



Income Stream Product Disclosure Statement



Your guide to AvSuper for Income Stream Members

1 April 2022

About this document

This *Product Disclosure Statement* (PDS) provides a summary of significant information about the features, costs, benefits and risks involved in investing your superannuation in an AvSuper Income Stream - you should consider this information before making a decision about the product. This PDS also summarises superannuation legislation rules applicable to superannuation income streams.

This PDS relates to retirement phase Income Streams (ie Income Streams that are available once you meet government criteria that enable you to access your super without restriction). AvSuper does not currently offer new transition to retirement income streams (ie income streams for individuals who have reached their preservation age and are still working at least part time).

This PDS does not describe all the conditions affecting the amount or availability of benefits and is not a promise or guarantee of any particular benefit. It does not set out in detail all relevant legislated rules. The Trustee must adhere to these rules, as amended from time to time, which also override the content of this PDS. Our target market determination is available at avsuper.com.au/policies/TMD

The information provided is general information only and does not take into account your specific financial needs or personal situation. You should assess our *Financial Services Guide* and your own financial position and personal objectives before making any decision based on this information. We recommend that you also seek professional and personal financial advice.

This PDS has been issued by AvSuper Pty Ltd (ABN 46 050 431 797, AFSL 239078), the Trustee of the AvSuper Fund (ABN 84 421 446 069). The Trust Deed of AvSuper is the final authority on the conditions governing the benefits described in this PDS. If the Trust Deed conflicts with this PDS, the Trust Deed will prevail. Information in this PDS is subject to change from time to time and may be updated. Any updates to information that are not materially adverse, will be available on our website avsuper.com.au and can be given to you in printed or electronic form (free of charge) upon request.

You can visit avsuper.com.au/policies/privacy-notice to learn about our privacy policy which includes the collecting and handling of your personal information and your rights. Where third party services are referred to, the Trustee has no responsibility for their products, services, views or actions and accepts no liability for the outcomes of your interactions with those third parties.

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Welcome to AvSuper's Income Stream Division

Well, you've made it! After years of working hard and contributing to your super, you can now enjoy an active retirement and choose how to spend your time and retirement savings. Whether you've been dreaming of time with family, travelling, gardening, volunteering, reading, exercising or learning new interests, now is your chance.

An AvSuper Income Stream (sometimes called a pension or a retirement income) will enable you to easily manage your hard earned retirement savings while you live and enjoy your life. This Product Disclosure Statement (PDS) explains how income streams work **and how AvSuper can help you make the most of your savings in your retirement.**

AvSuper is a profit-for-members super fund

AvSuper is run only to profit members, charges competitive fees and maintains a strong focus on long term investment returns.

AvSuper operates in the best financial interests of members (and their beneficiaries), many of whom are drawn from the aviation and aviation safety industries.

What does an AvSuper Income Stream do for you?

An AvSuper Income Stream is a cost-effective way to gradually access your retirement savings, with dedicated service and access to member benefits and features such as:

- competitive fees to protect your savings
- your choice of investment options
- choosing how much and how often you are paid (Government limits apply)
- beneficiary nomination options
- 24 hour access to your account information via our website
- access to personal financial advice (fees may apply)

Experienced Trustee staff answer your calls - not an anonymous call centre.

Who can apply for an AvSuper Income Stream

You can apply for an AvSuper Income Stream if you have reached your **preservation age**, and meet a Government prescribed condition of release that enables you to access your super without restriction. In some circumstances you may be able to access an AvSuper Income Stream before reaching your preservation age (eg. permanent incapacity). Eligibility rules apply, including, for example being an Australian citizen or permanent resident and are detailed, together with relevant conditions of release, on the application form.

Date of birth	Preservation age
Before 1 July 1960	55
1 July 1960 to 30 June 1961	56
1 July 1961 to 30 June 1962	57
1 July 1962 to 30 June 1963	58
1 July 1963 to 30 June 1964	59
1 July 1964 and after	60

You need a minimum \$20,000 from an existing super account (with AvSuper or another fund) to get started. The law limits the total amount you can transfer to eligible income stream accounts over your lifetime (refer below).

Note that your Income Stream choices may affect your entitlements to Government payments, such as the age pension. Your account balance will be assessed under the Government's assets test and deemed under the income test. Please read our deeming factsheet, refer to Centrelink or talk to one of our *Member Advice Consultants* for assistance to understand the impact on your individual circumstances.

Income Stream transfer balance cap

Since 1 July 2017, the combined balance of all Income Streams must not exceed the Income Stream Transfer Balance Cap set by the Federal Government. If you exceed this limit, the ATO will require you to reduce your total Income Stream balance.

For 2021-22, the cap for members opening their first income stream is \$1.7million. It is expected to be indexed in line with CPI in \$100,000 increments in future years.

The arrangements relating to the cap are complex so please consider the tax and other implications (for example, Centrelink implications) of amalgamating one or more existing income streams and/or additional superannuation savings. We recommend that you seek professional financial advice from one of our *Member Advice Consultants*.

How long will an AvSuper Income Stream last?

Your Income Stream will be affected by how much you invest, the relevant investment earnings, fees and costs, any applicable taxes, your chosen level of income payments and any lump sum withdrawals you make.

Our *Member Advice Consultants* can help you decide when to start an Income Stream and how to structure it to suit your needs. Getting professional advice is generally a good strategy. Advice fees may apply.

Starting an AvSuper Income Stream - easy

1. read this entire PDS to understand our Income Streams
2. arrange to transfer your super (see below) to AvSuper, if necessary
3. complete an AvSuper Income Stream Application (available on our website)
4. complete a Tax File Number Declaration (if under age 60)
5. send your completed forms to AvSuper, PO Box 1140, Wollongong DC, NSW 2500
6. start enjoying your retirement!

When your application has been processed and account opened, we will provide you with your member number, payment schedule and other important information.

Transferring savings into your Income Stream

Transferring some or all of your money from an existing AvSuper account to your new AvSuper Income Stream is managed via your application form. You can also request to transfer any other super savings via our application form.

AvSuper does not charge any fees to accept your money (into a super account or an income stream) but your old fund may charge a buy/sell spread and you may lose other benefits or favourable fees by transferring your money.

Once your Income Stream commences, you cannot add money to that Income Stream account. If you are rolling money in from a number of super funds, we suggest consolidating them in an accumulation account first. Otherwise you can open more than one income stream. The total Income Stream transfer balance (across all eligible Australian Income Stream accounts) is limited to a Government cap - see page 3.

AvSuper insurance is not available through an Income Stream account. When starting an AvSuper Income Stream, you may be able to continue any AvSuper death, TPD and income protection cover through an accumulation account.

Legislation designed to prevent fraud, money laundering and terrorism financing requires us to obtain and verify certain identification information from you prior to accepting your income stream application and subsequently paying super money to you. The relevant forms detail the requirements. Your payment may be delayed if these requirements are not met.

Under Family Law legislation, your spouse (including a de facto or same sex spouse) may be entitled to some of your super if you permanently separate or divorce. Individual circumstances vary so we recommend you discuss this with a legal adviser.

Taking your super as an Income Stream

It is up to you how much money you drawdown (withdraw) as regular income from your Income Stream account each year. You can drawdown as much as you wish up to the value of your account. However, the Government specifies a minimum* income stream drawdown each year based on your age and account balance:

Minimum annual income stream payments

Age Range	% of account balance
Under 65	4%
65 - 74	5%
75 - 79	6%
80 - 84	7%
85 - 89	9%
90 - 94	11%
95 or older	14%

This minimum was reduced by 50% for 2019-20, 2020-21 and 2021-22 due to COVID-19. Payments are generally made fortnightly into your nominated bank account, but you can choose to receive them from a range of frequencies to suit your circumstances.

Your Income Stream payments continue until:

- your balance falls below \$1,000 (the balance will then be paid to you as a lump sum)
- you roll it into an accumulation account, or
- you choose to close the account by withdrawing the balance, or
- we are notified of your death (unless reverted to your valid reversionary beneficiary).

We will withdraw money from the Cash option by default, if you are invested in the Cash option. Alternatively, you can choose which investment options to drawdown from. Our investment options are listed on pages 8-12.

Changing Income Stream payments

You can change your payments up to four times a year (within the prescribed minimum levels) at no additional cost – let us know via our **Income Stream changes** form or email.

At the start of each financial year you will be notified of your revised minimum annual payment amount. If your existing drawdown rate is less than your new minimum, we will automatically increase your rate to the new minimum.

Lump sum withdrawals

You can make unlimited lump sum withdrawals from your Income Stream at any time (minimum \$6,000 per withdrawal).

To request a lump sum withdrawal, please contact us for the appropriate form. Lump sum withdrawals may attract different taxation rules if you are under 60 years of age.

* Minimum amounts apply per financial year or are pro-rated for the first and last year of the Income Stream. If you purchase an Income Stream after 31 May, no payment is required that financial year. Account balances are determined at commencement and each 1 July thereafter.

Benefits of investing in an AvSuper Income Stream

AvSuper provides a cost-effective way to access your super in retirement, with dedicated service and access to member benefits and features such as:

- competitive fees and costs, with no entry or rollin fees
- member investment choice
- experienced Trustee staff answer your calls - not an anonymous call centre
- 24 hour access to your account information via AvSuper Online (AOL)
- personal financial advice for members about your super and Income Streams within AvSuper
- informative member guides, including one explaining your retirement options
- the choice of making reversionary, binding or non-binding beneficiary nominations.

Regular communication

When we have your contact details, you will get or be provided with access to regular information from AvSuper, including:

- an Annual Report and member statement detailing your transactions
- regular emails containing updates and other items of interest
- notification of any material changes to this PDS and any other significant events.

Most AvSuper communications will come by email unless you request otherwise.

The AvSuper website contains a wealth of information, including investment performance and all of our forms and guides, plus the option of an online chat via AvChat.

Access to personal financial advice about super and income streams

As an AvSuper member, you can access **personal advice** about AvSuper (including AvSuper's income streams) that takes into account your relevant personal circumstances. Our *Senior Member Advice Consultants* will chat with you (in person, online or on the phone) then analyse your situation and give you written advice of the actions we think best suit you. Advice fees may apply. **Call us for your appointment today!**



Choosing your Income Stream payments

Some issues you might consider when choosing your drawdown amount:

- How much other money do you have?
- What are your major living expenses?
- What sort of lifestyle do you want (restaurants, hobbies, cars, etc)?
- Are you expecting any future money (e.g. a spouse's super)?
- What tax liabilities do you have on different income sources?
- How long do you expect your savings to last?
- Do you have dependants for the short or long term?

Your super for your beneficiaries

You can nominate a beneficiary (or beneficiaries) to receive your super if you die before withdrawing it. To minimise the short term risk of your super losing value, your Income Stream balance will be switched to our Cash investment option (see page 11) effective from the day we receive written notification of your death.

As part of your Income Stream, you can nominate one dependant* as a **reversionary beneficiary** by completing a **Reversionary Income Stream beneficiary** form. If you have done this, your dependant can continue to receive your AvSuper Income Stream (assuming they meet reversionary beneficiary eligibility requirements), based on the account balance at the time of your death. If ineligible for an income stream or by choice, your dependant can take a lump sum instead of the Income Stream. Once it's made, a valid reversionary beneficiary nomination is binding on the Trustee until you change it or your beneficiary dies or becomes ineligible for an Income Stream.

It is important to note that to be eligible for an Income Stream rather than a lump sum, when you die your reversionary beneficiary must be one of the following:

- your spouse
- your child under 18
- your child aged 18 to 25 if financially dependent on you (note the remainder will be paid as a lump sum once your child turns 25)
- your disabled# child (note the remainder will be paid as a lump sum if your child is no longer disabled#)

* Your dependants may include your legal or defacto spouse, children (including stepchildren, ex-nuptial children and adopted children) and any other person with whom the Trustee considers you had an interdependency relationship at the time of your death.

As defined by the Disabilities Services Act 1986

Tax Free for over 60s

If you are 60 or older, you won't pay tax on your super withdrawals whether you take them as a lump sum or as regular drawdowns. Investment earnings in the Income Stream offered in this PDS are also not subject to tax while investments remain in the Income Stream.



Alternatively you can nominate your beneficiaries to receive your Income Stream as a lump sum if you die. You can nominate any or all of your dependants or a legal personal representative (your estate). Your nomination can be either binding or non-binding (see our website for details).

To nominate or update your beneficiaries, complete a **Nomination of beneficiaries** form (or visit **AOL** for non-binding nominations).

When making (or changing) any nomination, you should be aware that there may be different tax (and Centrelink) implications. You should seek tax advice relevant to your circumstances. In summary, to receive the most favourable tax treatment, your beneficiary must also meet the definition of a death benefit dependant in the Income Tax Assessment Act 1997. For example, your child will only receive the most favourable tax treatment if they are under 18, or over 18 and financially dependent on or interdependent with you.

AvSuper's investments

If you have super, then you're an investor - and AvSuper's investment performance will be one of the key contributors to the long term maintenance of your retirement savings.

By comparing investment performance over the long term, such as over five and ten year periods, you can gain a better perspective of your investment's performance. Our history of long term investment performance is shown on our website. Note past performance is not always a reliable indicator of future performance and performance objectives listed on the following pages are not guaranteed.

Your super, your choice

Making the right investment choices depends on factors such as your income needs, risk tolerance and age.

AvSuper's member investment choice enables you to choose one or a combination of our professionally managed investment options. The choice is yours! If you do not make an investment choice, we will invest your Income Stream in the Balanced Growth (77%) and Cash (23%) options to give you an approximately equal mix of growth and defensive assets.

You also have a choice about which option(s) your Income Stream payments are withdrawn from. You can do this via the switching form or **AOL**.

The Trustee does not specifically take into account labour standards or environmental, social or ethical considerations in the selection, retention or realisation of investments, nor does it require this of its investment consultants or investment managers.



Our default is to withdraw from the Cash option if you do not make an investment choice for your drawdowns. If there is no money in the Cash option, money will be drawn down proportionally across the options you are invested in. Our *Member Advice Consultants* can help you plan both your investment and withdrawal strategies.

Switching

You can change how your Income Stream is invested in our investment options at any time; this is called switching and no AvSuper switching fees apply. Switching can be done via **AOL** or by completing a **Nominate or switch Income Stream investment options** form (available from our website or by calling).

Remember, all investments can have both high and low risk tendencies, and both positive and negative returns are part of the investment cycle over long periods of time, so it's important to take a long term view when making an investment choice.

Processing cut off times

Switch requests received by mail or in person in the AvSuper Canberra office, or through AvSuper's on line system, by 4pm AEST on a business day will be processed using the unit price for that day which is calculated using the latest available value of net assets at the close of business for that day. Any requests received after that time will be processed using the unit price for the next business day. AvSuper reserves the right to limit the number of switches a member can make in a financial year, if it deems a member is switching excessively. AvSuper monitors members accounts for large and/ or excessive switching between investment options.

Incomplete forms or changes

Any incomplete requests may be delayed if AvSuper does not receive any or all the information required to process the transaction (switches, income payments or benefits). If delayed, the requests will be processed using the cut-off rules above.

Changes to requests received by AvSuper are not permitted once the cut off times outlined above have occurred for a business day.

AvSuper's Investment Options

You can choose from our range of investment options:

Pre-mixed options	Single asset class options
Conservative Growth	Cash (default)
Stable Growth	Australian Shares
Diversified Index	International Shares
Balanced Growth (default)	
Growth	
High Growth	

Each option has its own performance objectives, investment strategy and risk/return profile as shown on pages 8-12. All our pre-mixed options may contain international and local exposure at any time.

The target asset allocation is a strategic guide for investing. The allocation of assets can vary within the allowable ranges and you may not be notified of such variations. AvSuper may change, delete or add new investment options at any time but will notify members at least 30 days before such changes, where required.

Unitisation

Your AvSuper Income Stream investment is unitised. You are allocated a number of units when you purchase your Income Stream. Your unit holding reduces when you make a withdrawal (regular payment or allowable lump sum), close your Income Stream, or when we deduct fees or relevant taxes from your account.

It is important to choose investment options to suit your personal financial situation, goals and preferences. You may want to ask:

- can I accept greater risk for a potentially higher return, or would I prefer a lower risk option?
- do I need to see consistent investment returns or do I want to preserve capital?
- how much super and other savings do I have put aside?
- what income do I need?

Unitisation is similar to buying and selling stocks, with the price (or value) of the units allocated to you changing frequently. AvSuper's unit prices are usually declared at the close of each business day so your regular withdrawals will probably convert to a different number of units each time.

We allow for investment fees and costs, percentage based administration fees and costs, transaction costs, tax on investment earnings (where applicable) and any other relevant liabilities (actual or estimated) before setting our unit prices. You can find current and historical unit prices on our website for each investment option.

The Trustee may suspend transactions due to extreme or sudden material market movements, or where the risk of material arbitrage is identified. Suspending unit pricing and the processing of transactions during extreme

market movements ensures that members are not unfairly advantaged (or disadvantaged) by redeeming units at artificially high (or low) unit prices.

Choosing investment options for your Income Stream

One of the most important issues of retirement is ensuring you have a well structured and sustainable retirement income strategy.

For many retirees, a tiered approach is effective. A tiered strategy takes into account different timeframes and provides some certainty in relation to drawing a stable retirement income while also allowing some investment exposure that can provide strong capital growth over time. It also reduces volatility in your overall portfolio when compared to being invested solely in growth assets.

Tier 1 invest in cash to hold enough money to cover your drawdowns for the next three to five years.

Tier 2 invest in a conservative or stable investment option for some growth without a lot of volatility and risk.

Tier 3 invest in higher risk and more volatile options, to allow for some capital growth over the longer term.

Tiers 2 and 3 can be weighted according to your risk tolerance and timeframes. These tiers may need to be rebalanced over time to top up cash or conservative options which means there is an important need for periodic reviews of your overall investment strategy.

For members who do not make an investment choice for their Income Stream, we invest some of your account balance in our Cash option (to cover drawdowns) and the rest in our Balanced Growth option, as described on page 8.

Diversifying investments helps minimise risk

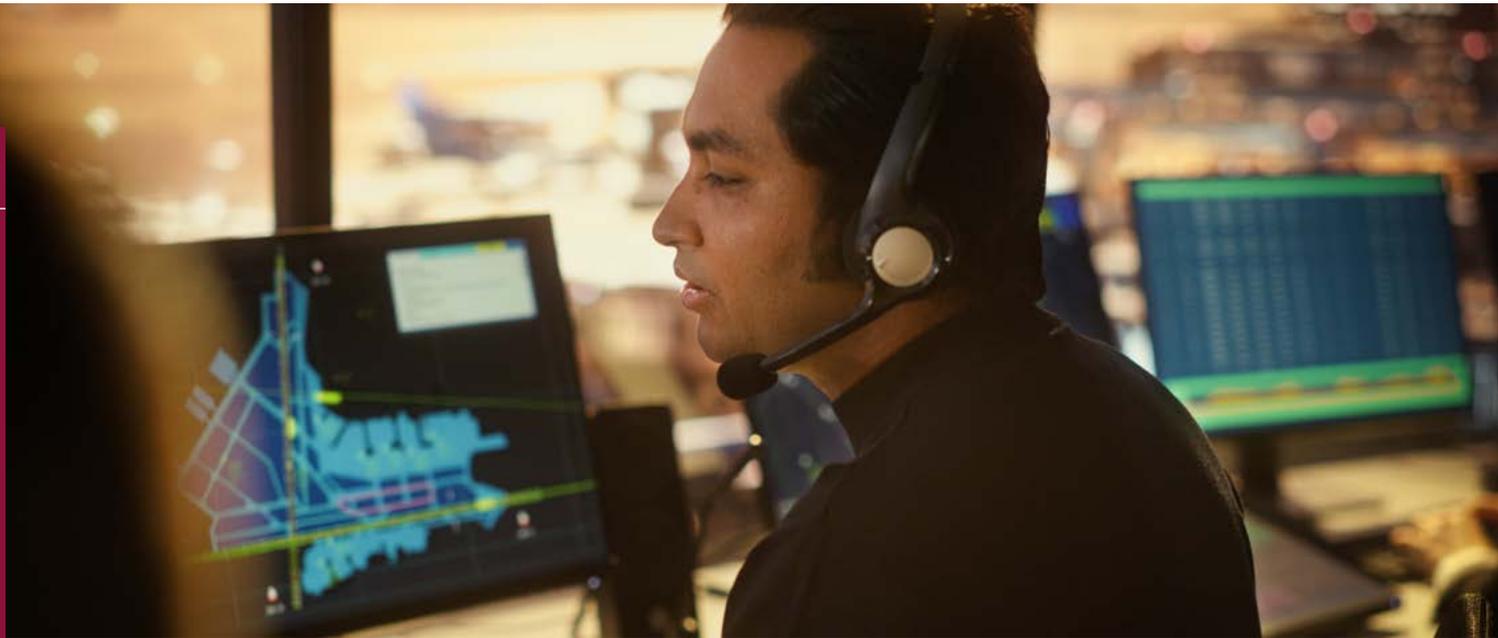
Diversification simply means spreading risk. It can be achieved by investing in both growth (such as shares) and defensive (such as cash) assets. When one asset is not performing as well as expected, the other assets in your portfolio may help balance your overall investment performance and reduce the impact of negative returns on your investment.

The extent of diversification in an investment option depends on the nature of the investment option (including the applicable asset classes).

AvSuper's premixed options are diversified among several asset classes and investment managers in each asset class. This spreads the risk of an investment underperforming and allows us to take advantage of various investment styles. An explanation of asset classes in use and current investment managers are on our website.

The default investment strategy for AvSuper Income Streams (77% Balanced Growth and 23% Cash) is based on an overall asset allocation of approximately 50:50 exposure to growth and defensive asset classes.

AvSuper diversified options



Balanced Growth

Designed for members who accept medium volatility and risk through a balanced investment portfolio for a moderate return.

Investment Return objective:

To achieve a return, after fees, which exceeds Consumer Price Index (CPI) increases by at least 3.0% p.a. over **rolling 10-year periods**.

Suggested minimum timeframe (years) **4-6**

Risk/Return profile

Standard Risk Measure

Risk band	1	2	3	4	5	6	7
Risk label							High
Estimated frequency of negative annual returns in 20 years						4 to less than 6	

Strategic asset allocation

Asset Class	Allocation	Range
Australian Shares	19%	10-35%
International Shares	24%	10-35%
Real Assets	18%	0-35%
Private Markets	5%	0-10%
Alternatives	8%	0-35%
Diversified Fixed Income	14%	0-35%
Cash	12%	0-25%

Part of the default Income Stream investment strategy

High Growth

Designed for members who accept higher risk and short term volatility through shares and real assets for greater long term returns.

Investment Return objective:

To achieve a return, after fees, which exceeds Consumer Price Index (CPI) increases by at least 4.0% p.a. over **rolling ten-year periods**.

Suggested minimum timeframe (years) **7+**

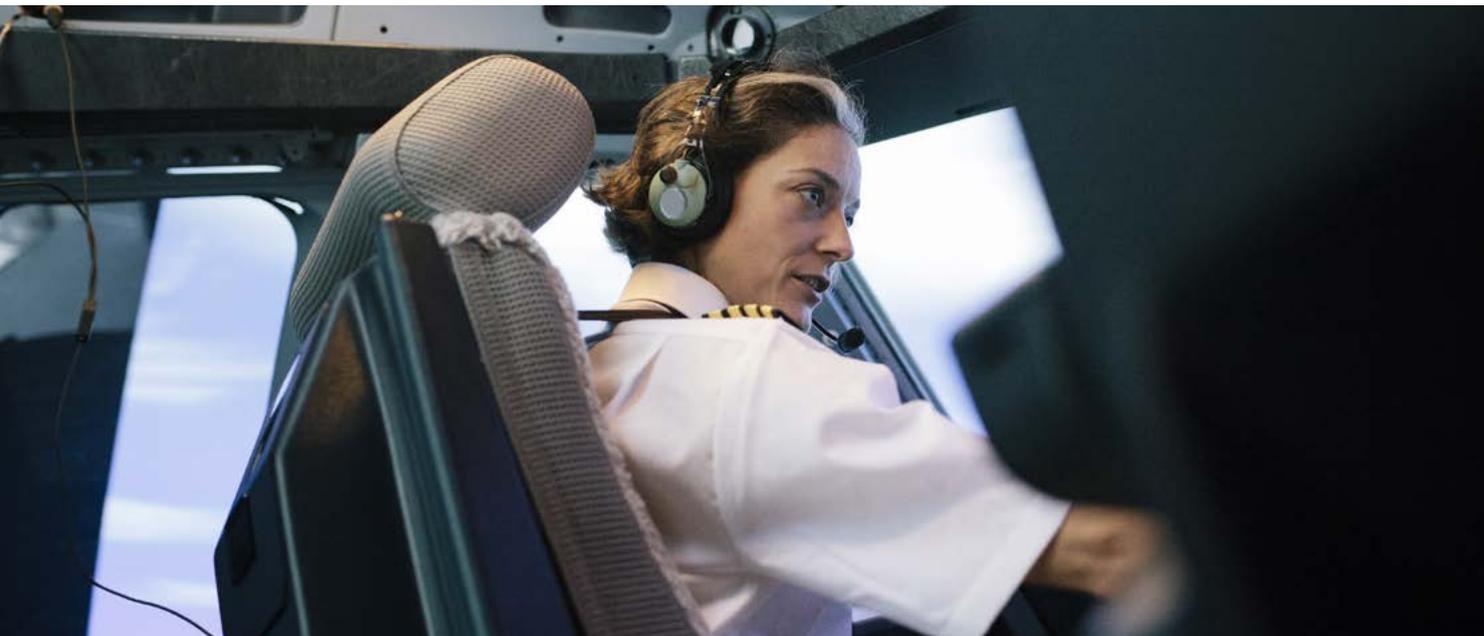
Risk/Return profile

Standard Risk Measure

Risk band	1	2	3	4	5	6	7
Risk label							Very high
Estimated frequency of negative annual returns in 20 years							Greater than 6

Strategic asset allocation

Asset Class	Allocation	Range
Australian Shares	40.5%	20 - 70%
International Shares	49.5%	30 - 70%
Real Assets	5%	0 - 40%
Private Markets	5%	0 - 25%



Conservative Growth

Designed for members who are generally risk averse or wanting short term access to their money, but want some capital expansion.

Investment Return objective:

To achieve a return, after fees, which exceeds Consumer Price Index (CPI) increases by at least 1.0% p.a. over **rolling 10-year periods**.

Suggested minimum timeframe (years) **2-4**

Risk/Return profile

Standard Risk Measure

Risk band	1	2	3	4	5	6	7
Risk label	Medium						
Estimated frequency of negative annual returns in 20 years	2 to less than 3						

Strategic asset allocation

Asset Class	Allocation	Range
Australian Shares	9%	0-20%
International Shares	11%	0-20%
Real Assets	10%	0-20%
Private Markets	0%	0-10%
Alternatives	10%	0-60%
Diversified Fixed Income	30%	0-60%
Cash	30%	0-60%

Stable Growth

Designed for members who want a diverse investment portfolio to obtain steady returns over time.

Investment Return objective:

To achieve a return, after fees, which exceeds Consumer Price Index (CPI) increases by at least 2.0% p.a. over **rolling 10-year periods**.

Suggested minimum timeframe (years) **3-5**

Risk/Return profile

Standard Risk Measure

Risk band	1	2	3	4	5	6	7
Risk label	Medium to High						
Estimated frequency of negative annual returns in 20 years	3 to less than 4						

Strategic asset allocation

Asset Class	Allocation	Range
Australian Shares	13.5%	5-30%
International Shares	16.5%	5-30%
Real Assets	17%	0-30%
Private Markets	5%	0-10%
Alternatives	8%	0-40%
Diversified Fixed Income	20%	0-40%
Cash	20%	0-40%

AvSuper diversified options (continued)



Growth

Designed for members who accept medium risk with short term fluctuations in a diversified portfolio for higher long term returns.

Investment Return objective:

To achieve a return, after fees, which exceeds Consumer Price Index (CPI) increases by at least 3.5% p.a. over **rolling 10-year periods**.

Suggested minimum timeframe (years) **5+**

Risk/Return profile

Standard Risk Measure

Risk band 1 2 3 4 5 **6** 7

Risk label **High**

Estimated frequency of negative annual returns in 20 years **4 to less than 6**

Strategic asset allocation

Asset Class	Allocation	Range
Australian Shares	27%	20-45%
International Shares	30%	20-45%
Real Assets	21%	0-45%
Private Markets	4%	0-15%
Alternatives	5%	0-30%
Diversified Fixed Income	11%	0-30%
Cash	2%	0-15%

Diversified Index

Designed for members who accept the high short-term volatility of listed markets and seek passive market returns with a long term investment horizon.

Investment Return objective:

To achieve a return, after fees, which exceeds Consumer Price Index (CPI) increases by at least 3.0% p.a. over **rolling 10-year periods**.

Suggested minimum timeframe (years) **7+**

Risk/Return profile

Standard Risk Measure

Risk band 1 2 3 4 5 **6** 7

Risk label **High**

Estimated frequency of negative annual returns in 20 years **4 to less than 6**

Strategic asset allocation

Asset Class	Allocation	Range
Australian Shares	31.5%	15-50%
International Shares	38.5%	15-60%
Diversified Fixed Income	17%	0-40%
Cash	13%	0-40%

AvSuper single class options



Cash

Designed for members who have a short investment horizon for some or all of their investment and want to safeguard their savings.

Investment Return objective:

To achieve a return, after fees, which exceeds the Bloomberg AusBond Bank Bill Index over **rolling 10-year periods**.

Suggested minimum timeframe (years)

0-3

Risk/Return profile

Standard Risk Measure

Risk band **1** 2 3 4 5 6 7

Risk label Very Low

Estimated frequency of negative annual returns in 20 years Less than 0.5

Strategic asset allocation

Asset Class	Allocation	Range
Cash	100%	N/A

Part of the default Income Stream investment strategy

Australian Shares

Designed for members who want to invest in local sharemarkets and accept higher risk for greater long term returns.

Investment Return objective:

To achieve a return, after fees, which exceeds the S&P / ASX 300 Accumulation Index over **rolling 10-year periods**.

Suggested minimum timeframe (years)

7+

Risk/Return profile

Standard Risk Measure

Risk band 1 2 3 4 5 6 **7**

Risk label Very high

Estimated frequency of negative annual returns in 20 years Greater than 6

Strategic asset allocation

Asset Class	Allocation	Range
Australian Shares	100%	N/A

AvSuper single class options (continued)



International Shares

Designed for members who want to invest in global sharemarkets and accept higher risk for greater long term returns.

Investment Return objective:

To achieve a return, after fees, which exceeds the Morgan Stanley Capital International All Country World Index (ex Australia) 33% hedged and 67% unhedged in \$A over **rolling 10-year periods**.

Suggested minimum timeframe (years)

7+

Risk/Return profile

Standard Risk Measure

Risk band 1 2 3 4 5 6 7

Risk label Very high

Estimated frequency of negative annual returns in 20 years Greater than 6

Strategic asset allocation

Asset Class	Allocation	Range
International Shares	100%	N/A



Manage your account at any time with AOL

It's easy to use and available 24 hours a day, 365 days a year. Just log in from our website with your member number and chosen password.

Once logged in, you can:

- update your details
- switch options
- check your account balance
- view past statements
- request a Centrelink Schedule

The risks of investing

There are always risks associated with investing, including investing in super, and different investments have different levels of risk. Investment options change in value and may perform differently at different times due to various economic and market factors.

How much risk your super faces is also influenced by factors such as your investment timeframe, age, investment choice, risk comfort, and any other income or assets you have. Assets with the highest long-term returns may carry the highest level of short-term risk.

Each AvSuper investment option is generally exposed to the following risks to some degree, depending on which assets the option invests in:

- **Adequacy risk** - your super may or may not provide enough money for your retirement
- **Currency risk** - international investments may be affected by foreign currency changes or movements in the Australian dollar (not relevant for the Cash and Australian Shares options)
- **Inflation risk** - probability of an investment's cash flow being worth less in the future due to inflation causing changes in purchasing power
- **Legislative risk** - super and tax legislation changes may affect your investment
- **Liquidity risk** - your investments may be difficult to sell quickly and may be realised at a discount
- **Market risk** - changes in investment markets due to economic or political factors may occur, possibly causing changes in the value of your investments
- **Switching risk** - trying to predict markets and frequently switching options risks crystallising losses in poor performing investments

Note that returns are not guaranteed and the value of any investment option may rise and fall. Past performance is not a reliable indicator of future performance.

AvSuper's investment managers may use derivatives to reduce risk and transaction costs, and as an efficient way to gain exposure to asset classes. Derivatives are not used for speculative purposes or for gearing.

AvSuper uses a **Standard Risk Measure** based on industry guidance to allow members to compare investment options. It is not a complete assessment of all forms of investment risk; specifically it does not take into account the impact of administration fees or the magnitude of investment earnings (positive or negative).

Members should ensure they are comfortable with the risks (especially the risks of negative investment earnings) associated with their chosen investment option. Read about the **Standard Risk Measure** on our website.

Tax and Income Streams

Many different tax rules apply to super and the following general summary is based on legislation at the date of this PDS and may change. Tax rates may differ if we do not have your TFN or you exceed the transfer balance cap (see page 3). Your beneficiaries (including a reversionary beneficiary) may not get the same tax treatment as you. Applicable taxes are generally deducted from or taken into account in calculating your account balance. **As there are many variables, personal advice may help you understand the tax implications of your Income Stream.**

Lump sum withdrawals (taxable components)	60 or over – no tax payable Under 60 but at or over preservation age – nil on first \$210,000; for amounts over \$210,000 Medicare levy plus 15% or your marginal tax rate (whichever is lower) Under preservation age - Medicare levy plus 20% or your marginal tax rate (whichever is lower)
Withdrawals (tax free components)	no tax payable for lump sum or drawdown withdrawals
Drawdown payments (taxable components)	until you reach 60 years, any taxable component of your drawdowns may be taxed at your marginal tax rate less a tax offset of 15% of the taxable component. From 60 years, no tax is payable.
Tax offset	you may receive a tax offset of 15% on the taxed part of your Income Stream payments if you are between your preservation age and 60 or if you receive the money prior to your preservation age (usually due to disability)
Investment earnings	nil within an Income Stream of the type offered in this PDS
Death benefit lump sum	no tax for payments to a dependant (as defined by law); non-dependants may have a tax liability depending on what is included in the payment
Terminal illness	no tax payable on lump sum payments (when eligible)

For up to date information about tax, go to ato.gov.au

Legislation authorises AvSuper to collect your Tax File Number (TFN) to be used only for lawful purposes including disclosing the TFN to other super providers unless you request we don't do this.

You do not have to give us your TFN but it may have advantages including not being charged additional tax on income stream payments.



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. You or your employer, as applicable, may be able to negotiate to pay lower fees. Ask the fund or your financial adviser.

To find out more

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



The above is a Government prescribed Consumer Advice Warning and our fees are not negotiable as we operate on a profit-for-members basis.

This section shows fees and other costs you may be charged. These fees and other costs may be deducted from your money, from the returns on your investment or from the assets of the Fund as a whole. Other fees, such as activity fees and advice fees for personal advice may also be charged, but these will depend on the nature of the activity or advice chosen by you. Entry fees and exit fees cannot be charged. Taxes are set out in another part of this document.

Fees and Costs Summary

AvSuper Income Streams																						
Type of fee or cost	Amount	How and when paid																				
Ongoing annual fees and costs¹																						
Administration fees and costs	\$59.80 p.a. plus 0.17% p.a. of account balance (subject to a maximum of \$1,000 p.a.)	\$1.15 per week deducted from your account balance at the end of each month or on exit. Percentage fee taken into account in the daily calculation of unit prices.																				
Investment fees and costs ²	<table border="1"> <thead> <tr> <th>Option</th> <th>% of option's assets*</th> </tr> </thead> <tbody> <tr> <td>High Growth</td> <td>0.85%</td> </tr> <tr> <td>Diversified Index</td> <td>0.06%</td> </tr> <tr> <td>Growth</td> <td>0.88%</td> </tr> <tr> <td>Balanced Growth</td> <td>0.85%</td> </tr> <tr> <td>Stable Growth</td> <td>0.77%</td> </tr> <tr> <td>Conservative Growth</td> <td>0.48%</td> </tr> <tr> <td>Australian Shares</td> <td>0.51%</td> </tr> <tr> <td>International Shares</td> <td>0.71%</td> </tr> <tr> <td>Cash</td> <td>0.05%</td> </tr> </tbody> </table>	Option	% of option's assets*	High Growth	0.85%	Diversified Index	0.06%	Growth	0.88%	Balanced Growth	0.85%	Stable Growth	0.77%	Conservative Growth	0.48%	Australian Shares	0.51%	International Shares	0.71%	Cash	0.05%	Taken into account in the daily calculation of unit prices
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Cash	0.02%																					
Member activity related fees and costs																						
Buy-sell spread	Nil	N/A																				
Switching fee	Nil	N/A																				
Other fees and costs ³	Various, depending on the nature of the activity or advice	Activity and advice fees are deducted from your account, when incurred																				

1. If your AvSuper account balance is less than \$6,000 at 30 June, certain fees and costs charged to you in relation to administration and investment are capped at 3% of the account balance. Any amount charged in excess of that cap must be refunded.
 2. Investment fees and costs includes an amount of 0.00%-0.21% for performance fees (based on a 5 year average to 30 June 2021), depending on the investment option. The calculation basis for this amount is set out under 'Additional explanation of fees and costs' below.
 3. The other fees and costs that may apply to your income stream are activity fees relating to a family law split and personal advice fees. Refer to the 'Additional Explanation of Fees and Costs' below for more information.
- * Estimates only taking into account data for the year ending 30 June 2021 (except in relation to performance fees) and current year circumstances, where relevant. See the 'Additional Explanation of Fees and Costs' below for more information.

Example of annual fees and costs for a superannuation product

This table gives an example of how the ongoing annual fees and costs for the AvSuper Balanced Growth investment option for this superannuation product can affect your super investment over a one year period. You should use this table to compare this super product with other super products.

EXAMPLE: Balanced Growth option		Balance of \$50,000
Administration fees and costs	\$59.80 (\$1.15 per week) and 0.17%	For every \$50,000 you have in the superannuation product you will be charged or have deducted from your investment \$85 in administration fees and costs, plus \$59.80 regardless of your balance.
PLUS Investment fees and costs	0.85%	AND you will be charged or have deducted from your investment \$425 in investment fees and costs
PLUS Transaction costs	0.12%	AND you will be charged or have deducted from your investment \$60 in transaction costs
EQUALS Cost of product		If your balance was \$50,000 at the beginning of the year, then for that year you will be charged fees and costs of \$629.80 for the superannuation product

Note: Additional fees may apply.

If your account is invested in investment options other than the Balanced Growth investment option, the investment fees and costs and transaction costs will be different to those displayed.

Note that costs for each \$50,000 invested in the Cash (23%) and Balanced Growth (77%) options (our Income Stream default investment strategy) would be approximately \$381.50 as investment fees and costs would be \$333.00 (\$5.75 for Cash and \$327.25 for Balanced Growth) and

transaction costs would be \$48.50 (\$2.30 for Cash and \$46.20 for Balanced Growth).

Refer to 'Additional explanation of fees and costs' below.

Advice fees may apply if personal financial advice is requested from an AvSuper Member Advice Consultant. Any fees payable will be detailed in a Statement of Advice. You can contact us for fees relevant to your situation.

Cost of product for 1 year

The cost of product gives a summary calculation about how ongoing annual fees and costs can affect your investment over a 1-year period for AvSuper's income stream investment options. It is calculated in the manner shown in the Example of annual fees and cost above. The cost of product information assumes a balance of \$50,000 at the beginning of the year. (Additional fees may apply: refer to the Fees and Costs summary for the relevant investment option). You should use this figure to help compare superannuation products and investment options.

Investment option	Cost of product
Cash	\$179.80
Stable Growth	\$584.80
Conservative Growth	\$419.80
Growth	\$649.80
High Growth	\$629.80
Australian Shares	\$449.80
International Shares	\$549.80
Balanced Growth	\$629.80
Diversified Index	\$179.80

Note that cost of product for each \$50,000 invested in the Cash (23%) and Balanced Growth (77%) options (our Income Stream default investment strategy) would be approximately \$526.30.

Additional explanation of fees and costs

1. Activity fees are only applied to services used by a member. Fees for a family law split (ie money is withdrawn for a spouse as part of a divorce or separation) are the only AvSuper activity fees. A split costs \$205 per person (deducted for each person's entitlement) and determining the value of a defined benefit for a family law court costs \$250 (payable by cheque). See our **family law fact sheet** for details.
2. Transaction costs may include brokerage, buy-sell spreads (for some of our managers), termination costs, settlement costs (including custody costs), clearing costs and stamp duty on investment transactions (that is, costs relating to purchase and sale of fund assets including costs incurred outside the Fund in relation to underlying investments). These costs are an additional cost to members, and are shown separately in the Fees and Costs Summary above (based on estimates reflecting the experience of the Fund for the year ending 30 June 2021), in relation to each investment option. They are reflected in the calculation of weekly unit prices.

3. The cost of our *Member Advice Consultants* providing factual information and general advice about AvSuper accounts, including in relation to choosing investment options and contribution strategies, is included within the administration fees and costs for existing members. For further information about advice services that AvSuper's advisers can provide, refer to the **AvSuper Financial Services Guide**. If a member requires personal intrafund advice, including advice about AvSuper's income streams, which takes into account personal objectives or needs, additional Advice fees may apply to cover the costs of preparing an SOA. These costs will be explained to you before the advice is given and are not negotiable. Advice fees for personal advice range from \$300-\$2,000 depending on the nature of the advice, and are payable directly by you or (if you consent) may be deducted from your account. The cost of advice relating to non-superannuation matters cannot be deducted from your AvSuper account. AvSuper advisers do not receive any commissions on advice given.
4. Investment fees and costs include estimated performance fees and indirect costs relating to underlying investments. The investment fees and costs reflect that there has been a significant underlying investment manager change since 30 June 2021 which impacts the anticipated costs for the 21/22 financial year. This provides a more reasonable indication of the estimated ongoing costs. Some of AvSuper's **investment managers** may be eligible for additional fees (called performance fees) if they exceed agreed targets for assets they manage. Where applicable, performance fees may affect investment fees and costs and are taken into account in the calculation of **unit prices**. When performance returns for an investment option are higher, the performance fees (and investment fees and costs) for that option will also be higher. Performance fees for each investment option, based on the calculated average performance fees over the 5 years to 30 June 2021, are shown in the table below and are subject to change.
5. Where applicable, GST payable by the Trustee (less reduced input tax credits) and stamp duty has been included in the fees shown in the table above.
6. The Trustee maintains an Operational Risk Financial Requirement (ORFR) reserve to ensure adequate financial resources based on a target funding level set by the Trustee) to cover losses arising from significant operational risks and risk events (not otherwise covered). A deduction of up to 0.13% of assets may be taken into account in the calculation of unit prices to maintain the ORFR at an appropriate level. As at the date of preparation of this PDS, there is no dedication in unit prices for the ORFR however this may change without prior notice. We will advise members if a deduction is required to increase beyond 0.13% p.a.. The Trustee may change the target funding level or maximum allowable deduction, or make other deductions to replenish the ORFR reserve, if required or considered necessary or appropriate. Information about the ORFR is included in the Fund's Annual Report.
7. The Fund maintains an Administration Reserve which represents that pool of funds required to meet the general operating and administration costs of the Fund and any unexpected or otherwise unforeseeable operating costs that may arise. Administration fees are deducted from members' accounts to fund the Reserve. **Where the Fund receives tax benefits arising from tax deductions for Fund expenditure paid from the Reserve, those tax benefits are applied back to the Reserve, and taken into account when determining the funding requirements of the Reserve. The funding requirements of the Reserve are forecast on a rolling basis and regularly reviewed by the Trustee.**
8. We may change or add new fees at any time without your consent, notifying members at least 30 days before such changes where required. Estimated fees or costs may vary from time to time without prior notice.

Defined fees

These definitions are prescribed by law. We do not charge buy-sell spreads or exit fees.

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 administration fees and costs, investment fees and costs, transaction costs, a buy-sell spread, a switching fee, an advice fee or an insurance fee.

Option	Performance fee
High Growth	0.13%
Diversified Index	0.00%
Growth	0.19%
Balanced Growth	0.21%
Stable Growth	0.20%
Conservative Growth	0.10%
Australian shares	0.01%
International shares	0.00%
Cash	0.00%

Administration fees and costs

Administration fees and costs are fees and costs that relate to the administration or operation of the superannuation entity and includes costs incurred by the trustee of the entity that:

- a. relate to the administration or operation of the entity; and
- b. are not otherwise charged as investment fees and costs, a buy-sell spread, a switching fee, an activity fee, an advice fee or an insurance fee.

Advice fees

A fee is an **advice fee** if:

- a. the fee relates directly to costs incurred by the trustee of the superannuation entity because of 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 administration fees and costs, investment fees and costs, a switching fee, an activity fee or an insurance fee.

Buy-sell spreads

A **buy-sell spread** is a fee to recover costs incurred by the trustee of the superannuation entity in relation to the sale and purchase of assets of the entity.

Exit fees

An **exit fee** is a fee, other than a buy-sell spread, that relates to the disposal of all or part of member's interests in a superannuation entity.

Investment fees and costs

Investment fees and costs are fees and costs that relate 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 incurred by the trustee of the entity that:
 - i. relate to the investment of assets of the entity; and
 - ii. are not otherwise charged as administration fees and costs, a buy-sell spread, a switching fee, an activity fee, an advice fee or an insurance fee.

Switching fees

A **switching fee** for 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.

Transaction costs

Transaction costs are costs associated with the sale and purchase of assets of the superannuation entity other than costs that are recovered by the superannuation entity charging buy-sell spreads.

Other things you should know

What if I change my mind after applying?

To be sure you are happy with your AvSuper Income Stream, there is a 14 day cooling off period during which you can cancel your Income Stream. If you change your mind about starting this Income Stream, no dollar based administration fees and costs will be deducted but other fees and taxes (where applicable) and investment returns may affect the balance we refund to you or transfer to your nominated accumulation account – we can't give it to you as cash if preservation rules still apply.

The cooling off period starts when we tell you we have accepted your application or five days after we accept it (whichever is sooner). Once you have received an Income Stream drawdown, cooling off no longer applies.

Information on request

Various AvSuper management documents such as the Trust Deed, latest annual accounts and auditor's report are available on our website or by writing to us for a hard copy.

Enquiries and Complaints

Please contact AvSuper if you have any enquiries – our contact details are listed on the back cover. In most cases, enquiries can be answered over the phone. Answers to written enquiries will generally be provided within five days.

1. We work hard to help with your super, but if you have any complaints or concerns please contact us on **1300 128 751** or email avsinfo@avsuper.com.au or write to Complaints Officer, AvSuper, PO Box 223, Civic Square, ACT 2608.
We will deal with your complaint or concerns as soon as possible within 45 days of receiving your complaint (or 90 days for a death benefit distribution complaint).
2. You may have the right to refer to the Australian Financial Complaints Authority (afca.org.au), although they generally expect you to use AvSuper's complaints process first. They can be contacted at no charge on **1800 931 678** or info@afca.org.au or by mail to GPO Box 3, Melbourne VIC 3000.



Need help understanding your retirement options?

Our *Member Advice Consultants* offer AvSuper members personal advice* about retirement options within AvSuper including:

- When to start
- Nominating beneficiaries
- Investment options and strategies

* Advice fees may apply

Call **1300 128 751** for details or visit avsuper.com.au



Contact Us

Phone 1300 128 751 or 02 6109 6888

Email avsinfo@avsuper.com.au

Post AvSuper, PO Box 223, Civic Square, ACT 2608