

—PIVOT—

WEALTH MANAGEMENT

18 JUNE 2020

Pivot Super & Pension

PRODUCT DISCLOSURE STATEMENT

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

Important information

About this PDS

This Product Disclosure Statement ("PDS") for Pivot Super and Pension ("Pivot Super and Pension") is dated 18 June 2020 and is issued by Aracon Superannuation Pty Ltd ABN 13 133 547 396, AFSL 507184, RSE L0003384 ("Trustee", "Aracon", "we", "our" or "us"), the Trustee of the Aracon Superannuation Fund ABN 40 586 548 205 ("the Fund"). Pivot Super and Pension is a division of Xplore Super and Pension which is a Sub-Plan of the Fund.

The Fund is a complying public offer superannuation fund and registered with APRA as a Registerable Superannuation Entity under the Superannuation Industry (Supervision) Act 1993 ("SIS Act"). The Fund was established by a trust deed dated 24 December 2004 and amended by supplementary deeds dated 20 December 2018, 29 May 2019 and 20 December 2019 (Trust Deed) and provides superannuation products (including accumulation and pension products) to enable you to build your superannuation savings in a tax effective way.

This PDS is a summary of significant information and contains a number of references to important information – including the Member Guide – which form part of the PDS;

- You should consider both the information in this PDS and the other important information that forms part of this PDS before making a decision about the product;
- This PDS, Member Guide and Investment Guide can be obtained from www.paccapital.com.au;
- Information in this PDS (including incorporated information) is subject to change from time to time and may (in the case of information that is not materially adverse) be updated via the website;
- The information provided in this PDS is general information only and does not take into account your personal financial situation or needs; and
- You should obtain financial advice tailored to your personal circumstances.

About the Trustee

Aracon Superannuation Pty Ltd ("Trustee", "Aracon") is the Trustee of Pivot Super and Pension and the issuer of this PDS. The Trustee of the Fund is a wholly owned subsidiary of Xplore Wealth Limited ABN 34 128 316 441 (ASX: XPL) ("Xplore Wealth"), an ASX Listed financial services company. The Trustee is responsible for ensuring that Pivot Super and Pension is managed in accordance with the Trust Deed and the provisions of the SIS Act. The Trustee is required to disclose certain Trustee information and documentation on its website, please go to www.araconsuper.com.au.

The information and documentation includes, but is not limited to, the following:

- The remuneration received by the Trustee's executive officers, the Trust Deed, the Product Disclosure Statement, the most recent Annual Report and the names of each material outsourced service provider for Pivot Super and Pension.

About the Sub Investment Manager

P.A.C. Capital Pty Ltd ABN 25 627 341 217 ("PAC") has been appointed by the Trustee as the Sub Investment Manager to manage the investment options for Pivot Super and Pension. PAC is a Corporate Authorised Representative of PWM Financial Services Pty Ltd ABN 87 080 344 850 AFSL 226143. PAC is a privately owned organisation that positions itself as a wealth company providing its clients with more control, transparency and simplicity in their investments.

Contents

Section 01	About Pivot Super and Pension	1
Section 02	How Super Works	2
Section 03	Benefits of investing with Pivot Super and Pension	4
Section 04	Risks of Super	5
Section 05	How We Invest Your Money	6
Section 06	Fees and Costs	9
Section 07	How Super is Taxed	15
Section 08	Insurance in Your Super	17
Section 09	How to Open an Account	19

Section 01

About Pivot Super and Pension

Pivot Super and Pension is a public offer superannuation fund which is accessible only through your Financial Adviser. Pivot Super and Pension allows you to hold a 'wrap-style account' for consolidated reporting and administration of the investment options you choose from the Investment Guide. Pivot Super and Pension allows you to pursue your own investment strategy for your superannuation and pension benefits (with the assistance of your Financial Adviser), from the accumulation phase all the way through to retirement.

Pivot Super and Pension offers both personal superannuation and pension plans, to support members to seamlessly transition from working life to full retirement. The four superannuation options offered by Pivot Super and Pension are Personal Superannuation Account (Accumulation), Account Based Pension, Transition to Retirement Pension and Term Allocated Pension (rollovers only).

The following organisations are engaged to manage certain aspects of Pivot Super and Pension's operations.

Sub Promoter & Distributor	PWM Financial Services Pty Ltd, ABN 87 080 344 850
Promoter	Margaret Street Promoter Services Pty Ltd, ABN 23 153 446 210
Administrator	DIY Master Pty Ltd, ABN 41 123 035 245
Investment Administrator	Margaret Street Administration Services Pty Ltd, ABN 63 163 681 678
Investment Manager	Investment Administration Services Pty Ltd, ABN 86 109 199 108
Sub Investment Manager	P.A.C. Capital Pty Ltd, ABN 25 627 341 217

The Trustee, Promoter, Investment Manager, Investment Administrator and Administrator are all subsidiary companies of Xplore Wealth.

The following information can be found on the Trustee's website www.araconsuper.com.au:

- Trustee and executive remuneration; and
- All other documents or matters which we are required by the SIS Act to disclose on the Fund's website.

Note: Pivot Super and Pension is **NOT** a MySuper registered product.

Members must appoint a Financial Adviser to assist them in their participation in Pivot Super and Pension, based on the Member's personal circumstances, risk profile, objectives or needs. The role of the Financial Adviser is described in more detail below.

Section 02

How Super Works

Superannuation is a means of saving for retirement which is, in part, compulsory. Most Australian employers are required by Government legislation to contribute 9.5% of an employee's ordinary time earnings to a superannuation fund. These compulsory contributions are referred to as Superannuation Guarantee (SG) contributions. The SG contribution rate is planned to increase gradually to 12% by 1 July 2025. You can also make personal contributions towards superannuation.

There are different types of contributions that may be made by or on behalf of a person in addition to any SG contributions including additional employer contributions (for example, salary sacrifice contributions), personal voluntary member contributions, spouse contributions and government co-contributions. There are limitations on the contributions to, and withdrawals from, superannuation. These limitations apply to all superannuation funds (for more information refer to the Pivot Super and Pension Member Guide which forms part of this document).

Superannuation receives concessional tax treatment, that is, tax savings are provided by the Government (refer to Section 7 of this PDS for more information).

As most people have a right to choose into which superannuation fund their employer should direct their SG contributions (called "Choice of Fund"), it's important you take an interest in your superannuation. Contact your employer to check whether you can make a Choice of Fund. If Choice of Fund is available, you can nominate Pivot Super and Pension as your chosen fund. Further information about Choice of Fund is available from www.ato.gov.au.

Note: Your employer cannot nominate the Aracon Superannuation Fund as its default fund for employees who do not make a Choice of Fund, as Pivot Super and Pension does not offer a 'MySuper' product.

You can access your superannuation savings once you retire on or after reaching your preservation age or in other circumstances permitted by law (for example, death, permanent incapacity and financial hardship), called "conditions of release". You can choose to take your superannuation benefit as a lump sum or as a pension. The conditions of release for temporary residents vary from those applicable to Australian citizens, New Zealand citizens or permanent residents of Australia.

There are certain circumstances in which superannuation benefits must be transferred by the Trustee to the Australian Taxation Office (for example, small or unidentifiable lost accounts, unclaimed benefits on or after age 65 and unclaimed benefits of former temporary residents).

General information about superannuation is available from www.moneysmart.gov.au.

You should read the important information about how superannuation works before making a decision. Refer to Section 2 of the Member Guide which is available at www.paccapital.com.au or on request of the Financial Adviser. The information relating to how superannuation works may change between the time when you read this PDS and the day when you acquire this product.

Section 03

Benefits of investing with Pivot Super and Pension

Pivot Super and Pension provides convenient and transparent superannuation administration with the ability for you and your Financial Adviser to control and construct an investment strategy in line with your individual retirement objectives.

Members of Pivot Super and Pension can have an accumulation account, which means any contributions made to the account accumulate over time with any investment earnings (which may be positive or negative) after taking into account any fees, costs or other charges (e.g. insurance premiums or taxes). Members of Pivot Super and Pension can also have a pension account. Pivot Super and Pension offers three types of pensions; an Account Based Pension, a Transition to Retirement Pension or a Term allocated Pension (rollovers only). Further details of the pension options are set out in Section 3 of the Member Guide.

Pivot Super and Pension offers members who have an accumulation account access to insurance cover established under an approved individual insurance policy (refer to Section 8 of this PDS for more information).

In consultation with your Financial Adviser, you can choose to invest in a wide range of investment options for any account you have in Pivot Super and Pension (refer to Section 6 of the Member Guide for more details).

Other significant features and benefits of Pivot Super and Pension are:

- Contribution splitting with your spouse is available;
- Your partner and immediate family members can reduce the overall cost of the Administration Fee through linked member pricing;
- There are no establishment, contribution or exit fees;
- Binding death benefit nominations are available;
- We protect the privacy of personal information in accordance with our privacy policy;
- Access to a comprehensive investment platform that delivers tailored investment solutions and flexible reporting, all providing an individualised member experience;
- Ability to choose from a diverse range of investments to suit your personal circumstances and risk profile including:
 - Professionally managed model portfolios.
 - Tailored Investments available to achieve a unique, personalised portfolio tailored to your individual objectives.
- Transparency of investments and fees and costs associated with your account;
- Access to your member account information at any time via the Pivot Portal. Your secure login allows you view your account details, monitor your investment performance, and access a wide range of consolidated reports;
- Choice of insurance including: ability to hold death, total and permanent disability and income protection.

The Role of your Financial Adviser

Your Financial Adviser is integral to the operation and maintenance of your account(s) and can assist you to understand your financial position and choose investment options that best suit you. Your Financial Adviser also manages the establishment and maintenance of any individual insurance cover. If you cancel the appointment of your Financial Adviser and do not appoint another Financial Adviser who is 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, the Trustee may transfer your account to an Eligible Rollover Fund. You will be notified prior to your account being transferred to any Eligible Rollover Fund nominated by the Trustee.

Note: all investment instructions or instructions relating to insurance cover under an individual insurance policy must be directed through your Financial Adviser. Further, your Financial Adviser bears full responsibility for placing your instructions on your behalf.

You should read the important information about the benefits and features of Pivot Super and Pension including investing in a pension account before making a decision (refer to Sections 3 and 4 of the Member Guide) which is available at www.paccapital.com.au or on request of the Financial Adviser. The information relating to the benefits and features of Pivot Super and Pension may change between the time when you read this PDS and the day when you acquire this product.

Section 04

Risks of Superannuation

Before you apply to become a member of Pivot Super and Pension, you should identify exactly what you want your investments to achieve and the level of risk you are willing to accept (the “risk”). Your level of risk which you are comfortable with will vary depending on your age, investment timeframe where your other wealth is invested and your general risk tolerance relative to your timeframe to retirement. As mentioned, we strongly recommend that you obtain personal advice from your Financial Adviser as to the investments you select through Pivot Super and Pension, and also whether Pivot Super and Pension is suitable to you and your personal circumstances.

Importantly, as Pivot Super and Pension offers you the ability to choose your investments, the risks of investing and performance of your portfolio are highly dependent on the investments that you select. Each underlying investment option available via Pivot Super and Pension also has its own specific risks.

Things you should know:

- All investments carry risk.
- Different strategies may carry different levels of risk, depending on the assets that make up the strategy.
- Generally, assets with the highest long-term returns (such as shares and property) may carry the highest level of short-term risk.

The possible significant risks associated with Pivot Super and Pension are economic, market, interest rate, currency, industry, emerging market, credit, liquidity, regulatory and derivative risks.

Other general risks relevant to Pivot Super and Pension are:

- The value of your investment will vary.
- The level of returns will vary, and future returns may differ from past returns.
- Returns are not guaranteed, and you may lose some of your money.
- Superannuation and taxation laws may change in the future.
- The amount of your future superannuation savings (including contributions and returns) may not be enough to provide adequately for your retirement.
- Insurance benefits held through superannuation are subject to requirements, including conditions of release under superannuation law.

You should read the important information about risks including the risk profile of investments available from Pivot Super and Pension before making a decision (refer to Section 5 of the Member Guide) which is available at www.paccapital.com.au or on request of the Financial Adviser. The information relating to risks may change between the time when you read this PDS and the day when you acquire this product.

Section 05

How We Invest Your Money

Warning: When deciding how to invest your superannuation you should consider (in consultation with your Financial Adviser) the likely investment return, the risk and your investment timeframe.

In consultation with your Financial Adviser, you can choose to invest your accumulation or pension account in a range of investment options, including but not limited to:

ASX securities	Cash and term deposits
Fixed Interest Securities	Initial Public Offerings
Exchanged Traded Funds/ Listed Investment Companies	Managed Portfolios
Managed Funds	International Securities

Investments are made via:

- '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 are responsible for selecting the investments for your Portfolio. If your Financial Adviser does not make an investment choice on your behalf following receipt of your first contribution, that contribution and any subsequent contributions received on your behalf will be refunded in full within 30 days to the payer of the first contribution unless the Trustee agrees otherwise. You should read the Investment Guide and seek advice from your Financial Adviser as to the available investments suitable to you and are aligned with your financial goals. To obtain a copy go to www.paccapital.com.au or contact your Financial Adviser.

Transferring from Accumulation Account to Pension Account

Monies transferred from an accumulation account to commence a pension will be invested in accordance with the investment instructions applicable to your accumulation account unless new investment instructions are received from your Financial Adviser in relation to the pension account. Any amount received from you as a new member applying for a pension account will be held in your Cash Account pending the receipt of investment instructions from your Financial Adviser.

Switching Investments

You can request a switch of your Tailored Investments or Managed Portfolios at any time via your Financial Adviser. There is generally a minimum amount or restrictions to consider when switching investment options. Information about the minimum amount and any restrictions can be obtained from your Financial Adviser.

Investment Option

Below is an example, in the form of a summary, of an investment option available to investors of Pivot Super and Pension and its risk level.

P.A.C. Capital Balanced Portfolio			
Strategy	An actively managed balanced portfolio of growth and defensive assets such as shares, property and infrastructure, and defensive assets that include cash and fixed interest.		
Benchmark	To exceed the Morningstar Aus Multi-Sector Balanced TR Index (AUD).		
Investment Objective	To achieve a moderate amount of capital growth along with some income by investing in a diversified portfolio of growth and defensive assets.		
Investment Universe	Diversified across all major asset classes.		
Suitable Investors	<ol style="list-style-type: none"> 1. Require a balanced portfolio through a diversified mix across the major asset classes. 2. Are seeking moderate to high growth over the investment timeframe with a moderate level of income. 3. Accept a medium to high level of volatility associated with an exposure to growth assets. 4. Are prepared to invest for the minimum investment timeframe. 		
Risk Band	5 - Medium to High	Estimated number of negative annual returns over any 20-year period	3 to less than 4
Investment Fee % p.a.	0.55%	Investment Timeframe	5 years
Indirect Cost Ratio	0.38% p.a.	Minimum initial Investment Amount	\$25,000
Performance Fee % p.a.	22% of outperformance of the relevant benchmark after fees.	Number of Securities	25 - 40
Asset Allocation Ranges	Growth/ Defensive Portfolio Allocation		
	Portfolio Allocation	Allocation Range	Indicative Allocation
	Growth	50-75%	55%
	Defensive	25-50%	45%
	Range of Each Asset Class / Indicative Asset Allocation		
	Asset Class	Asset Class Range	Indicative Allocation
	Australian Equities	0-30%	20%
Property	0-10%	5%	
International Equities	0-50%	20%	
Fixed Interest	20-50%	35%	
Alternative Investments	0-15%	10%	
Cash	Min. 2%	10%	

What is the Risk Band of the P.A.C. Capital Balanced Portfolio?

The Risk Band for this Portfolio is rated as 5. The Risk Band is determined by the Standard Risk Measure which is based on industry guidance to allow members to compare Managed Portfolios and is the likelihood of a negative return over 20 years (for more information on Risk, refer to Section 5 of the Member Guide).

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

Labour Standards or Environmental, Social or Ethical

The Trustee does not take into account labour standards or environmental, social or ethical considerations in the selection, retention or realisation of investments for this product. Unless otherwise stated in the Mandate for a Model Portfolio, the Investment Managers whose products are offered through Pivot Super and Pension do not take into account labour standards or environmental, social or ethical considerations in relation to investment decision-making relating to their Mandates or investment strategies.

You should read the important information about investments, how to switch investments and the extent to which labour standards or environmental, social or ethical considerations are taken into account before making a decision. Refer to Section 6 of the Member Guide which is available at www.paccapital.com.au or on request of your Financial Adviser. The information relating to investments may change between the time when you read this PDS and the day when you acquire this product.

Section 06

Fees and Costs

Did you know?

Small differences in both investment performance and fees and costs can have a substantial impact on your long term returns. For example, total annual fees and costs of 2% of your account balance rather than 1% could reduce your final return by up to 20% over a 30 year period (for example, reduce it from \$100,000 to \$80,000).

You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs. Your employer may be able to negotiate to pay lower administration fees. Ask the fund or your Financial Adviser.*

To find out more

If you would like to find out more, or see the impact of the fees based on your own circumstances, the Australian Securities and Investments Commission (ASIC) website www.moneysmart.gov.au has a superannuation fee calculator to help you check out different fee options.

* This text is prescribed by law. Administration fees are not negotiable.

The calculator referred to above can be used to calculate the effect of fees and costs on account balances.

This document shows fees and other costs that may be charged by the Trustee. These fees and other costs may be deducted from your money, from the returns on your investment or from the assets of the superannuation entity as a whole.

Other fees, such as activity fees, adviser fees for personal advice and insurance fees, may also be charged, but these will depend on the nature of the activity, advice or insurance chosen by you. Entry fees and exit fees cannot be charged.

Taxes, insurance fees and other costs relating to insurance are set out in the Member Guide.

You should refer to the Member Guide for the fees and costs that apply to other investment options offered by Pivot Super and Pension.

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

Pivot Super and Pension

Type of Fee*	Amount	How and when paid								
Investment Fee	<p>0.55% p.a.</p> <p>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.</p>	<p>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.</p> <p>The Investment Fee (in total) will appear on your cash transactions report as Portfolio Management Fee.</p>								
Administration Fee	<p>A tiered percentage fee based on the total balance of your account as detailed below:</p> <table border="1"> <thead> <tr> <th colspan="2">All securities including Cash/Term Deposits Administration Fees</th> </tr> </thead> <tbody> <tr> <td>\$0 to \$500,000</td> <td>0.40% p.a.</td> </tr> <tr> <td>\$500,001 to \$1.5m</td> <td>0.19% p.a.</td> </tr> <tr> <td>Above \$1.5m</td> <td>Nil.</td> </tr> </tbody> </table> <p>Admin Fee Cap \$3,900 p.a.</p> <p>International Securities additional 0.105% p.a. for International Securities held (not included in fee cap).</p> <p>Cash Administration Fee of up to 0.80% of the balance in your Cash Account per annum**</p> <p>\$225 Annual Member Fee</p> <p>Linked member pricing up to four immediate family members</p>	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.	<p>The Administration Fee is calculated daily on your total account balance and deducted from your account monthly in arrears.</p> <p>The account balances of 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.</p> <p>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.</p> <p>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.</p> <p>The Annual Member Fee is a pro rata amount deducted from your account monthly in arrears.</p>
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.									
Buy-Sell Spreads	Nil	Not applicable								
Switching Fee	Nil	Not applicable								
Adviser Fees	As agreed with your Financial Adviser. Please refer to page 49 of the Member Guide 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.								

Type of Fee*	Amount	How and when paid																								
Other Fees and Costs*																										
Expense recoveries	Up to \$84 per annum	When an expense recovery amount arises, it is deducted from your account monthly in arrears.																								
Transaction Fee	<table border="1"> <thead> <tr> <th>Asset type</th> <th>Transaction Fee</th> <th colspan="2">Minimum Fees</th> </tr> <tr> <td></td> <td></td> <th>Managed Portfolios</th> <th>Tailored Investments</th> </tr> </thead> <tbody> <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 application or redemption</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> </tbody> </table>	Asset type	Transaction Fee	Minimum Fees				Managed Portfolios	Tailored Investments	ASX Listed Securities	0.11% of Transaction value with a minimum fee	\$3.30	\$22	Managed Funds	Per application or redemption	\$5.50	\$27.50	Listed International Securities	0.20% of transaction value with a minimum fee	\$5.50	\$35 plus cost recovery of up to \$44 per exchange	Other (e.g. Fixed Income Securities)	0.11% of transaction value, subject to a minimum fee	\$22	\$35	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.
	Asset type	Transaction Fee	Minimum Fees																							
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In Specie Transfer Fee	Transfer In \$11 Transfer Out \$33	If you request an In Specie transfer, then this amount is deducted from your Account at the time of the transaction. Additional fees may apply for International Securities.																								
Indirect Cost Ratio	Between Nil and 2.5% depending on the underlying investment option.	Taken into account in the managed fund's unit price (when unit prices are calculated) depending on the underlying investment option.																								
Managed Portfolio - Performance Fee	22% of outperformance of the relevant benchmark after fees.***	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.																								

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 of the Member Guide. 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 Pivot Super and Pension. For more information on ORFR refer to page 51 of the Member Guide.

Example of Annual Fees and Costs for the P.A.C. Capital Balanced Portfolio

This table gives an example of how the fees and costs for the P.A.C. Capital Balanced Portfolio can affect your superannuation investment over a 1-year period. You should use this table to compare this superannuation product with other superannuation products.

Example – P.A.C. Capital Balanced Portfolio with a balance of \$50,000 with a total contributions of \$5,000 during year*		
Investment Fee	0.55% of assets per annum	For every \$50,000 you have in Pivot Super and Pension, you will be charged \$275 each year*
Plus		
Administration Fee	\$517	And , if your balance was \$50,000 for a year, you will be charged \$517 in administration fees*
Plus		
Indirect costs for P.A.C. Capital Balanced Portfolio	0.38% p.a. on the \$50,000	And , indirect costs of \$190 each year will be deducted from your investment
Equals		
Cost of the superannuation product	If your balance was \$50,000 for the year, and put in an additional \$5,000 during that year then for that year you will be charged fees of \$982* for your investment	

* This example assumes \$50,000 in the P.A.C. Capital Balanced Portfolio (of which \$1,000 is invested in cash). During the year there is one further investment in the P.A.C. Capital Balanced Portfolio of \$5,000. This example does not consider any management or contribution fees that may be payable on the additional investments.

1. The total Administration Fee is made up of:
 - a) Administration Fee: $\$50,000 \times 0.40\% = \200 each year; plus
 - b) Expense recoveries = \$84; plus
 - c) Annual Member Fee = \$225
 - d) Cash Administration Fee = \$8.00

This example does not take into account any returns or transaction fees (see note 2 below) and also does not take into account any fees on the \$5,000 contribution made during the year. The example also assumes that any international exposure to this fund is via a managed fund or ASX listed fund. Should the investment exposure be held directly in international securities then an additional international administration fee will apply.

2. Transaction fees depend on the Investment Manager's advice on the changes to the Model Portfolio during the year and therefore cannot be estimated. This has not been included in the table above.
3. Additional fees, such as an Adviser Fee, may apply. The Adviser Fee may be deducted from your account if it is within parameters approved by the Trustee.

Note: Additional fees may apply. No buy/sell spread applies. No Performance Fees were applicable during the period; fees would have been higher had the performance levels exceeded the benchmark. For definitions of fees, please refer to Section 7 of the Member Guide. The definitions are also available at www.paccapital.com.au.

Things you should know

- **Adviser Fees are additional fees payable to your Financial Adviser. Adviser Fees are negotiable with your Financial Adviser within parameters approved by the Trustee. Refer to the Statement of Advice provided to you by your Financial Adviser for more information about these fees.**
- Dollar based fees are subject to indexation in line with movements in the Average Weekly Ordinary Time Earnings (AWOTE).
- Any material increases in fees will generally be notified at least 30 days in advance. Estimated fees may vary from year to year depending on the value of your account balance and your investment option.
- If you would like to calculate the effect of fees and costs on your account balance, ASIC's website www.moneysmart.gov.au has a superannuation fee calculator.

You should read the important information about the fees and costs including fees and costs applicable to investments before making a decision. Refer to Section 7 of the Member Guide which is available at www.paccapital.com.au or on request of the Financial Adviser. The information relating to fees and costs may change between the time when you read this PDS and the day when you acquire this product.

Section 07

How Super is Taxed

The following taxation information in this PDS is intended as a guide only and should not be relied upon by members as specific taxation advice. The information is based on the Trustee's understanding of the current Australian tax law and how it relates to Australian resident members and is current at the date of this PDS. Members should be aware that laws and interpretations may change from time to time and they should check the ATO website for details. Members are advised to seek their own independent professional tax advice in relation to an investment in Pivot Super and Pension, as taxation treatments may differ according to individual circumstances.

Tax may apply to contributions, any investment earnings and withdrawals from your account, however, generally any taxes applicable to superannuation are at a concessional (lower) rate.

Warning: Concessional tax rates do not apply on contributions which exceed Government contribution caps. For further information on contribution caps please refer to section 8 of the Member Guide.

Contributions

Concessional contributions (for example, employer contributions and deductible member contributions) are ordinarily subject to a contributions tax rate of 15% provided we hold your Tax File Number (TFN). Pivot Super and Pension calculates the contributions tax payable and accrues it as a liability on your member account until payable to the ATO. Non-concessional contributions (for example, non-deductible member contributions) are usually not subject to tax. If your concessional contributions and/or non-concessional contributions in a financial year exceed Government contribution limits, additional (excess) taxes will ordinarily apply. Excess taxes for contributions are a personal tax liability which must be released from your fund in the case of excess non-concessional contributions. You may choose to release up to 85% of your excess concessional contributions which would be paid by us to the ATO after receiving a release authority. Taxes may apply to transfers of superannuation into Pivot Super and Pension from an untaxed source (for example, certain public-sector schemes).

Investment Earnings

Net earnings relating to accumulation accounts and Transition to Retirement pensions are subject to a tax rate of up to 15%, however the rate may be less due to tax credits or other rebates. Investments earnings are generally tax free for investments in account based pensions.

Withdrawals

If you are under age 60 but have reached your preservation age, the taxable component of lump sum superannuation payments is subject to tax at the maximum rate of 15% (plus Medicare levy). A tax-free threshold, which varies from year to year, applies. (Different taxes apply to superannuation pensions received by persons under age 60.) Benefits paid after age 60, lump sum death benefits paid to dependants and terminal illness benefits are generally tax-free. Taxes do not usually apply to transfers to another superannuation fund.

Payment of Tax

Pivot Super and Pension makes quarterly payments of tax to the ATO and a final payment for the balance of any liability in each year. Your net tax liability will be deducted from your account proportionally as payments are due to the ATO.

Warning: You should provide your TFN when acquiring this product. If we don't hold your TFN, we cannot accept all contributions for you, the tax on superannuation benefits may be higher and it may be more difficult to locate any lost super benefits or consolidate your superannuation. Further information about tax is available from www.ato.gov.au. Whilst we cannot legally compel you to provide your TFN, it is a condition of membership of Pivot Super and Pension to provide your TFN.

You should read the important information about taxation matters relevant to superannuation before making a decision. Refer to Section 8 of the Member Guide which is available at www.paccapital.com.au or on request of the Financial Adviser. The information relating to tax may change between the time when you read this PDS and the day when you acquire this product.

Section 08

Insurance in Your Super

Subject to Trustee approval, you are able to obtain insurance cover under an individual insurance policy issued by insurance companies that is transferred to, or issued in, the Trustee's name.

The types of insurance cover permitted by Pivot Super and Pension are:

- **Death only cover** (including terminal illness cover) pays a lump sum if you die or suffer a Terminal Illness
- **Death and Total & Permanent Disablement** (TPD) cover (including terminal illness cover) pays a lump sum to you if you become Totally and permanently disabled
- **Income Protection** cover provides a monthly benefit for a period if you become Totally Disabled or Partially Disabled

All retail life insurance policies must be approved by the Trustee. The policy definitions must meet the regulated conditions of release under superannuation law and the Insurers must comply with the Trustee's service standards for delivery of insurance products.

To obtain individual insurance cover via an approved insurance product, you must complete a form available from your Financial Adviser.

Insurance cover only commences once the relevant insurer has accepted your application and cover ceases in certain circumstances including when the maximum insurable age is reached or there is insufficient money in a member's account to pay for cover. Different premium rates apply to different types of cover based on your personal circumstances including your age, occupation, health status and amount of cover.

You are responsible for paying the insurance costs. Insurance premiums are deducted from your account in accordance with the payment requirements of an individual insurance policy. There are certain circumstances where insured benefits are not payable, these are called "Exclusions". For more information about your level of cover please refer to your specific policy for more information about what exclusions apply.

A service fee of 5.5% of the insurance premium (capped at \$275 including GST) is payable to the Administrator in relation to the process for establishing the policy. This fee is deducted from your Cash Account once the policy is established and annually thereafter for as long as the policy is maintained for a member. Your Financial 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 Financial Adviser will provide you with information about this.

Subject to the terms of the policy, you can change the amount and type of your insurance cover at any time (for example, you can increase your cover). Any increase in cover will be subject to underwriting approval by the relevant insurer and cover only commences once the insurer has accepted your application. You can also request cancellation of your cover at any time by writing to the Administrator.

If you elect to obtain insurance through Pivot Super and Pension, you agree that the Trustee will continue your insurance cover even if:

- your account has not received a contribution or rollover for a continuous period of 16 months or longer;
- you are below the age of 25 years; and/or
- your super account balance is less than \$6,000.

If you wish to cease your insurance after you have made an election to obtain insurance within Pivot Super and Pension, contact the Trustee for more information.

You should read the insurance policy document for important information about insurance including when cover starts and ends, eligibility criteria for commencement of cover and payment of insured benefits, the level and types of cover available, premium costs, exclusions and other important terms and conditions before making a decision. Refer to Section 9 of the Member Guide which is available at www.paccapital.com.au or on request of the Financial Adviser. The information relating to insurance may change between the time when you read this PDS and the day when you acquire this product.

Warning: Insurance terms and conditions (in particular, eligibility criteria, cover cessation circumstances and exclusions) may affect your entitlement to insurance cover or the payment of insured benefits so you should read Section 9 of the Member Guide and the insurance policy document for further information about insurance cover and other insurance related documentation available to you before deciding whether the available insurance cover options are appropriate for you.

Section 09

How to Open an Account

To open an account, you must complete an online Application Form with your Financial Adviser which accompanies this PDS (there are separate forms for accumulation and pension accounts) and submit it to the Administrator (contact details on the form). As Pivot Super and Pension does not offer a MySuper product, an employer cannot open an account in Pivot Super and Pension for you. It is a condition of membership that you provide your TFN. You cannot be compelled to provide your TFN, but if you don't your application will not be accepted. You must also give the Trustee a direction as to how you want your account balance invested. To open an account, a minimum investment of \$25,000 (or other amount determined from time to time by the Trustee) is required.

Cooling Off

If you change your mind after you apply to open an account and you have not exercised any right or power in relation to this product, you can cancel your account within 14 days from the end of the 5th day after the account is opened or you receive confirmation of the account's establishment (whichever is earlier). This is called your "cooling off" right. Upon exercising this right your investment amount will be refunded after making allowance for any investment fluctuations, fees, costs, taxes and insurance premiums, as permitted by law. In some cases, (such as cancellation of a pension account) the investment amount can only be refunded by being retained within an accumulation account in Pivot Super and Pension or by transfer to another superannuation fund (that is, by "cooling off" you will not necessarily be able to receive the investment amount in cash because the law sometimes requires that the investment amount is retained in the superannuation system until you satisfy a condition of release). You may not be able to exercise your "cooling off" rights if you have taken a payment (such as a pension payment) or exercised certain other rights in relation to your account.

Complaints Resolution

If you have a complaint relating to Pivot Super and Pension, you may contact your Financial Adviser, or 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 the Administrator 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 may 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

If your complaint relates to the advice provided to you by your Financial Adviser, you should contact your Financial Adviser's AFS Licensee in the first instance. We are not responsible for any advice provided to you by your Financial Adviser.

You should read the important information about cooling off (including restrictions applicable to refunds) and complaints handling before making a decision. Refer to Section 10 and 11 of the Member Guide which is available at www.paccapital.com.au or on request of the Financial Adviser. The information relating to cooling off and complaints handling may change between the time when you read this PDS and the day when you acquire this product.