Ongoing Adviser Fee	You may agree with your Adviser to pay a fee for ongoing financial services provided to you in relation to Pivot Super and Pension within the parameters agreed by the Trustee. The fee may be a fixed dollar amount, a fixed tiered percentage or a fixed percentage of your total account as agreed with the Financial Adviser.	The ongoing adviser fee is calculated on your daily average account balance and deducted from your Cash Account monthly in arrears following the end of the month and is paid to your Financial Adviser. The fee will appear on your cash transaction report as an Adviser Fee.
Adviser Brokerage	For listed securities. Where permitted by law brokerage can be charged by your adviser when Tailored Investments are invested into ASX listed securities. The amount payable is as agreed between you and your adviser. Transaction fees. Transaction fees can be charged by your adviser when your Managed Portfolio or Tailored Investments are invested into ASX listed securities or other assets.	Brokerage is added to the purchase cost and deducted from the sales. proceeds of the investment at the time of settlement.

Your Adviser may receive commission from the insurer in respect of the issue of an individual insurance policy, which will vary depending on the policy. Your Adviser will provide you with information about this.

Other Fees

The following transaction fees/charges may apply in the management of your account.

Activity type	Transaction method	Fee amount	How and when paid
Benefit Calculation Fee	Lump Sum Benefit entitlement	A fee of $65 per calculation.	Any fee relating to benefit entitlement calculation will be deducted from your Cash Account at the time of the calculation.
Dishonour Fee	Non applicable	A fee of $55 may be charged for any dishonoured payment.	Any fee relating to dishonoured payments will be deducted from your Cash Account at or around the time the dishonour occurs.
Family Law Fees	Form 6 request	$110 per request.	Payable by the person requesting the Form 6 at the time of the request.
	Payment flag	$55 per flag.	Deducted from your Cash Account at the time of the request.
	Account splitting	$55 per split.	Deducted from your Cash Account at the time of the split.
	Procedural Fairness	Assessed each request and based on complexity of the matter.	Deducted from your Cash Account at the time of the request.
Insurance Service Fee	Establishing an insurance policy	5.5% of the insurance premium (capped at $275) annually for as long as the policy is maintained for a member.	This fee is deducted from your Cash Account once the policy is established and annually thereafter.

Changes to Fees and Costs

The Trustee may, without prior written notice to Members, increase any dollar-based fees (eg family law related fees and transaction costs) in line with movements in the Average Weekly Ordinary Time Earnings (AWOTE). If the movement in AWOTE is negative, the charge from the previous year shall remain unchanged.

Notification of any material increases in fees or costs shown in this Guide (other than government charges) will generally be provided to you at least 30 days in advance (where required under the law).

Any estimated fees may vary from time to time (depending on actual expenses incurred).

Note: that the Trustee reserves the right to change the amount of fees without Member consent.

Tax

Any tax deductions available to Pivot Super and Pension in respect of insurance premiums, fees and costs deducted directly from accounts are credited to accumulation accounts, where relevant. Pension accounts do not receive the benefit of any tax deduction, because they are not subject to tax. The benefit of any tax deductions relating to indirect fees and costs are credited to the provision held for expense recoveries and are used to offset expenses. The above fees and costs do not include the impact of tax deductions on accumulation accounts (for more information about other taxes applicable to superannuation see Section 8 of this Guide).

Operational Risk Financial Reserve (ORFR)

As part of the Stronger Super reforms, all superannuation funds are now required to establish and maintain an Operational Risk Financial Reserve (ORFR) to specifically cover potential losses arising from operational risks that may affect the Fund's operations. An operational risk is the risk of a loss resulting from inadequate or failed internal processes, people and systems, or from external events. The ORFR may be drawn upon to assist in compensating members or Pivot Super and Pension in the event of an operational risk occurring.

As outlined on page 41 of this document RITC will be retained to partly fund ORFR for Aracon Superannuation Fund.

The ORFR will be maintained in line with the Fund's ORFR Policy, however if there are insufficient funds to maintain the ORFR, additional funds may be allocated from the expense reserve or from additional one-off fee deductions from member's accounts or via Trustee capital.

Section 08

How Super is Taxed

This taxation summary does not have regard to your personal circumstances.

We recommend you seek appropriately qualified advice about how these rules impact you.

Further information, including information about Government changes that may occur from time to time, is available from www.ato.gov.au.

Tax on rollovers/transfers

Generally, amounts transferred from within the superannuation system are not subject to tax unless the amount contains an untaxed element. For example, amounts transferred from certain public-sector schemes may contain an untaxed element. The income tax liability on any untaxed element will be recognised on joining Pivot Super and Pension and deducted from your account when payable to the Australian Taxation Office.

For the tax treatment of other amounts transferred into Pivot Super and Pension (e.g. proceeds from the sale of a small business, permanent disability settlement amounts), we recommend you consult your Financial Adviser.

Tax on investment income

The investment income of complying superannuation funds is taxed at a maximum rate of 15% p.a., which is lower than the marginal tax rate of most individuals. This rate can be reduced by a fund through available tax deductions, capital gains tax related offsets and other tax offsets such as franked dividends. The investment income on the assets supporting an account-based pension are tax-free.

Income in a Transition to Retirement pension that is not in retirement phase is taxable at a maximum rate of 15%.

Tax on contributions

There are two types of contributions that can be made to Pivot Super and Pension:

- Non-concessional contributions. This includes personal after-tax contributions and are not taxed in your super fund; and
- Concessional contributions. This includes employer contributions, including salary sacrifice contributions, and any personal contributions for which a tax deduction is claimed. These contributions are subject to 15% contribution tax.

There are limits that apply to non-concessional and concessional contributions. Concessional contributions are generally taxed at a maximum rate of 15%. A higher rate of tax may apply if contributions in excess of the contribution limits are made, the Trustee does not hold your TFN or the concessional contributions are made in respect of an individual whose 'income' for this purpose exceeds $250,000. Income for this purpose includes taxable income and concessional superannuation contributions up to the concessional contributions limit. If your income is above $250,000, the additional tax (15%, in addition to the rate of 15% that ordinarily applies to a fund) will be levied on you personally by the ATO but can be sourced from a superannuation fund (i.e. similarly to tax on excess concessional contributions).

Concessional Contributions

- Subject to any rebate of contributions tax for low income earners and higher contributions tax for high income earners, the concessional tax rate of 15% ordinarily applies to concessional contributions (for example, employer contributions, deductible Member contributions) up to the concessional contributions limit applicable to a person for a financial year.
- The concessional contributions limit for 2019/2020 is $25,000 subject to indexation in line with Average Weekly Ordinary Time Earnings.
- From 1 July 2018, individuals with superannuation balances of less than $500,000 will be able to access their unused concessional contribution cap space to make additional concessional (before-tax) contributions. Individuals will be able to access their unused concessional contribution cap space on a rolling basis for a period of 5 years. Amounts carried forward that have not been used after 5 years will expire. Only unused amounts accrued from 1 July 2018 can be carried forward. Individuals will be able to use their accrued unused concessional contribution cap space to make catch-up concessional contributions from 1 July 2019.
- Contributions in excess of the applicable limit will ordinarily incur additional tax at the member's marginal tax rate (less a 15% tax offset) plus a charge payable personally by the individual Member. The Member may choose to release up to 85% of their excess concessional contributions which would be paid by us to the ATO after receiving a release authority. The contributions (if retained in the fund) will also count towards the amount of a Member's non-concessional contributions. Refer to the ATO's website or speak to your Adviser or your taxation adviser if you have excess concessional contributions, to determine what options are available to you.

The concessional contribution limits apply across all superannuation funds to which concessional contributions are made for an individual.

Non-Concessional Contributions

- From 1 July 2017 the annual non-concessional (post-tax) contributions cap is $100,000 and individuals with a balance of more than $1.6 million are no longer eligible to make non-concessional contributions. Individuals under age 65 will be eligible to bring forward 3 years of non-concessional contributions.
- This cap will be indexed so it is always four times the cap on concessional contributions.
- Contributions in excess of these limits will incur tax at the rate of 47% payable directly by the individual (this amount must be released from a superannuation fund upon presentation of a release authority issued by the ATO).
- Government Co-contributions, personal contributions made from certain proceeds from the disposal of qualifying small business assets (subject to a lifetime limit which varies from year to year) and personal contributions from proceeds from certain payments for personal injury resulting in permanent disablement (made within 90 days of receiving the payment) are not counted towards the non-concessional contributions limit. Spouse contributions count towards the receiving spouse's non-concessional contributions limit.

Note: Special rules apply to other amounts that may be paid into a superannuation fund. For example, a lifetime limit of $1.56 million (for the 2020/2021 year but subject to indexation in future years) is applicable to the proceeds from the disposal of qualifying small business assets. For the tax treatment of other amounts transferred into Pivot Super and Pension, we recommend you consult your Financial Adviser.

Contributions – tax deductions and offsets

In certain circumstances, you or your employer may be able to claim a tax deduction or offset on contributions that are made. The following is an outline of these circumstances:

- From 1 July 2017, most people under age 75 can claim can claim a tax deduction for personal contributions (including those aged 65 to 74 who meet the work test).
- Employer contributions (including salary sacrifice contributions) for a Member are generally tax deductible provided criteria in tax legislation is met, however the limit on concessional contributions will affect the amount of tax payable on such contributions. For more information, go to www.ato.gov.au.
- if you contribute on behalf of a low income or non-working spouse, you may be able to claim an 18% tax rebate for contributions up to $3,000. The $3,000 contribution limit reduces by $1 for each $1 that your spouse's assessable annual income (plus reportable fringe benefits and reportable employer superannuation contributions) exceeds $37,000. There is no offset available where your spouse's assessable income (plus reportable fringe benefits and reportable employer superannuation contributions) exceeds $40,000. For more information go to www.ato.gov.au.

Tax on lump sum payments to a member

Lump sum benefits paid from superannuation funds to a member (referred to as ordinary lump sum superannuation benefit) are taxed at concessional rates (different tax treatment applies to lump sum death benefits). How the tax is calculated depends on the components of the benefit and your age. It should be noted that taxation of benefit payments may be deferred by rolling the benefit into a complying superannuation fund, approved deposit fund or pension.

There will be no tax payable on most superannuation benefits if paid from a taxed source to a Member aged 60 or more (whether paid as a lump sum or pension). Different rules apply to untaxed sources (for example, certain untaxed sources commonly paid by public sector funds for the Commonwealth, State and Territory Departments and insured benefits, where the premium has been claimed as a tax deduction, would not be paid from a taxed source and may incur a higher rate of tax).

Tax is payable on superannuation benefits paid to Members aged under 60, based on the following components:

- **Tax-Free Component**
  This is made up of non-concessional contributions made from 1 July 2007 and other amounts transferred into Pivot Super and Pension which contain a tax-free component. No tax is payable on the tax-free component.
- **Taxable Component**
  This is made up of the total superannuation benefit, less any tax-free component. The taxable component will be taxed at 20% (plus applicable levies) if paid to a person under their Preservation Age or 15% (plus applicable levies) on any amount over a specified threshold which varies from year to year ($210,000 in the 2019/2020 financial year) if paid to a person from Preservation Age to age 59 (amounts under the threshold will be tax free). The threshold applicable from year to year can be found at www.ato.gov.au. Higher tax may apply if a Member's TFN is not held.

Special arrangements apply to benefits paid in the event of a terminal illness condition. These benefits are tax free provided criteria in tax legislation are met. Special arrangements also apply to lump sum death benefits (see below on page 59).

Tax on pension payments to a member

As for lump sum benefits, your pension is divided into two components, a taxable component and a tax-free component.

Each pension payment you receive from a pension interest in a superannuation fund will be proportionately split between the taxable and tax-free component of your benefit, based upon this proportion at the time you acquired the pension.

The taxation of pension payments will depend upon your age at the time you receive the pension payment.

When you are age 60 or over

If you are age 60 or over, no tax is payable in relation to the pension payments you receive. In addition, you do not need to include your pension income in your tax return, as your pension does not count towards your assessable income for tax purposes.

When you are under age 60

No tax is payable on the tax-free component, regardless of your age. If you have reached your Preservation Age or over (and are less than 60), the taxable component within each pension payment will be taxed at your marginal rate, plus the applicable levies, however, it will be subject to a 15% tax rebate at the time you lodge your tax return. The tax rebate is also available if you are permanently disabled (regardless of age).

If you are aged less than your relevant Preservation Age, the taxable component of each pension payment will be taxed at your marginal tax rate, plus the applicable levies. In this instance, however, no tax rebate is usually available.

The full amount of the pension payments received should be included in your tax return.

Tax on death benefits

Death benefits are generally paid to the deceased Member's dependents.
For taxation purposes, a dependent is defined to include a person who:

- Is the spouse of the deceased (including a qualifying defacto spouse of the same or opposite sex),
- Is a child under the age of 18 years of the deceased or their spouse,
- Has an 'interdependency relationship' with the deceased, or
- Is any other person who is financially dependent on the deceased at the date of death.

A lump sum benefit paid in the event of death to a dependent is tax-free. Lump sum payments to non-dependents will generally be taxed at up to 15% (plus applicable levies). However, payments made to non-dependents of Defence Force personnel, Australian Protective Service officers and federal or state or territory police killed in the line of duty will also be tax free.

Where a death benefit is received by the legal personal representative of a deceased estate, tax is determined according to who is intended to benefit from the estate.

If a dependent receives a death benefit as a pension, the tax paid depends upon the age of the deceased and the recipient as follows:

- where the deceased was age 60 or over at the time of death, the pension payments will be received by the dependent tax free. The pension payments do not need to be included in the recipient's tax return.
- where the deceased was under age 60 at the time of death, the pension payments will be taxed depending on the recipient's age. Once the recipient turns 60, the payments will become tax free. Under the age of 60, the pension payments will need to be included in the recipient's tax return and will be taxed at their marginal tax rate (less a 15% tax offset).

If a reversionary beneficiary decides to cease their income stream after the later of:

- 6 months of the death of a Member; or
- 3 months after the grant of probate of the deceased Member's estate;

the resulting lump sum will be taxed as an ordinary lump sum superannuation benefit (rather than as a death benefit lump sum).

Note: If a death benefit consists of an untaxed element, an additional amount of tax will apply. From 1 July 2017, Anti Detriment payments will no longer be allowed.

Departing Australia Superannuation Payments

If you enter Australia on a temporary visa you are entitled to receive your superannuation benefit once you leave Australia permanently. This type of payment is known as a Departing Australia Superannuation Payment (DASP).

Full information regarding DASP procedures and current taxation rates can be found at www.ato.gov.au.

Income protection benefits

Income protection insurance benefits are paid as taxable income and, like salary and wages, attract pay-as-you-go tax at your marginal tax rate. The tax is deducted and remitted to the ATO before the benefit is paid. Higher tax applies if Pivot Super and Pension does not hold your TFN.

First Home Super Saver Scheme

Subject to further eligibility criteria and rules, from 1 July 2017, individuals can make voluntary contributions into superannuation of up to $15,000 per year with a cap of $30,000 for the purpose of saving for the purchase of a first home.

If concessional, the contributions will be taxed at 15%. The contributions together with deemed earnings can be withdrawn for use as a deposit after 1 July 2018.

Contributions under this scheme are subject to the concessional and non-concessional contribution caps.

The withdrawal of concessional contributions and associated deemed earnings will be taxed at marginal tax rates less a 30% tax offset. Non-concessional withdrawals will not be taxed.

Home downsizing

Subject to further eligibility criteria and rules, from 1 July 2018 people aged 65 and older will be able to make a non-concessional contribution of up to $300,000 to superannuation after selling their principal place of residence providing it has been owned for more than 10 years. This is in addition to any other contributions they are eligible to make and regardless of their superannuation balance.

Both members of a couple will be eligible so that a couple will be able to contribute up to $600,000.

Individual Tax File Number (TFN) notification

Under the Superannuation Industry (Supervision) Act 1993 (SIS), the Trustee is authorised to collect your TFN, which will only be used for lawful purposes.

These purposes may change in the future as a result of legislative change. The Trustee may disclose your TFN to another superannuation provider, when your benefits are being transferred, unless you request the Trustee in writing that your TFN not be disclosed to any other superannuation provider.

It is not an offence not to quote your TFN. However, giving your TFN to the Trustee will have the following advantages (which may not otherwise apply):

- The Trustee will be able to accept all types of contributions to an accumulation account
- The tax on contributions to your accumulation account will not increase
- Other than the tax that may ordinarily apply, no additional tax will be deducted when you start drawing down your superannuation benefits, and
- It will make it much easier to trace different superannuation accounts in your name so that you receive all your superannuation benefits when you retire.

Note: Under Government legislation the Trustee is not permitted to accept member voluntary contributions if it does not hold the Member's TFN. The Trustee can accept concessional contributions, but they may be subject to a higher rate of tax. The Trustee has decided that provision of your TFN is a condition of membership of Pivot Super and Pension. We cannot compel you to provide your TFN, however without it you cannot join Pivot Super and Pension.

Section 09

Insurance in Your Super

Pivot Super and Pension includes the availability of insurance cover for Death, Total and Permanent Disablement (TPD) and/or Income Protection insurance benefits for members with an accumulation account. Insurance cover is only available via an individual insurance policy (owned by the Trustee, subject to Trustee approval). Insurance cover is only available on application to the relevant insurance company.

A condition of approval is that the retail insurer must enter into an agreement with the Trustee to enable it to meet its obligations. The policy definitions must meet the SIS regulated conditions of release and the Insurers must comply with the Trustee's service standards for delivery of insurance products.

Payment of any insured benefits obtained via this Plan is subject to the relevant policies, Pivot Super and Pension's Trust Deed and superannuation legislation.

Insurance through retail insurers

New Individual Insurance Policy Owned by the Trustee

You may apply for an external policy with a retail insurer, the ownership of which will be taken up by the Trustee so that the premiums can be paid through your accumulation account. This option is subject to Trustee approval of the application and is limited to the products of certain insurers approved by the Trustee.

To obtain insurance cover under an individual insurance policy, you must complete the Individual Insurance Policy selection form. Insurance cover under an individual insurance policy will commence only after the relevant insurer has accepted your application (which will be facilitated by your Adviser), the Trustee has accepted the policy in its name and insurance premiums are paid. A copy of the policy will be provided to you by your Adviser.

A service fee of 5.5% of the insurance premium (capped at $275.00) is payable to the Administrator in relation to the process for establishing the policy and annually for as long as the policy is maintained for a member. This fee is deducted from your Cash Account once the policy is established and annually thereafter. Your Adviser may receive commission from the insurer in respect of the issue of the individual insurance policy, which will vary depending on the policy. Your Adviser will provide you with information about this.

The Trustee must be satisfied that you have received and/or know where to obtain the product disclosure statement for an approved insurance product. However, bear in mind that there are differences between acquiring insurance under an individual insurance policy via Pivot Super and Pension and acquiring insurance under an individual insurance policy directly. These differences include:

- For insurance cover obtained via Pivot Super and Pension, the Trustee of Pivot Super and Pension is the owner of the individual insurance policy. For insurance cover under an individual insurance policy issued directly to you, you are the owner of the policy.
- Insurance cover obtained via Pivot Super and Pension is subject to rules in superannuation legislation that govern the type of insurance benefits that can be provided via a superannuation fund. These rules to not apply to individual insurance policies issued directly to you. The product disclosure statements for individual insurance policies available to you via Pivot Super and Pension may contain further information about insurance features that cannot form part of a policy issued through Pivot Super and Pension, otherwise speak to your Adviser for more information about this.
- Insurance cover obtained via Pivot Super and Pension is paid for from your accumulation account in Pivot Super and Pension. You cannot pay for the insurance cover directly. Hence why it is important to ensure your account in Pivot Super and Pension always has sufficient money to meet the cost of your insurance cover.
- Insurance premiums associated with death and TPD insurance cover obtained via Pivot Super and Pension may be eligible for tax deductions that are not accessible when you take out insurance cover under an individual insurance policy. Pivot Super and Pension, not you, can claim tax deductions for insurance premiums. To the extent that a member's insurance costs are tax deductible, the benefits of any tax deduction will be passed onto the member.
- When you apply for insurance cover under an individual insurance policy directly, a 'cooling off period' applies during which you can change your mind about acquiring the relevant policy. A 'cooling off period' does not apply when you obtain cover via Pivot Super and Pension under an individual insurance policy.
- If you have a complaint relating to your insurance cover under an individual insurance policy obtained via Pivot Super and Pension, it is dealt with through Pivot Super and Pension's complaint handling system (not the insurer's complaints handling mechanism).

For more information about the differences, speak to your Financial Adviser.

Payment of benefits by the Trustee

In the event that a Death or TPD benefit becomes payable, the amount of your insured benefit is payable in addition to any other accrued entitlements you have in Pivot Super and Pension. The Insurer pays the insured benefit to the Trustee. The insured benefit will be paid to you by the Trustee if you satisfy a condition of release (see Section 2 of this Guide for details).

When deciding on the payment of the Death benefits, the Trustee will or may take into consideration any nomination of beneficiaries made in writing by you (for more information about nominating a beneficiary and payment of benefits on death, see Section 4 of this Guide).

In relation to a TPD benefit, if the Trustee is of the opinion that you are incapable of managing your financial affairs, the benefit may be paid to your legal personal representative.

Insurance premium details

The Administrator deducts insurance premiums annually in advance from your accumulation account for payment to the Insurer.

Important notes about Insurance

If a claim for benefits is admitted by the Trustee, the benefit payment will be made in accordance with the Trust Deed and relevant superannuation laws.

The Trustee, despite being the owner of the Policy, does not guarantee the payment of an insured benefit or the performance of the Insurer.

Insurance will not be provided to a member's account if it is inactive for a continuous period of 16 months and the member does not opt-in to insurance.

An inactive account for superannuation purposes is one where no contribution has been received from any source for a continuous period of 16 months.

Section 10

Opening an Account

To open an account, your Financial Adviser will complete the Application Form on your behalf. The Administrator will need to confirm your identity before we process your application. You and your Financial Adviser will need to sign a copy of the Application Form and send it to us along with original signed copies of identification documents, tax file number declaration and details of your initial contribution or rollover from another fund.

Pivot Super and Pension accepts the following types of contributions:

- Superannuation Guarantee contributions
- Salary sacrifice
- Voluntary employer contributions
- Personal contributions
- Spouse Contributions

Other types of employer contributions mainly include self-employed, employer productivity, award based or other industrial agreement contributions made by the employer for the benefit of an employee.

Cooling-off Period

If you apply to open an account in Pivot Super and Pension (accumulation or pension) by completing the relevant application form accompanying the PDS, you have 14 days (from the earlier of the date that we confirm the transaction by which you acquire an account, and 5 days after the account is issued to you) to ensure that the product meets your needs. This is known as the cooling off period. If a request is made to the Administrator within this time, you may cancel your account.

You cannot exercise your cooling off rights if you have exercised any other rights or powers you have in respect of your new account in Pivot Super and Pension.

If you decide to cancel your account, any refunds are subject to preservation rules and payment standards (including commutation restrictions applicable to Term Allocated Pensions) in relevant legislation.

The amount transferred will be adjusted for any increases or decreases in the value of the investments you may have selected as well as any tax payable on any increase or any reasonable administration and taxation expenses. The transferred benefit will retain the same preservation status.

Section 11

Other Information

The role of your Financial Adviser

You can only invest in Pivot Super and Pension through a Financial Adviser ('Adviser'). Your Adviser is integral to the operation and maintenance of any account and investments you hold in Pivot Super and Pension. Your Adviser will help you understand your financial position; identify your goals and financial issues; and help you choose the investment that best suit you and your circumstances. You Adviser can also help you understand and implement your chosen insurance options including individual insurance. When you retire or transition to retirement, your Adviser can assist you to determine which pension and retirement strategy may suit your circumstances. Pensions, in particular, Term Allocated Pensions, are complex and should be considered in light of all your personal circumstances having regard to any tax and social security considerations applicable to you.

When you invest in Pivot Super and Pension, you agree to appoint your Adviser as your agent for the purposes of operating your account and providing instructions in relation to your account to the Trustee (or service providers appointed by the Trustee).

You further authorise your Adviser to have access to your account details and to transact on your account. This means that the Trustee and its service providers can accept and act on such instructions given by your Adviser without requiring your signature, additional proof, instructions or further confirmation from you. The Trustee is entitled to rely on the instructions of your Adviser as if they were your instructions, unless there is reason to believe that the person providing the instructions is not your Adviser.

The Trustee will continue to act upon any instructions from your Adviser until it receives written cancellation of the appointment from you. In the event you cancel the appointment of your Adviser and do not appoint another Adviser acceptable to the Trustee, you may be asked to transfer your benefit to another complying superannuation fund. If you fail to comply with that request within 30 days of it being dated, the Trustee may transfer you to an Eligible Rollover Fund. You will be notified prior to your account being transferred to any Eligible Rollover Fund nominated by the Trustee.

You and your Adviser release, discharge and indemnify the Trustee and all of the Trustee's successors and assigns from and against all losses, actions, liabilities, claims, demands and proceedings arising from your appointment of an Adviser and all acts, matters and things done or purported to be done by an Adviser even if not actually authorised by you and neither you or any person claiming through you will have any claim or right against the Trustee or any of the Trustee's successors and assigns in relation to any act, matter or thing done or purported to be done by your Adviser or any person purporting to be your Adviser provided that the Trustee or its service providers have no reasonable reason to believe that the person purporting to be your Adviser is not your Adviser.

Transactions provided to us through your Adviser

The transactions for which this authority applies are:

- Investment of the initial contribution or investment amount into an account;
- Switching between investment options in Pivot Super and Pension;
- Changing a regular contribution amount;
- Starting or stopping a regular contribution amount;
- Changing a regular withdrawal amount (where withdrawal is permissible under superannuation legislation);
- Starting or stopping a regular withdrawal amount (where withdrawal is permissible under superannuation legislation);
- Updating changes in member personal details including change of address and bank accounts; and
- Arranging insurance under an individual insurance policy (subject to Trustee approval).

Refer to the application forms accompanying the PDS for further information about the terms and conditions applicable to your appointment of an Adviser.

Managing your Account

Any instructions for your Pivot Super and Pension account must usually be in writing.

Electronic Instructions – Email

For your convenience, you may use email to provide instructions for your account.

There are a number of forms to enable you to provide the Administrator with various instructions relating to your investments and membership in Pivot Super and Pension. In some cases, these instructions must be provided using a designated form or in some other written form. Some instructions may also be accepted over the telephone. The following terms and conditions apply to the receipt of instructions.

Use of Telephone or other Electronic Communication

The Trustee and relevant service providers have procedures in place to reduce the risk of fraud but cannot guarantee that someone trying to impersonate you will not contact us about your account and change your personal details or make a withdrawal. The Trustee may dispute liability for any losses which happen because it has acted on phone, fax or other written instructions (including email instructions) that you have not authorised but which appear to have been authorised by you. In sending any electronic instruction, you release the Trustee and the relevant service providers from, and indemnify them against, all losses and liabilities arising as a result of processing an instruction that includes your Member Account number and a signature that is apparently your signature.

Information Received by Phone or other Electronic Means

If the details that the Trustee or its service providers receives, over the phone or by other electronic means (including via email) do not match the details that it has previously received, then it may not proceed with the request. The Trustee or service provider will not process a request if the instructions it receives are incomplete or appear to contain errors. This is to ensure that the transaction it performs is exactly what you were requesting. Apart from these terms and conditions, the Trustee and service providers may have other requirements for receiving information from you from time to time. You will be notified if this affects you or your request.

Reporting

You can access consolidated portfolio reporting for your Account via the Pivot Portal once your Account has been opened. We will only accept Applications from members who agree to receive their reports electronically.

Reporting Online

The Pivot Portal provides you with access to your Account details that you can review at any time. The Cash Account balance, the current aggregated value of your Account and the value of the underlying investment positions will be updated daily and will be effective close of business the previous day.

Please note that all information relating to positions may at times, be subject to delay. All assets in your Account are held in the name of the custodian (or custodians) we appoint. Each member's Cash Account, assets and liabilities are reported separately.

Account Information

You can view your Account, its value and composition via the Pivot Portal. Each Investor's Account is accounted for separately.

The following information about your Account is available through your secure the Pivot Portal login:

- your Account details including a list of the investments you have asked us to hold for the benefit of your Account;
- the performance of your Account over varying periods;
- valuations of your Account updated daily;
- a list of your Cash Account transactions;
- status of orders submitted on your Account;
- any investment purchases and sales made on your behalf;
- details of taxes deducted from your Account;
- details of distributions and dividends paid;
- any brokerage charged to your Account;
- contributions and withdrawals; and
- any fees including transaction fees, costs and other charges deducted from your Account, which include the costs of investing the in Pivot Super and Pension and the costs of the investments you select.

The cash balance, the current aggregated value of your Account and the value of the underlying investment positions will be updated on a daily basis as at the close of the previous Business Day.

Members should note that when the Administrator is buying and selling assets for your Account, you will not be able to see the exact composition of your Account until these transactions have been settled. There may be times when there is an extended delay at the Trustee's or the Investment Managers' discretion.

Confirming Transactions

Depending on the type of security being transacted there may be no specific transaction confirmations other than as provided through the Pivot Portal.

All communications from the Administrator and Trustee are electronic and/or via the Pivot Portal. If you cannot access the Pivot Portal, temporarily or on an ongoing basis, then please contact the member support service centre.

Annual Statement

Members will be able to access an annual statement detailing all balances, investment returns and transactions that relate to their account up to 30 June in each financial year.

Your statement will only be available via the Pivot Portal, normally in early October for the previous financial year (i.e., in electronic form). All correspondence relating to Pivot Super and Pension is electronic except in limited circumstances.

Audit Report

Each year, we will obtain an independent auditor's report on the accounting systems and controls applied to Pivot Super and Pension. A copy of this report is available via the Pivot Super and Pension portal within three months of the financial year-end.

Related Parties

The Trustee has a policy for managing conflicts of interest and related party transactions. All transactions entered into by the Trustee in relation to Pivot Super and Pension with related parties are generally conducted at arm's length, meaning that they are entered into on comparable terms to arrangements that would be made with unrelated third parties.

The Trustee has appointed a related party Administrator, to provide administrative services in respect of Pivot Super and Pension. The agreement appointing the Administrator has a notice period of six months unless a termination event occurs.

The Administrator has entered into contracts with third party providers of financial services and products to facilitate and perform certain requirements of Pivot Super and Pension. The Administrator will receive a fee for those administrative services from third parties. This is not an additional cost to Pivot Super and Pension or to members.

The Trustee may appoint Margaret Street Investment Consulting Services Pty Ltd ABN 84 631 775 481 ('MSIC') to provide investment consulting services to the Trustee in relation to Pivot Super and Pension.

The Trustee, Promoter, Investment Administrator, Investment Manager, MSIC and Administrator are all subsidiary companies of Xplore Wealth Limited (ASX: XPL) ABN 34 128 316 441.

Privacy

In this section, 'we' means Aracon Superannuation Pty Ltd ABN 13 133 547 396 ('the Trustee') and DIY Master Pty Ltd ABN 41 123 035 245 ('the Administrator').

Why do we collect your personal information?

We collect your personal information for the following reasons, to:

- Administer products and services and manage our relationship with you, including to establish and maintain member records, and provide regular statements, reports and communications;
- Provide products and services to you;
- Process transactions, applications, claims, requests and queries in relation to our products and services;
- Identify you in accordance with the Anti-Money Laundering & Counter Terrorism Financing Act and to protect against fraud;
- Let you know about other products or services that we may offer or that Pivot Super and Pension's promoter may offer; and
- Comply with applicable laws and regulations.

If we do not collect your personal information, we may not be able to process your applications, provide you with services relating to Pivot Super and Pension or administer your interest in Pivot Super and Pension.

Who do we disclose your personal information to?

We may disclose your personal information to third parties including:

- Outsourced service providers including an administrator, promoter, sub-promoter or distributor of Pivot Super and Pension;
- Mail houses and printing companies;
- Specialist service providers, such as actuaries, auditors and lawyers;
- Custodians and brokers;
- Insurance providers;
- Your Financial Adviser, your attorney appointed under a power of attorney, or your appointed representative;
- Other consultants; and
- Government authorities as required or desirable in administering and conducting the business of Pivot Super and Pension, including in complying with relevant regulatory or legal requirements. It is possible that this may also include a Government authority that is overseas.

Personal information will only be disclosed to third parties other than those listed above if you have consented, if you would reasonably expect us to disclose information of that kind to those third parties, if we are authorised or required to do so by law or it is necessary to assist with law enforcement.

Are we likely to disclose your personal information to a recipient who is overseas?

In some circumstances, your personal information may be disclosed to our service providers or other third parties in jurisdictions overseas including the United Kingdom.

Privacy Policies

The Privacy Policies of the Trustee and the Administrator set out how you can access and correct information we hold about you, how you can complain about a breach of your privacy rights and how your complaint will be handled. The Trustee's privacy policy can be found at www.araconsuper.com.au. The Administrator's privacy policy can be found a www.diymaster.com.au.

If you have any queries or complaints about your privacy, please contact:

- Privacy Officer, Aracon Superannuation Pty Ltd, PO Box 482 Collins Street West VIC 8007.
  Email: info@araconsuper.com.au
- Privacy Officer, DIY Master Pty Ltd, PO Box 7540 GCMC QLD 9726
  Email: privacy@diymaster.com.au

Complaints resolution

The Trustee has an established procedure for dealing with inquiries and complaints. Under these arrangements, you may enquire or complain about the operation or management of Pivot Super and Pension as it relates to you and have your enquiry or complaint dealt with within 90 days of receipt.

If you have a complaint relating to this product, contact the Complaints Officer:

DIY Master Pty Ltd

Address:	PO Box 7540 GCMC QLD 9726
Telephone:	07 5555 5656
Email:	info@diymaster.com.au

We aim to resolve all complaints quickly and fairly. If you are not satisfied with the response from us or have not received a response within 90 days, you may refer your complaint to the Australian Financial Complaints Authority (AFCA), an independent government body. Strict time limits apply for lodging certain complaints with the AFCA; otherwise the AFCA will not be able to deal with your complaint.

You can contact AFCA at the following:

Australian Financial Complaints Authority

Address:	GPO Box 3 Melbourne VIC 3001
Telephone:	1800 931 678
Email:	info@afca.org.au
Internet:	www.afca.org.au

Declarations

By completing the Application Form:

1. You confirm that you have received and read the PDS, and the Investment Guide, as well as any updates and supplementary disclosure.
2. You agree to be bound in accordance with the provisions of the Constitution, where applicable.
3. You accept that it is your responsibility to check the Trustee's website at www.araconsuper.com.au for any electronic communications, updates or supplementary disclosure, and the Investment Guide, before making any investment or further investment to ensure you have the most up to date disclosure.
4. As an Investor in Pivot Super and Pension you are deemed to authorise investments to be made on your behalf in accordance with the most recent and valid Investment Instruction(s) that you or your nominated Financial Adviser provides. Under this authority, the Administrator will invest your contributions by buying or selling investments according to your Account instructions.
5. You agree that the Administrator can accept instructions to change the investments within your Account from you or your Financial Adviser.
6. If you instruct the Administrator to invest in Managed Portfolios, then it will act on the instructions of the Investment Manager of the Managed Portfolios without further reference to you.
7. You agree to indemnify and release Aracon, the Promoter and the Administrator from all claims and liabilities arising from any action taken because of instructions from you or from your Financial Adviser on your behalf and that this indemnity and release will continue after you cease to be an Investor of Pivot Super and Pension.
8. To allow adequate processing time and to meet deadlines set by Aracon, you agree your Cash Account may be debited in advance of the due date required by the underlying investment. No interest will be payable by Aracon for Pivot Super and Pension debited during this time period.
9. By becoming an Investor, you acknowledge and agree that corporate actions will be determined by the Trustee.
10. You consent to all communications, reports and updates to disclosure documents for underlying investments being provided to you and/or your Financial Adviser in electronic form (including via the Pivot Portal). You agree that you and/or your Financial Adviser will access electronic communications from Aracon by regularly accessing them via the Pivot Portal and email. You agree that any communication given to you electronically via the Pivot Portal will be taken to be delivery of that communication to you by us.
11. You agree to provide a daytime contact number and email address as part of your completed Application Form and provide the Administrator with updated details if and when they change.
12. The Pivot Portal will be the facility through which transactions are confirmed to you (i.e. a facility for the purposes of section 1017F(5) of the Corporations Act); you acknowledge that it will be updated on a continuous basis to show the date and details of each transaction made to your Account, including the amount paid for the securities and any associated fees, costs and charges that have been deducted from your Account.
13. When your Account is activated you will be provided with access to the Pivot Portal via a password and user ID. You agree that neither Aracon nor the Administrator is liable for any loss incurred by you if your password is used by someone without your authority, except to the extent that such liability is attributable to our own negligence.
14. When accessing your Account details on the Pivot Portal by entering your password, you discharge, release and agree to indemnify us from and against all proceedings, actions, liabilities and claims arising out of the use of your password.
15. You authorise Aracon to act upon the instructions of your Financial Adviser in relation to your Account, including transmitting your requests relating to your Account and making changes to your Account details or selecting and switching investments option(s), including Managed Portfolios and Tailored Investments. Changes to your Account that can be made by your Financial Adviser alone exclude some personal details, Australian financial institution accounts, adviser fees and beneficiary nominations.

16. You authorise all correspondence to be provided primarily to your Financial Adviser about your Account. You agree that any communication or correspondence given to your Financial Adviser will be taken to be delivery of that communication to you by us.
17. You confirm that the Administrator can provide to your Financial Adviser, and employees and authorised representatives of the dealer group information about your Account, including information regarding the assets that make up your Account, transactions, fees and costs and your personal details.
18. You direct Aracon to effect the payment of the adviser fees as set out in the Application Form (including as varied by you and your Financial Adviser) to the AFS licensee named as per the authority and you warrant to Aracon and Administrator that the payment relates to services only within superannuation provided to you by the Financial Adviser in relation to your interest in Pivot Super and Pension.
19. You agree that any payment made, requested or received by your Financial Adviser shall constitute a release of Aracon's obligations and neither you nor any person making a claim on your behalf will have any cause of action against the Aracon or the Administrator.
20. You release Aracon from any liability for direct or consequential loss, damage or injury arising from your appointment of a representative.
21. You acknowledge that any transfer request relating to illiquid assets will only be made in accordance with the withdrawal or redemption restrictions relating to the illiquid assets, as disclosed in any Disclosure Document pertaining to these investments provided to you by your Financial Adviser.
22. You acknowledge that any customisation of your holdings may alter the investment performance of your Managed Portfolios compared to that of your chosen Managed Portfolio and that the Investment Managers will make no allowance for your investment preferences when they make investment decisions or report on Managed Portfolio performance.
23. You accept the risks of investing through Pivot Super and Pension and the risk relevant to your selected investment options and neither the Administrator, the Trustee, or the Promoter guarantee performance or return of capital.

Corporate Directory

Trustee

Aracon Superannuation Pty Ltd

ABN:	13 133 547 396
RSEL:	L0003384
AFSL:	507184
Address:	PO Box 482 Collins Street West VIC 8007
Telephone:	1300 669 891 (toll free)
Email:	info@araconsuper.com.au

Administrator

DIY Master Pty Ltd

ABN:	41 123 035 245
AFSL:	312431
Address:	PO Box 7540 GCMC QLD 9726
Telephone:	07 5555 5656
Email:	info@diymaster.com.au

Promoter

Margaret Street Promoter Services Pty Ltd

ABN:	23 153 446 210
AFSL:	420274
Address:	PO Box 482 Collins Street West VIC 8007
Telephone:	1300 669 891 (toll free)
Email:	support@xplorewealth.com.au

Investment Administrator

Margaret Street Administration Services Pty Ltd

ABN:	63 163 681 678
Address:	PO Box 482 Collins Street West VIC 8007
Telephone:	1300 669 891 (toll free)
Email:	support@xplorewealth.com.au

Sub Promoter & Distributor

PWM Financial Services Pty Ltd

ABN:	87 080 344 850
AFSL:	226143

Sub Investment Manager

P.A.C. Capital Pty Ltd

ABN:	25 627 341 217
AFS Representative:	001266321