



The Super Money
Eligible Rollover Fund
SMERF

PRODUCT DISCLOSURE STATEMENT

Preparation 18 September 2009

The issuer and Trustee of the Super Money Eligible Rollover Fund ("SMERF") CCSL Limited, ABN: 51 104 967 964, Registrable Superannuation Entity Licence ("RSEL") No: L0000758 Australian Financial Services Licence ("AFSL") No: 287084, Address: 16/114 William Street, Melbourne VIC 3000. Ph: (03) 9616 8600. Fax: (03) 9642 4876.

The Administrator of the SMERF is Superannuation Administration Corporation trading as Pillar Administration, ABN: 80 976 223 967, AFSL No: 245591, Address: 83 Clarence Street Sydney NSW 2000. Ph: (02) 9238 5555.

SMERF
SUPER MONEY ELIGIBLE ROLLOVER FUND
ABN: 94 334 023 289 SFN: 511 787 055 RSE: R1001372

IMPORTANT INFORMATION

This Product Disclosure Statement ("PDS") has been prepared as at 18 September 2009 and is issued by the Trustee of The Super Money Eligible Rollover Fund (SMERF) ABN 94 334 023 289 ("Fund"), CCSL Limited (ABN 51 104 967 964; RSEL No. L0000758; AFSL No. 287084) ("Trustee").

The Fund was established under a trust deed, dated 1 July 2005, as amended from time to time ("Trust Deed").

This PDS provides important information about the main features, costs, benefits and risks of the Fund. This PDS will help you to compare the features of the Fund with those of other superannuation funds including other Eligible Rollover Funds ("ERFs"). You should read this PDS carefully and contact the Fund (contact details on page 3 of this PDS) if you require any further information. A glossary of terms appearing at the end of this PDS explains key terms used in this PDS.

Information in this PDS might change from time to time. If the change is materially adverse, a new PDS or supplementary PDS will be issued by the Trustee. If the change

is not materially adverse, the information will be updated on the Fund's website (www.smerf.com.au). If you do not have access to the internet, the updated information can be obtained by contacting the Fund (contact details on page 3 of this PDS). Examples of updated information that may become available are information about investment performance, asset allocations and underlying investment managers. Any updated information will be provided to you in hard copy free of charge upon your request.

CCSL Limited, the Trustee of the Fund, holds an Australian Financial Services Licence (AFSL No. 287084) and is licensed to provide general advice about the Fund and its features. The Trustee has also been licensed by the Australian Prudential Regulation Authority to act as trustee for the purposes of superannuation laws. The Trustee receives fees, as outlined in this PDS for its services.

Whilst every reasonable care has been taken in preparing this PDS, the full rights governing your membership in the Fund are contained in the Trust Deed. A copy of the Trust Deed can be inspected upon request.

The Trustee does not promise that Members will earn any return on their investment, or that their investment in the Fund will gain or retain its value. The Trustee does not guarantee the performance of, or repayment of capital from, the Fund. An investment in the Fund is subject to investment risk, and a summary of these risks is contained in this PDS (see Risks of the Fund section for further details). The value of a Member's investment in the Fund may rise or fall because of the level of investment returns earned by the Fund, the Fund's fees and costs and the impact of tax.

The SMERF is a regulated, complying, Eligible Rollover Fund that operates in accordance with relevant law, including the Superannuation Industry (Supervision) Act 1993 (Cth) and Regulations and the Corporations Act 2001 (Cth) and Regulations, and the Fund's Trust Deed.

The registered office of the Trustee is:
CCSL Limited Level 16, 114 William Street
Melbourne Vic 3000

For more information about the Fund You should contact:

SMERF

**Locked Bag 8840 Wollongong
NSW 2500**

Freecall: 1800 114 380

Freefax: 1800 118 307

Email: administration@smerf.com.au

Website: www.smerf.com.au

The information in this PDS is of a general nature only and does not take into account your individual financial situation, needs or objectives.

You should take these into account when making decisions about your benefit in the Fund and consult a licensed or authorised financial adviser where required.

Neither the Trustee, nor any of its related entities, nor their respective officers, nor any other party guarantees the capital invested by investors, the performance of specific investments or your account generally.

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ABOUT THE FUND

The SMERF was established on 1 July 2005 as an Eligible Rollover Fund (ERF). An ERF is a special type of Superannuation Fund designated by the Australian Prudential Regulation Authority to receive and invest the entitlements of superannuation members in certain circumstances.

Generally, people become members of an ERF because the trustee of a superannuation fund of which they were a member transferred their benefit to the ERF. A trustee of a superannuation fund may transfer members of a fund to an ERF without their permission in specific circumstances including:

- > If the trustee believes the member to be lost or inactive;
- > If you requested a benefit payment but did not provide instructions on how to pay the benefit that could be followed by the trustee; or
- > If the trustee is required to pay your benefit to an ERF to comply with the law.

When your benefit was transferred to the SMERF you probably ceased to be a member of the fund that transferred you. This means any insurance (or other benefits) you had through the transferring fund may have lapsed. You should contact the trustee of the transferring fund for more information.

When your benefit was transferred to the SMERF you became a member of the SMERF and your benefit became subject to its governing rules. This document describes how the SMERF works. This document is a summary. You should contact the SMERF as shown below for more information.

**Locked Bag 8840
Wollongong NSW 2500**

Freecall: 1800 114 380

Freefax: 1800 118 307

Email: administration@smerf.com.au

Website: www.smerf.com.au

Who manages the Fund

The role of the Trustee

The Fund's Trustee is CCSL Limited. The Trustee is responsible for the operation of the Fund.

The superannuation law requires the Trustee to act in the best interests of the Members at all times. Generally, if the Trustee complies with its duties, it does not need to compensate you for any loss you may suffer. However, the Trustee has liability insurance to protect it against some losses arising as a result of a claim against it. The liability insurance is subject to the terms and conditions of the insurance policy and does not cover all possible losses. The Trustee is satisfied that it has sufficient liability insurance cover.

Other service providers

The Trustee uses a range of specialist service providers to help look after the Fund and its investments including:

Administrator:

Superannuation Administration Corporation trading as Pillar Administration,

ABN: 80 976 223 967,

AFSL No.: 245591

Address: 83 Clarence Street Sydney NSW 2000

Ph: (02) 9238 5555.

Asset Consultant:

TAG Asset Consulting Group Pty Ltd trading as Atchison Consultants

ABN: 58 097 703 047,

AFSL No.: 230846

Address: Level 3, 155 Queen Street Melbourne VIC 3000.

Principal:

Farm Plan Pty Ltd as trustee for Prime Super,

ABN: 81 067 241 016,

Address: Level 15 190 Queen Street Melbourne Victoria 3000.

The Principal assisted in the establishment of SMERF. The Principal may provide various services including services relating to the promotion of the Fund. The Principal is licensed to give advice on superannuation and investments and does so under its Australian Financial Services License (AFSL No.: 219723).

In its capacity as a financial services provider, the Principal may provide financial services (for example, financial advice) to trustees of other superannuation funds in relation to the SMERF. Any such

services are provided by the Principal in its own right and not on behalf of the Trustee. The Trustee does not in any way endorse, warrant or accept responsibility for any of the services provided by the Principal directly to other persons.

None of the service providers to the Trustee named above have caused the issue of this PDS, guarantee the repayment of capital or the performance of the Fund.

Trust Deed

The Fund is governed by a Trust Deed, which sets out the entitlements of Members of the Fund and states the obligations of the Trustee. From time to time, we may need to make changes to the Trust Deed, and we will notify you of any changes in accordance with the Trust Deed and relevant law.

Relevant law

The Fund is a regulated and complying superannuation fund with the necessary registrations and licenses required under the relevant law, which includes the Superannuation Industry (Supervision) Act 1993 (Cth) and regulations and the Corporations Act 2001 (Cth) and regulations.

This means that the operation of the Fund is overseen by various regulatory bodies and it is required to be operated in a compliant manner to ensure the Fund can continue to take full advantage of the tax concessions available to complying superannuation funds.

Generally this means the Trustee must:

- > comply with superannuation laws, the RSE license conditions imposed by the Australian Prudential Regulation Authority (APRA) including risk management requirements;
- > perform its duties as trustee properly and prudently;
- > satisfy ongoing fitness and propriety standards;
- > provide regular reports to regulators.

JOINING THE FUND

How do You become a Member of the Fund?

You will have become a Member of the Fund as a result of your superannuation benefits being automatically transferred to the Fund by another superannuation entity.

Your benefit may have come from your previous employer's superannuation fund, a superannuation fund selected by you or a Retirement Savings Account ("RSA") (Transferring Fund).

Your benefit will generally have been automatically transferred to the Fund, due to the fact that your account balance in your previous fund was low, you or your employer had not made a contribution to the fund for some time, or the fund lost contact with you.

The circumstances in which your benefits have been transferred to the Fund will depend on the policies and procedures of the Transferring Fund.

When your benefit was transferred to the Fund you probably ceased to be a member of the fund that transferred you. This means any insurance (or other benefits) you had through the transferring fund may have lapsed. You should contact the transferring superannuation entity for more information.

When your benefit was transferred to the SMERF you became a member of the SMERF and your benefit became subject to its governing rules.

How does a trustee of a Transferring Fund participate in the SMERF?

A trustee of a prospective Transferring Fund must complete an application form (which is available from the Administrator by calling 1800 114 380) in respect of the initial automatic transfer of benefits to SMERF.

What You will receive when You become a Member

Once you have become a Member of the Fund and if your previous fund has provided the Fund with updated contact details for you, or we have been able to locate your contact details through other means, we will send you a welcome letter and this Product Disclosure Statement outlining the benefits that the Fund can provide.

We will also remind you that if you have any super money in any other superannuation funds, you may transfer (rollover) that super money to your account in this Fund. To do this, you will need to complete a Rollover Form (which is available from the Administrator by calling 1800 114 380). You may incur withdrawal or termination fees or lose benefits (for example, insurance benefits) upon leaving any other superannuation funds you participate in. If you require any information about this or other consequences, we recommend you speak to the relevant superannuation fund or an appropriately qualified adviser.

GETTING MONEY INTO THE FUND

The Trustee can accept money into the Fund as a rollover from other superannuation funds, Eligible Rollover Funds and RSAs, or the rollover of an employer termination payment.

The Fund can also accept payments from the Government in the form of the Government Co-contribution (see the "Government Co-contribution" section of this PDS for further details).

Rollovers are monies that have already been invested into the superannuation system, typically in another superannuation fund, and are transferred from that fund into this Fund, or employer termination payments that you have decided to rollover to your superannuation fund.

Note, any employer termination payments contributed to superannuation must be fully preserved (refer to the Preserved Benefits section for further information on preservation). Since 1 July 2007, the payment of employer termination payments to superannuation funds can only be made in limited circumstances.

This will apply to people with entitlements on termination of employment specified in existing employment contracts as at 9 May 2006, provided that payments are made prior to 1 July 2012. We recommend you obtain advice from an appropriately qualified adviser about this.

The Fund will also accept Superannuation Guarantee shortfall components (that is, late payments of superannuation guarantee paid to the Australian Taxation Office ("ATO") by employers) from the ATO, as well as amounts paid from the Superannuation Holding Accounts Special Account ("SHASA"). You or your employer cannot make contributions to the Fund.

Your account balance

All the amounts paid into the Fund on your behalf are placed into your personal account, after deduction of any taxes required by the Government (see the "Tax and Super" section of this PDS for further details).

The money in your account is then invested in line with the Fund's investment policy (see the "Investments" section of this PDS for further details). Your account is credited with any other amounts transferred to the Fund for you and investment earnings at the Crediting Rate (see the "Investments"

section of this PDS for further details). Your account is debited with withdrawals, amounts transferred from the Fund for you, any negative investment earnings at the Crediting Rate, fees and costs charged to your account and any tax payable for you (see the "Tax and Super" section of this PDS for further details).

For information about the allocation of investment returns to your account, see the "Investments" section of this PDS. For information about the fees and costs applicable to you see the "Fees and Other Costs" section of this PDS. Some fees and costs are taken into account in calculating the Crediting Rate and other fees and costs are deducted directly from your account.

The deduction of fees and costs is subject to some restrictions (called "Member Protection Rules"). See the "Member Protection" section of this PDS for details.

Government Co-contributions

You may be eligible to receive the Government Co-contribution in relation to contributions made to your previous fund if you satisfy certain requirements (please contact the Australian Taxation Office or an appropriately qualified financial adviser for further information). If your benefit is

GETTING MONEY OUT OF THE FUND

transferred to this Fund prior to receipt of your Government Co-contribution, it may be forwarded to this Fund by the ATO.

GETTING MONEY OUT OF THE FUND

The information in this section reflects Government rules about superannuation savings generally and when you can gain access to your superannuation benefits from the Fund.

The Government has placed restrictions on when the Fund can pay your superannuation benefits to you. These restrictions are known as preservation rules as outlined below.

Preserved benefits

Generally, you or your beneficiaries can only claim your preserved benefit when you satisfy a “condition of release”, including in the following circumstances:

- > You permanently retire after reaching your preservation age, which is between age 55 and 60 depending on when you were born (see table below):
- > You reach age 60 and cease gainful employment.
- > When you reach age 65.
- > If in the Trustee’s opinion you are permanently incapacitated.
- > You die.

Date of Birth	Benefits preserved until you reach
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 satisfy APRA’s release requirements on pre-determined specified grounds, for example to pay for palliative care, funeral costs, medical expenses, or to prevent the foreclosure of a mortgage etc. If you believe you may be eligible for the release of your benefits upon specified grounds, please call the Administrator on 1800 114 380.

- > The Trustee approves the release of your benefits (or part of your benefits) on the grounds of Severe Financial Hardship according to criteria specified in the law (depending on your age). This criteria includes having been in receipt of Commonwealth income support payments for a specified period (for more information call the Administrator on 1800 114 380).
- > Your account balance is less than \$200 and you have ceased gainful employment or were a lost member.
- > You are a foreign national (excluding New Zealanders) who has permanently left Australia, in which event higher tax rates than those outlined in the Tax and Super section may apply (see Temporary Residents section for more details).
- > You have reached your preservation age, but choose to continue employment and you take out a ‘restricted pension’ (a pension which cannot be cashed). Note, pensions are not available from the Fund.

Non-preserved benefits

It is possible that some part of your super benefit is not subject to the Preservation rules (“Non-preserved Benefit”). For example, when you change jobs you can take out your own after-tax personal contributions and some types of employer contributions, provided they were paid into a superannuation fund before 1 July 1999 (please note however, all contributions made to your super after 1 July 1999 are fully preserved). If this is the case, the Non-preserved Benefit amount will be shown on your annual Member Statement and is payable to you at any time on request.

Payment of Your benefit

Your superannuation benefits can be paid out to you in cash or transferred to another superannuation arrangement to commence a pension once you meet certain ‘conditions of release’, as outlined previously.

Upon retirement

Your retirement benefit is equal to your account balance (see the “Your Account Balance” section of this PDS for details).

Upon permanent incapacity

Your benefit upon permanent incapacity is equal to your account balance (see the “Your Account Balance” section of this PDS for details).

You will be considered permanently incapacitated if, as a consequence of ill health either physical or mental, you have ceased gainful employment and the Trustee is reasonably satisfied that you are unlikely ever to again engage in gainful employment for which you are reasonably qualified by education, training or experience.

Upon death

Your benefit upon death is equal to your account balance (see the “Your Account Balance” section of this PDS for details).

GETTING MONEY OUT OF THE FUND

The Trustee will pay your death benefit to one or more of the following:

- > Your Dependants.
- > Your legal personal representative (such as the executor of your estate).
- > If none of the above apply, then to any person that the Trustee determines is appropriate.

You may nominate the person/s (who are your Dependants and/or your legal personal representative) to whom you would like your death benefit paid. To nominate your preferred Beneficiary, please complete a Nomination of Beneficiary Form (available from the Fund, contact details on page 3 of this PDS) and provide it to the Administrator. It is important you keep the nomination up to date. The Trustee will take your nomination into consideration, but your nomination is not binding on the Trustee.

Nominations can be changed at any time by informing the Trustee in writing.

Because the death benefit payment process is often complicated, it may be some time before the death benefit is

paid. A death benefit payment will only be made after the Trustee has all the necessary information which enables it to make payment.

Temporary Residents

From 1 April 2009 changes to legislation restrict the manner in which a temporary resident may access their superannuation benefits. This means that a temporary resident (other than a retirement visa holder) who is not an Australian or New Zealand citizen or permanent resident, is only able to withdraw their superannuation benefits under the following limited conditions of release:

- > Death
- > Terminal medical condition
- > Permanent incapacity
- > Temporary incapacity
- > Unclaimed money payment
- > Departed temporary resident (DASP)*.

* People who enter Australia on an eligible temporary resident visa and who later permanently leave Australia can claim any superannuation they have accumulated. However New Zealand and Australian citizens are not eligible for a Departing Australia Superannuation Payment (DASP), even if they were the holder of an eligible temporary resident visa. For more information contact the ATO on 13 10 20 or go to www.ato.gov.au.

From 18 December 2008, the Federal Government introduced new rules requiring super funds to transfer any benefit held for a former temporary visa resident to the ATO. Under the new arrangements, the ATO will issue super funds with a notice identifying members who are former temporary visa residents. If we are notified by the ATO that you have become a former temporary visa resident, we will be required to pass any super money we hold on to the ATO. If you are a former temporary visa resident, you will generally be able to claim back your benefit from the ATO, usually as a lump sum. We have ASIC relief from providing an exit statement to temporary residents when their benefit has been transferred to the ATO.

From 1 April 2009 the tax you pay on the taxed element of a taxable component of a Departing Australia Superannuation Payment (DASP) is increased from 30% to 35%. The tax you pay on the untaxed element of a taxed component is increased from 40% to 45%.

For more information contact the ATO on 13 10 20 or go to www.ato.gov.au.

How to claim Your benefit

If you are entitled to be paid your superannuation benefit, you can make a claim by calling the Administrator on 1800 114 380 to request the appropriate form and obtain further instructions on what you need to do. In the case of a death benefit, a claim can be made by your Dependants or your legal personal representative.

Lump sum benefits only

The Fund pays out Members' superannuation benefits in the form of lump sum payments only. The Fund does not provide benefits as pensions or other income streams but pensions or income streams can be commenced in another superannuation arrangement by transferring your benefits to that arrangement. For advice about your payment options (including any tax implications) we recommend you speak to an appropriately qualified adviser.

Unclaimed benefits

Your benefit may become "unclaimed money" in certain circumstances. From 1 July 2007, unclaimed superannuation monies in respect of members who have reached their pension age (age 65) and cannot be contacted for 5 years must be paid to the Australian Taxation Office (ATO) in all cases (these amounts are no longer payable to State Revenue offices). The definition of unclaimed monies has changed so there is no longer a requirement for a benefit to be 'immediately payable' in order for it to be treated as unclaimed.

In this situation, in order to claim your benefit, you must contact the ATO on 13 10 20 or visit their website at www.ato.gov.au/super.

To help prevent this from occurring, please ensure that you notify us of any changes to your contact details (contact details of the Fund are on page 3 of this PDS).

Portability of benefits

You can request the transfer of your benefits to another complying superannuation fund or RSA at any time.

Transfer of Your benefits to Your previous fund

The Trustee of the SMERF may correspond with the trustee of the superannuation fund that transferred your benefit into this Fund to see if you have once again become an active Member of your previous fund

Where this occurs your previous fund will send you a letter asking if you would like to transfer your benefit in this Fund back to your previous fund, consolidating your benefits and possibly saving money in fees and costs.

You will be provided with a form, which you must complete and return to this Fund, if you would like your benefit in this Fund transferred back to your previous fund.

INVESTMENTS

The Trustee has adopted an investment policy that governs the way the assets of the Fund are invested which includes the Fund's investment objective (see below) and strategy for achieving this objective (see "Benchmark Asset Allocations" section of this PDS).

The Trustee does not promise that Members will earn any return on their investment or that their investment will gain or retain its value. An investment in the Fund is subject to investment risk.

Currently SMERF invests Members' money across various asset classes and three principal underlying investment managers. An investment portfolio with a spread of asset classes is designed to reduce the volatility (variability) of the returns of the portfolio. Volatility may also be reduced by utilising multiple investment managers.

Further information about the objectives, strategy and underlying investments of the Fund is outlined below.

Investment Objective

The investment objective is the return that the Fund aims to achieve over the relevant time frames. The objective is not a promise or guarantee of any particular return or benefit and is used, instead, to measure the ongoing performance of the investments of the Fund.

The investment objectives of the Fund are to:

- > Achieve an after fee and tax earning rate of at least 3% per annum above increases in Consumer Price Index (CPI) over a rolling five-year period,
- > Avoid the employment of member protection costs beyond one in every 10 years. Member protection costs are costs that are ordinarily charged directly to member accounts but cannot, in a given year, be deducted from the accounts to the extent they are in excess of the Crediting Rate allocated to member accounts. Costs that cannot be deducted from accounts will be met out of the assets of the Fund and, therefore, are borne by all members,

- > Establish capital reserves of up to 5% of assets to increase consistency of member Crediting Rates.

Investment Strategy

The Trustee will have regard to the overall circumstances of the Fund and will comply with all applicable legislative requirements when making decisions on investment strategy.

The Fund's investments will be managed with a view to ensuring that sufficient liquidity will be available to meet expected cash-flow requirements.

Assets will be invested in pooled funds managed by professional portfolio managers (underlying investment managers) who will have responsibility for the investment of the assets within specific constraints.

In choosing prospective managers, the Trustee will have specific regard to their investment strategy, historical performance, effect on the diversification of the Fund's assets, and management structure.

The Fund invests members' money in various asset classes having regard to a number of benchmark allocations outlined below. For information about the underlying investment managers currently utilised by the Fund see the "Investment Managers and Investment Funds" sections of this PDS.

Benchmark asset allocation

The benchmark asset allocation is the Fund's target allocation to the different asset classes. The actual asset allocation of the Fund will be close to this benchmark, but will vary from time to time, as a result of the asset allocation decisions of the underlying investment managers utilised by the Fund.

The actual asset allocation may occasionally fall outside of the ranges shown below. This may happen for example as a result of sudden significant movements in values for an asset class or decisions by underlying fund managers. Where this happens, the Trustee will take action to move back within the ranges as soon as practicable having regard to the interests of Fund members.

Table 1: Benchmark Asset Allocation applicable as at 18 September 2009

Asset Class	Benchmark	Ranges
Australian Shares	20%	15-25%
Overseas Shares	15%	10-25%
Property	10%	5-15%
Alternative Assets	5%	0-10%
Total Growth Assets	50%	
Australian Fixed Interest	33%	25-40%
Overseas Fixed Interest	7%	5-15%
Cash	10%	5-20%
Total Defensive Assets	50%	
	100%	

Table 2: Actual Asset Allocation

The actual asset allocations as at 30 June 2009:

Asset Class	Actual Asset Allocation
Australian Shares	21.2
Overseas Shares	14.5
Property	6.1
Alternative Assets	5.2
Total Growth Assets	47.1
Australian Fixed Interest	19.8
Overseas Fixed Interest	14.0
Cash	19.1
Total Defensive Assets	52.9
Total Assets	100.0

Updated information about the allocation of Fund assets to particular asset classes may be found on request (contact details of the Fund are on page 3 of this PDS).

Investment managers and Investment funds

As at 30 June 2009 the Fund's investments were held in the State Street Indexed Conservative Trust (43.0% of total Fund assets) and the BT Wholesale Active Balanced Fund (48.2%), with the remainder held in cash (8.8%).

In May 2009 a change in redemption policy for the State Street Indexed Conservative Trust rendered the fund partially illiquid. As a result the trustee resolved in July 2009 to redeem all assets from this Trust and re-invest in the Vanguard Lifestrategy PST – Conservative.

Updated information about the allocation of Fund assets to underlying investment managers may be requested from the Fund (contact details of the Fund are on page 3 of this PDS). The underlying investment managers used by the Fund may change at the discretion of the Trustee without notification to you as considered necessary or appropriate to achieve the Fund's investment objectives.

Investment performance

Investment returns (which can be positive or negative) are allocated to your account balance after each 30 June or on you leaving the Fund via the application of a Crediting Rate determined by the Trustee.

Returns on investments are allocated to the Fund's reserves during the year and distributed to member account balances, when required, in accordance with the applicable Crediting Rate, after taking into account relevant fees, costs, taxes and the Fund's reserving policy (described further below).

The amount of earnings allocated to your account balance is calculated daily (in accordance with the relevant Crediting Rate) and applied to your account as at 30 June or the date of leaving the Fund.

For more information about the fees and costs taken into account when determining the Crediting Rate, see the "Fees and Other Costs" section of this PDS.

Annual Crediting Rate and interim Crediting Rate

The rate of earnings that is allocated to member accounts is determined by the Trustee as at 30 June of each year via the declaration of a Crediting Rate based on investment returns after relevant fees, costs and taxes and any allocations to or distributions from the Fund's reserves are taken into account. The annual Crediting Rate can be positive or negative.

For members who leave part way through a financial year, an interim Crediting Rate will be used to calculate their benefit. Interim Crediting Rates can be positive or negative. Interim Crediting Rates will be reviewed throughout the year based on what the Trustee believes is prudent to pay. If you are considering leaving the Fund, you can contact the Administrator (contact details on page 3 of this PDS) for information about the interim Crediting Rate applicable at that time.

Due to the Fund commencing on 1 July 2005, past performance figures are only available for the period 1 July 2005 to 30 June 2009. The investment

performance of the Fund is calculated after the deduction of some (but not all) fees, costs and taxes.

The net returns (earned from the Fund's investments) and declared Crediting Rates for each year ending 30 June, since the inception of the Fund, is shown below:

1 July to 30 June	Net Returns	Declared Crediting Rate
2006	3.00%	3.00%*
2007	8.00%	8.00%
2008**	-4.90%	-4.80%
2009	-6.10%	-3.85%

* The Crediting Rate for the year ending 30 June 2006 represents the net earnings of the Fund (after rounding) for the period (approximately 9 months) that the Fund held assets (it is not an annualised rate and does not reflect a full year of investment).

** From 30 June 2008 the Declared Crediting Rate takes into account allocations from the Fund's Capital Reserve and reflects changes to the Fund's Crediting Rate policy effective 15 December 2007.

The compound average net return for the Fund since its inception is -0.23% and the compound average declared Crediting Rate for the Fund since inception is 0.44%.

Note: Past performance is not a reliable indicator of future performance. The Trustee does not guarantee that you will earn any specific rate of return on your investment or that your investment will gain or retain its value.

With effect from 15 December 2007 the Crediting Rate policy of the Fund was changed to take into account the creation of the Capital Reserve (see below for more information about this).

As a result of the changes to the Fund's Crediting Rate policy (and changes to the Fund's objectives, strategy and reserving policy), the Crediting Rates declared by the Trustee for future years may differ to a greater degree from the actual net returns achieved from the Fund's investments.

The Fund operates two Reserve Accounts.

The Administration Reserve

Fees deducted from Member's accounts (that is, Administration Fees) are paid into this reserve and used to pay some of the costs associated with the operation of the Fund. Any surplus amount in this reserve after the payment of costs is applied to the benefit of members via the Crediting Rate (see above) at the discretion of the Trustee.

The Capital Reserve

The purpose of this reserve is to enhance the long term growth objectives of the Fund and to assist in maintaining the short term volatility objective of avoiding employment of member protection costs in at least 9 in every 10 years.

The Capital Reserve is the mechanism for smoothing Crediting Rates (both interim rates during the year and annual Crediting Rates over the longer term). Crediting Rates can be rounded up during times of poor performance and rounded down during times of abnormally high performance.

The Trustee has developed a formula based structure to funding and drawing on this reserve which maintains transparency and minimises discretionary decisions about crediting member accounts with monies from the reserve. Both the effects of reserving and member protection costs on equity between members have been considered in establishing this approach.

Funding the Capital Reserve

The Capital Reserve will be funded by the allocation of up to 40% of the net returns above the long term objective of an earning rate of inflation + 3% after fees and taxes, to the reserve, each year.

The Trustee manages this reserve to ensure excess Funds are not accumulated. The reserve is capped at 5% of total Fund net assets and cannot be negative.

Distributing the Capital Reserve

Member accounts will be allocated 20% of all available monies in the Capital Reserve as at 30 June each year (subject to the effects of any rounding that may be reasonably applied). In the event of an earning rate below the objective of

a minimum Crediting Rate of 3%, the Capital Reserve will be used to fund the difference where sufficient reserves are available.

The reserve will be invested in accordance with the investment policy of the Fund.

Derivatives

The Trustee will not directly invest any of the assets of the Fund in derivative securities such as futures, options or swaps. The underlying investment managers utilised by the Fund may however, utilise derivatives to manage the risk and liquidity of their portfolios. Derivatives are not used by the underlying investment managers to gear the investment portfolio of the Fund or as speculative investments. Derivatives are carefully monitored by the Trustee in accordance with the investment policy for the Fund.

Trustee considerations

The Trustee of the Fund does not take into account labour standards, environmental, social or ethical considerations in making investment decisions or selecting underlying investment managers or investment funds.

Performance monitoring by the Asset Consultant

The Trustee utilises an independent Asset Consultant to provide advice regarding the investments of the Fund. The Asset Consultant to the Fund is Atchison Consulting Pty Ltd.

The investments of the Fund are continuously monitored via regular investment reports which are reviewed by the Trustee.

The underlying investment managers and investment funds utilised by the Fund are appointed and removed by the Trustee in accordance with the Fund's investment policy. Any decision to appoint/remove a manager or fund is based upon an assessment of the style and performance of the manager or fund.

RISKS OF THE FUND

Below are outlined some of the main risks of the Fund. This is not an exhaustive list of the risks that may impact the Fund and its members. The nature and level of risk relevant to the Fund may change from time to time depending on a range of factors including the composition of the investments of the Fund and external influences (for example, market conditions).

The impact of these risks on you may depend on your personal circumstances. If you need assistance to assess these risks having regard to your personal situation we recommend you consult a licensed or authorised financial adviser.

Investment Risks

Every investment, including an investment in superannuation through this Fund, carries some measure of risk, whether it is an investment risk or operational risk.

Each asset class presents a different degree of investment risk, together with a different level of potential earnings (return) on the investment. This is because investments in each asset class are also exposed to different types of underlying risks. Historically, “growth assets” such as Australian and international

shares, and property, carry a higher level of investment risk over shorter periods, with the possibility of higher returns over the longer term. Returns may be negative in some years. “Defensive assets” (or “income assets”) such as bonds, cash and fixed interest deposits generally have a lower investment risk, but usually offer lower returns in the longer run.

The significant investment risks may include:

- > individual investment risk – individual assets such as shares and property acquired by the underlying investment managers can and do fall in value for many reasons, such as changes in the internal operations or management of the company, or in the business environment in which the company operates;
- > investment environment – economic, technological, political, social or legal conditions, and even investor sentiment, can and do change, which are likely to affect the markets for different investments and impact on the investment returns achieved;

- > interest rate risk – changes in interest rates can have a positive or negative impact directly or indirectly on investment values or returns – for example, the cost of a company’s borrowing can increase or decrease, resulting in changes in the company’s profitability and hence the price of their shares; and
- > currency risk – where the Fund invests in investments in other countries, if their currencies change in value relative to the Australian dollar, the value of the investments will change.

The Trustee seeks to minimise the investment risks of the Fund through the investment strategy of the Fund and through the use of an independent Asset Consultant to advise the Trustee. Investment risks are also minimized through diversification in the investments utilised in the Fund’s investment portfolio and the use of two underlying investment managers with differing styles of management.

Legal risks

Superannuation laws, the Corporations Act, Australian taxation laws and other laws affect the Fund and the Fund’s investments. Changes in superannuation laws may affect your ability to access your benefit in the Fund. Changes in taxation laws may also affect the value of your benefit.

Superannuation fund risk

Risks specific to the Fund, as with any other superannuation fund, include the possibility of changes to the Fund or its internal operations such as changes to key staff involved in the management of the Fund or failure of systems utilised by the Fund. The Trustee seeks to minimise this risk by taking into account the best interests of Members at all times when making decisions affecting the Fund and utilising service providers with a strong reputation and a proven record of service within their field.

As an eligible rollover fund subject to member protection rules, there is also a risk that the fees deducted directly from Member’s accounts are not sufficient to meet the operational expenses of the Fund. This may result in an additional expense recovery (member protection costs) from the assets or earnings of the Fund and, thereby, reducing the Crediting Rate. The Trustee operates a number of reserves to manage the fees and costs of the Fund and the allocation of returns so as to reduce the impact of the member protection rules. See the “Operation of Fund Reserves” and “Member Protection Rules” sections of this PDS for more information.

The Trustee has a risk management plan to help manage superannuation fund risk and other risks (a copy of which is available on request).

FEES AND OTHER COSTS

FEES AND OTHER COSTS

Consumer Advisory Warning¹

DID YOU KNOW?

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

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

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

You may be able to negotiate to pay lower contribution fees and management costs where applicable. Ask the Fund or your financial adviser.

TO FIND OUT MORE

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

¹ You should note, however, that there are no contribution fees applicable to this Fund and that fees and costs cannot be negotiated with the Fund or an adviser (as the Fund does not pay commissions to financial advisers).

This section shows fees and other costs that you may be charged. These fees and costs may be deducted from your money, from the returns on your investment or from the Fund assets as a whole.

Taxes are set out in another section of this document. You should read all of the information about fees and costs because it is important to understand their impact on your investment.

Fee	Amount	How and when paid
Fees when your money moves in or out of the Fund.		
Establishment fee The fee to open your investment.	Nil	Not applicable (N A)
Contribution fee The fee on each amount contributed to your investment either by you or your employer.	Nil	N A
Withdrawal fee The fee on each amount you take out of your investment.	Nil	N A
Termination fee The fee to close your investment.	Nil	N A

FEES AND OTHER COSTS

Management Costs

The fees and costs for managing your investment.

Management Costs* depend upon your account balance.

For members with less than \$200, an Administration Fee of 2.50% of account balance per annum (i.e. \$2.50 per \$100 invested) plus an estimated Investment Management Fee of 0.66%* of account balance per annum (i.e. \$0.66 per \$100 invested)

For members with more than \$199 but less than \$5,001, an Administration Fee of \$9.13# per annum plus an estimated Investment Management Fee of 0.66%* of account balance per annum (i.e. \$6.60 per \$1,000 invested)

For members with an account balance greater than \$5,000, an Administration Fee of 0.165% of account balance per annum (i.e. \$16.50 per \$10,000 invested) plus an estimated Investment Management fee of 0.66%* of account balance per annum (i.e. \$66 per \$10,000 invested)

Additional Expense Recoveries may apply if the expenses of the Fund (including member protection costs) are not covered by the Administration Fees and Investment Management Fees. Expense recoveries cannot be reasonably estimated as they depend on a number of factors including the operational costs actually incurred by the Fund in a given year, the number and size of account balances and the impact of member protection rules.

The Administration Fee is deducted from member accounts on the last working day of each month, except if the member is leaving the Fund, in which case it is applied immediately. The Administration Fee is paid into the Administration Reserve from which the operational expenses of the Fund are managed (see the "Administration Reserve" section of this PDS for more information).

For members with more than \$200 but less than \$5,000, the Administration Fee of \$9.13# per annum is charged at a rate of 0.76 cents per month.

The Investment Management Fee is calculated daily and deducted from the investment assets monthly and taken into account in the calculation of the Crediting Rate.

Expense Recoveries are deducted from the investment assets if required and taken into account in the calculation of the Crediting Rate. See "Additional Explanation of Fees and Costs" section of this PDS for more information.

Service Fees**

Investment Switching fee:

Nil

N A

The fee for changing investment options.

*The investment management fees are estimated based on the fees charged by the underlying investment manager for the investments of the Fund for the year ended 30 June 2009. The investment management fees will vary from year to year depending on the allocation of the Fund's assets to the underlying investment managers during a year.

** Other Service Fees apply. See the "Additional Explanation of Fees and Costs" section of this PDS.

The Administration Fee for Members will be \$9.00 per annum up until 1 January 2010.

Example of annual fees & costs

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

EXAMPLE – SMERF		BALANCE OF \$50,000 WITH TOTAL CONTRIBUTIONS OF \$5,000 DURING YEAR.
Contribution Fees	Nil	For every \$5,000 you put in, you will be charged \$0
PLUS Management Costs	0.825%	And, for every \$50,000 you have in the Fund you will be charged an estimated \$412.50 each year.
EQUALS Cost of fund		If you put in \$5,000 during a year and your balance was \$50,000, then for that year you will be charged estimated fees of up to \$412.50*
		What it costs you will depend on the fees you negotiate with your fund or financial adviser**

*Additional fees may apply (see the "Additional Explanation of Fees and Costs" section of this PDS.).

ADDITIONAL EXPLANATION OF FEES AND COSTS

Establishment/Withdrawal/ Termination Fee - Nil.

**The Cost of fund is based on investment management fees for the year ended 30 June 2009 and will change from year to year depending on the allocation of assets to underlying investment managers during a year.

Note: This example is prescribed by government regulations. It is based on the only investment strategy available in the Fund. For this reason you should take care in comparing this example with examples provided in other product disclosure statements which may be based on a different investment strategy. For other examples based on smaller account balances (more typical for this Fund), see the "Additional Explanation of Fees and Costs" section of this PDS. You should note that you can not make contributions to this Fund (see the "Joining the Fund" section of this PDS for information about amounts that can be invested in this Fund) and that the fees and costs of this Fund are not negotiable.

ADDITIONAL EXPLANATION OF FEES AND COSTS

Management Costs

The Management Costs shown in the fees table vary depending on the size of your account balance and comprise an administration fee (determined to cover operating expenses like fees payable to the Administrator, Trustee, Principal and Asset Consultant) and estimated investment manager fees (based on the fees charged by the underlying investment manager for the investments of the Fund for the year ended 30 June 2009). Investment manager fees will depend on the actual asset allocations from time to time during a year.

If the expenses of the Fund are not covered by the Administration Fees and Investment Management Fees shown in the fee table, an additional amount may be deducted from the investment earnings or assets of the Fund before a Crediting Rate is determined (called an expense recovery). The amount of expense recovery cannot be reasonably estimated and will depend on a number of factors including the operational costs actually incurred by the Fund in a given year, the investment performance of the Fund, the number and size of account balances and the impact of

the member protection rules (described in the "Member Protection Rules" section of this PDS) on account balances.

Account balances of less than \$200

For account balances of less than \$200, the management costs of the Fund are an estimated 3.16% of the account balance per annum. This fee comprises:

- > An Administration Fee of 2.50% per annum, which is used to pay fees to the Administrator, the Trustee, Asset consultant and the Principal of the Fund; and
- > An estimated Investment Management Fee of 0.66% per annum, which is the estimated fee payable to the underlying investment managers of the Fund.

Example:

For an account balance of \$100.00 (during the whole year), this would represent a fee of \$3.16 per annum ($\$100 \times 3.16\%$ per annum).

Account balances from \$200 to \$5,000

For account balances from \$200 to \$5,000, the management costs of the Fund are \$9.13# plus an estimated 0.66% of the account balance per annum. This fee comprises:

- > An Administration Fee of \$9.13# per annum, which is used to pay fees to the Administrator, the Trustee, the Asset Consultant and the Principal of the Fund; and
- > An estimated Investment Management Fee of 0.66% per annum, which is the fee payable to the underlying investment managers of the Fund.

The Administration Fee of \$9.13# per annum will be increased annually in accordance with the Consumer Price Index ("CPI").

Example:

For an account balance of \$500 (during the whole year), this would represent a fee of \$12.43 per annum ($(\$500 \times 0.66\%$ per annum) + \$9.13#).

The Administration Fee will be \$9.00 per annum up until 1 January 2010.

ADDITIONAL EXPLANATION OF FEES AND COSTS

Account balance more than \$5,000

For account balances that are greater than \$5,000, the management costs of the Fund are an estimated 0.825% per annum. This fee comprises:

- > The Administration Fee of 0.165% per annum, which is used to pay fees to the Administrator, the Trustee, the Asset Consultant and the Principal of the Fund; and
- > An estimated Investment Management Fee of 0.66% per annum, which is the fee payable to the underlying investment managers of the Fund.

Example:

For an account balance of \$8,000 (during the whole year), this would represent a fee of \$66.00 per annum ($\$8,000 \times 0.825\%$ per annum).

Transaction Costs

Transaction costs are charged by the investment managers to cover the cost of buying and selling assets.

These are also called buy sell spreads. These costs are taken into account when valuing the net assets of the Fund before determining the Crediting Rates. These fees do not form part of the management costs described above (they are an additional indirect cost to you).

The transaction costs charged by the three applicable investment managers for SMERF are as follows:

Investment Fund	Buy Spread	Sell Spread
State Street Indexed Conservative Trust	0.08%	0.60%
BT Wholesale Active Balanced Fund	0.35%	0.35%
Vanguard Lifestrategy PST – Conservative	0.15%	0.10%

Service Fees

Fees relating to splitting or flagging a benefit upon marriage breakdown

The following fees will be charged in relation to processing requests for information under the Family Law Act and splitting and flagging of benefits in the event of marriage breakdown:

Request	Fee*
Processing an application for information	\$114.45# (GST Inclusive)
Processing payment split	\$91.55##
* Plus any additional legal costs	

The Application for Information Fee will be \$112.75 up until 1 January 2010.

The Payment split fee will be \$90.20 up until 1 January 2010.

Family Law related fees will be increased annually in accordance with the Consumer Price Index ("CPI").

The fee for processing a payment split will be deducted from the Member's account prior to the split being performed. Payment split fees do not incur GST.

All other family law related fees will be

payable up front via cheque by the person making the request.

For further information regarding splitting of superannuation benefits upon marriage breakdown, see the "Splitting superannuation upon marriage breakdown" section of this PDS or contact the Fund (contact details are on page 3 of this PDS).

Member protection rules

Government regulations require that the benefits of all Members of an Eligible Rollover Fund be protected from erosion by administration charges. The Member protection rules do not protect a Member's benefit in an ERF from erosion against all fees and charges, but only against administration costs that are charged directly against a Member's benefits.

In periods of poor investment returns the Superannuation Industry (Supervision) Act 1993 (Cth) and regulations provide an exception to member protection requirements. Protected members may be charged no more than an amount equal to the investment return credited

to the member's benefit plus \$10. This means that where returns are negative, administration costs of up to \$10 may be levied directly against the member.

This protection does not extend to administration or other costs levied against the assets or earnings of the Fund as a whole or against taxation.

In general, this means that, in the Fund, your account must be protected by ensuring that the Administration Fee (which is deducted directly from your account) does not exceed investment returns credited to your account (at the Crediting Rate). Any other fees and costs and taxes incurred by the Fund are

deducted from the Fund assets or earnings prior to calculation of a Crediting Rate.

Example:

Your account balance totals \$900 at 30 June, earnings credited to your account at the Crediting Rate were \$4 and you had been a Member of the Fund for the full year. The actual deduction for administration fees may not exceed \$4 as illustrated in the table below. Your account is credited with any investment earnings over and above the administration fees applicable to you. If there are negative investment returns and the Crediting Rate is negative, the value of your account balance will fall.

	Standard \$	With protection \$
Total account balances	900	900
Credited earnings	4	4
Administration fee	(9)	(4)
Closing account balances	\$895	\$900

Any fees and costs not able to be deducted from member accounts as a result of the member protection rules will be borne by all members of the Fund by being deducted from the Fund assets or earnings. This means that all members indirectly pay for the cost of protecting benefits. This is done by reducing the investment returns by the cost of member protection before declaring the Crediting Rate to be applied to member accounts — basically in the same way as the rate is reduced for investment management fees. The costs arising from the application of the member protection rules cannot be reasonably estimated and will vary from year to year depending on a number of factors including the investment performance of the Fund, the amount of operational costs actually incurred by the Fund in a given year and the number and size of account balances. In general, the greater the return, the less protection required.

Government tax and charges

The fees and other costs disclosed in this PDS include (if applicable) goods and services tax, less any reduced input tax credits, and stamp duty.

Other applicable government taxes and charges will be deducted from your account or deducted from the assets or earnings of the Fund.

The benefit of any tax deductions available to the Fund will be passed onto Members through higher earning rates or decreased costs as determined by the Trustee from time to time.

For more information about taxes applicable to superannuation, see the “Tax and Super” section of this PDS for details.

Changes to fees and costs

The Fund’s Trust Deed allows the Trustee to alter any charges at its discretion.

You will be advised 30 days before any material increase in fees is implemented.

The Administration Fee of \$9.13# p.a. will be increased annually in accordance with the Consumer Price Index (“CPI”).

The Administration Fee for Members will be \$9.00 per annum up until 1 January 2010.

Management costs may vary from year to year based on the experience of the Fund, the allocation of assets to underlying investment managers and the impact of the member protection rules. The Trustee can be indemnified out of the assets or earnings of the Fund for any expenses incurred in the operation of the Fund. This may give rise to the recovery of additional expenses from the assets or earnings of the Fund. This may mean that management costs in a given year may be different to the management costs shown in the fee table in the “Fees and Other Costs” section of this PDS.

TAX AND SUPER

Superannuation receives favourable tax treatment, making it an efficient vehicle for retirement savings. This section contains a general summary of the way superannuation is currently taxed. It includes information about tax laws that were current on 1 July 2007. This section only deals with changes relevant to you as a member of an eligible rollover fund. As the changes may have a significant impact on you depending on your personal circumstances, we recommend you seek appropriately qualified advice.

Contributions Tax

A contributions tax of 15% applies to amounts paid into the Fund from the Superannuation Holdings Accounts Special Account (SHASA) and Superannuation Guarantee charge amounts paid by the ATO (in respect of late employer contributions). These are considered concessional contributions under the Superannuation Industry (Supervision) Act 1993 (SIS).

This tax is applied when these amounts are received by the Fund. If the Fund does not hold your tax file number (TFN) by the end of each financial year, a higher rate of tax (the highest marginal tax rate plus Medicare levy) may apply to taxable contributions made to the Fund (called no-TFN contributions) unless you were an existing member of the Fund as at 30 June 2007 and contributions in the year do not exceed \$1,000.

The No-TFN tax can (but is not required to) be claimed back by a superannuation fund if the TFN is quoted in the subsequent 3 year period for the benefit of the relevant member.

Concessional Contributions

The maximum concessional contribution allowed from all sources for the 2008/2009 financial is \$50,000 for persons under 50 and \$100,000 for those over 50. The Government has announced that the limits in 2009/2010 to 2011/2012 will be reduced to \$25,000 and \$50,000 respectively.

These contributions will be taxed at 15 per cent for contributions made within these limits. However, once you exceed the concessional contributions cap, an additional 31.5% tax is payable directly

by you (the additional tax can be released from the Fund upon presentation of an ATO Release Authority).

The tax liability on excess concessional contributions may be paid out of your superannuation account. Accordingly the Fund will withdraw the amount once it receives a ‘release authority’ form from you. The ATO will issue you a ‘release authority’ form once they have assessed any tax liability. The Fund will then pay the amount to meet the tax liability to the ATO on your behalf or to you as required or considered appropriate. Your account balance will be adjusted accordingly.

Non-Concessional Contributions

The only non-concessional contributions that can be accepted into the Fund are co-contributions (see the “Government Co-contribution” section of this PDS for further details). No contributions tax is payable on non-concessional contributions.

The annual non-concessional contributions cap is \$150,000 or \$450,000 over 3 years for members under 65 (see below).

There is no tax for contributions made within the non-concessional contributions cap. However, once you exceed the non-concessional contributions cap of \$150,000 (or \$450,000 over 3 years for members under 65), 46.5% tax is payable directly by you (the additional tax must be released from the Fund upon presentation of an ATO Release Authority).

If you are under age 65 you can make non-concessional contributions of \$450,000 at any time over 3 years (e.g. you could make a \$450,000 personal non-concessional contribution in the 2008/09 financial year). However, in that case, you would not then be able to contribute further until the 2011/12 financial year.)

Superannuation Surcharge Tax

The Commonwealth Government surcharge tax no longer applies to surchargeable employer contributions made on or after 1 July 2005. However, surcharge obligations are still payable in respect of 2004-2005 and previous financial years.

As surcharge tax is assessed in arrears, a member taking their benefit from the Fund

may be subject to further assessments on contributions made whilst a member of a previous Fund. If applicable, any further assessments will be issued by the ATO directly:

- > to you in the situation where you have received a cash payment; and/or
- > to your rollover fund where your benefit has been rolled over.

Tax on benefits

Reasonable Benefit Limits (which previously restricted the amount of concessional taxed superannuation a person can receive) were abolished from 1 July 2007.

Benefits paid from a taxed source to a member who is aged 60 or more will generally be tax free, regardless of whether they are paid as a lump sum or income stream.

Benefits paid from a superannuation fund to a member who has reached their preservation age and is less than 60 years of age, will generally continue to be concessional taxed but in a simplified manner (any tax free component will not be subject to tax if paid from a taxed source and any taxable component is taxed at a reduced rate).

Death benefits paid to dependants remain tax free (whether paid directly to the dependants or via the deceased member's estate). Death benefits paid to non-dependants must be paid as a lump sum by a superannuation fund and will be subject to tax (including when the benefit comes via the deceased member's estate). A non-dependant for this purpose includes a child aged 18 or more (unless the child is financially dependent or interdependent on the deceased member).

Note: as a result of more recent reforms, special tax treatment may apply to the taxation of superannuation benefits paid to a member because they are terminally ill.

Portability of benefits

From 1 July 2007, funds have 30 days from the date of receiving all relevant information, to process a rollover request (except that a longer period may be allowed for illiquid investments in prescribed circumstances).

Note: some confirmation of your identity is required when transferring superannuation benefits between superannuation funds under standardised transfer request processes applicable from 1 July 2007. Failure to provide necessary information may result in a delay in the transfer of benefits.

Transfers from other superannuation funds

Generally, no tax will apply to amounts transferred into the Fund from other superannuation accounts unless the amount transferred contains an "untaxed element" (for example, where the amount transferred is a payment from certain superannuation funds for government employees). We are required by law to deduct tax at the rate of 15% of the untaxed amount (higher tax may be applicable to the transferring fund for very large amounts – called excess untaxed rollover amounts).

Investment earnings

Your investment earnings and realised capital gains in the Fund are taxed at up to 15% (after taking into account deductions, credits or other rebates available to the Fund).

Providing your tax file number (TFN)

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

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

Quoting your TFN is voluntary and it is not an offence not to quote your TFN. However giving your TFN to the Fund will have the following advantages (which may not otherwise apply):

- > The Fund will be able to accept all co-contributions, Superannuation Guarantee shortfalls and SHASA amounts;
- > The tax on any taxable amounts paid to your account will not increase;
- > Other than the tax that may ordinarily apply, no additional tax will be deducted when you start drawing down your superannuation benefits; and
- > It will make it much easier to trace different superannuation accounts

in your name so that you receive all your superannuation benefits when you retire.

If you have not advised us of your TFN and wish to do so, please contact the Fund (contact details on page 3 of this PDS).

We may quote your TFN to the ATO or, unless you direct us otherwise, to the trustee of another superannuation fund to which your benefits are being transferred.

More Information

If you would like more information about this section of the PDS, contact the Administrator (contact details on page 3 of this PDS).

The changes recently made by the Federal Government also include other reforms that affect the amount of contributions that can be made to superannuation, the taxation of contributions, pension standards and tax file numbers. While these changes do not affect your membership of SMERF, further general information about the taxation changes is available from www.ato.gov.au.

COMMUNICATING WITH YOU

As we cannot provide you with taxation advice or financial advice that takes into account your personal circumstances, for advice relevant to your personal circumstances, we recommend you seek appropriately qualified taxation or financial advice.

Anti-Money Laundering & Counter-Terrorism Financing (AML/CTF)

From 12 December 2007, as a result of separate Government reforms designed to counteract money laundering and terrorism financing, you may be required to provide proof of identity prior to being able to access your benefits in cash (lump sum or pensions) and meet other requirements as determined by the Trustee from time to time in relation to the administration of your superannuation benefits (called "customer identification and verification" requirements). You will be notified of any requirements when applicable. If you do not comply with these requirements there may be a delay in the payment of your benefits.

As a result of these reforms the Trustee has become the subject of another regulatory body (called AUSTRAC) which has responsibility for the AML/CTF legislation. The Trustee is required to provide yearly compliance reports to AUSTRAC and notify AUSTRAC of suspicious transactions. This may involve the provision of personal information about you to AUSTRAC.

COMMUNICATING WITH YOU

We will send you the following communications if the Fund has your contact details or is otherwise able to locate you.

Communicating changes to the Fund

The information contained in this PDS is up to date at the time of preparation. However, some information can change from time to time. We will notify you of any material changes in accordance with relevant law.

Important adverse changes, including closure of the Fund and increases in fees will be notified to you in advance.

Changes that are not materially adverse or that are clearly positive will be advised to you at the earliest time practical and updated on the Fund's website www.smerf.com.au. In addition, we will provide information posted to the website to you in hardcopy free of charge upon your request. If you do not have computer access, the updated information can be obtained by phoning Freecall 1800 114 380 or writing to the Administrator at Locked Bag 8840, Wollongong, NSW 2500.

Member Benefit Statement

This shows the current balance of your account and any transactions (including the amount of fees and costs deducted from your account or otherwise impacting your investment) over the period to which the Statement relates.

Member Benefit Statements will be issued annually as at 30 June. You are encouraged to keep your Member Benefit Statement in a safe place.

Annual Report

The Annual Report provides information on the Fund's management and financial condition and its investment performance. Additional information may also be provided in the Annual Report in accordance with relevant law on any other changes that took place during the year.

Your Annual Report will be available online at www.smerf.com.au. If you do not wish to access this report online you may choose to receive a hard copy, free of charge, by calling the Administrator on 1800 114 380. Your choice to receive a hard copy will continue each year unless you notify us that you wish to access the Trustee Annual Report online.

You are encouraged to understand your rights in the Fund by reading the Annual Report.

Other information Members receive

When you join the Fund, you will receive a letter confirming your membership if the Fund is provided with up to date contact details for you or has otherwise located you.

Confirmation of transactions

All transfers or rollovers received by the Fund and benefit payments from the Fund will be confirmed to you in writing.

Confirmation of any other transactions can be obtained upon request by contacting the Fund.

Website

The Fund's website www.smerf.com.au contains a range of relevant Fund information.

Privacy

Privacy laws regulate, among other matters, the way we collect, use, disclose, keep secure and give you access to your personal information. Following is an outline of how we collect and use your personal information.

You, or your previous fund, will provide personal information about you to the Fund.

The Trustee collects personal information about you for the following purposes:

- > To process your enrolment in the Fund (in accordance with the Superannuation Industry (Supervision) Act 1993).
- > To administer and manage your participation in the Fund and communicate with you about the Fund.
- > To provide you with information about other products or services that may be of assistance to you.
- > To facilitate our internal business operations, including fulfilment of any legal requirements.

In particular, the Trustee of the Fund may provide details regarding your account to your previous superannuation fund, for the purposes of offering you the opportunity of transferring your benefits in this Fund back to your previous fund if you become an active Member of your previous fund again at any time.

If you do not provide the personal information sought from time to time, it may mean that your enrolment in the Fund cannot be processed or that services cannot be provided to you.

The Trustee may disclose your personal information (as necessary):

- > to its agents, contractors or third party service providers that provide financial, administrative or other services in connection with the operation of the Fund or its business, for example where a fund administrator is appointed;
- > to any new Trustee as may be appointed from time to time;
- > to any party which holds amounts on your behalf which will be transferred to the Fund; and
- > where the law requires or permits us to do so (for example to law enforcement agencies or other government agencies) or if you consent.

By becoming a Member of the Fund, you agree to the Trustee collecting, using, storing and disclosing personal information about you in accordance with this privacy statement or as otherwise permitted or required by law.

For a further explanation of our privacy practices and how we comply with privacy laws, please contact us for a copy of our Privacy Policy.

COMMUNICATING WITH US

How to get more information

The Fund will be happy to assist you with any questions you may have about the Fund or your account once you become a Member. If you want more information you may contact the Fund (contact details are on page 3 of this PDS).

We are obliged to give you information which has been previously made available to the public and might reasonably influence your decision whether to acquire or retain an interest in the Fund.

We will tell you if there is a charge to provide you with information you request.

Additional information available to Members includes the Fund's:

- > Trust Deed
- > Investment Policy Statement
- > Latest Audited Accounts
- > Risk Management Plan.

In certain circumstances, the provision of some information may be subject to a charge. For example, the Trustee will charge a fee of \$114.45# for providing information in reply to an enquiry about a superannuation split under family law superannuation splitting legislation (See the "Fees and Costs" section of this PDS for further details).

#The Application for Information Fee will still be \$112.75 up until 1 January 2010.

SMERF

Locked Bag 8840 Wollongong NSW 2500

Freecall: 1800 114 380

Freefax: 1800 118 307

Email: administration@smerf.com.au

Website: www.smerf.com.au

Enquiries and complaints

The Trustee has set up a formal procedure for dealing with enquiries and complaints regarding the Fund's operation and management. You can make an initial enquiry by contacting the Fund or you can formally register a complaint by contacting the:

**Enquiries and Complaints Officer
CCSL Limited**

GPO Box 3001

Melbourne Vic 3001

Ph: (03) 9616 8660

Fax: (03) 9642 4876

Email: enquiries@ccsl.com.au

All complaints will be handled in a courteous and confidential manner and will be properly considered and dealt with within 90 days.

If after lodging a complaint you have not received a response within 90 days, or you are not satisfied with the outcome, you may have the right to lodge a complaint with the Superannuation Complaints Tribunal ("SCT"). The SCT is an independent body set up by the Federal Government to hear complaints by Members and beneficiaries about certain types of decisions made by trustees of superannuation funds.

The SCT can only consider your complaint if you have already been through the Fund's internal complaints procedure.

If the SCT accepts your complaint, it may attempt to resolve the matter through conciliation, which involves assisting you and the Fund to come to a mutual agreement. If conciliation is unsuccessful, the complaint is referred to the Tribunal for a determination which is binding.

You should be aware, however, that a party may appeal a decision of the Tribunal to the Federal Court of Australia. If you

OTHER INFORMATION ABOUT THE FUND

wish to find out whether the Tribunal can handle your complaint and the type of information you would need to provide, phone the following number for the cost of a local call anywhere in Australia:

Superannuation Complaints Tribunal
Locked Bag 3060 GPO MELBOURNE VIC
3001 Ph: 1300 780 808

Electronic PDS

If you received this document electronically we will provide a paper copy free of charge if you ask us. This PDS can only be used and relied upon by people receiving it (electronically or otherwise) in Australia.

Keeping in touch

It is very important you always let us know when you change your contact details. We can only send you information about the Fund, your membership and your account if we have your contact details or if we are otherwise able to locate you.

Staying in touch with the Fund is easy, no matter where you live or work. You can contact the Fund on 1800 114 380 between 8.00am and 6.00pm AEST Monday to Friday.

If you do not keep in touch, and we are unable to contact or otherwise locate you, you may become what is known as a Lost Member. We are required under Government legislation to report lost Members to the Australian Taxation Office — Lost Members Register. The Lost Members Register functions as a database with search facilities, and a person may contact the ATO on 13 10 20 to inquire whether he/she has a superannuation benefit recorded on the Register.

OTHER INFORMATION ABOUT THE FUND

Changes to the Fund

Whilst it is the Trustee's intention that the Fund continue indefinitely, circumstances may arise that would necessitate amendment or even termination of the Fund. Any amendment or termination cannot adversely affect the benefits accrued for each Member up to the date of amendment/termination without the consent of Members.

The Trustee reserves the right to amend the terms and conditions of the Fund in accordance with the provisions of the Trust Deed and superannuation law.

The Trustee may also withdraw this PDS and, with the agreement of the Principal, close the Fund.

Splitting superannuation upon marriage breakdown

The Family Law Act allows superannuation to be treated as property when deciding a financial settlement in the event of marriage breakdown.

You can enquire about your benefit in the Fund for the purposes of considering a financial settlement in the event of a marriage breakdown.

Provided certain requirements are met, your spouse can also enquire about your superannuation. Your spouse may request information from the Fund regarding your benefits in the Fund, without your knowledge or consent. The Trustee is restricted by legislation from informing you about such an enquiry from your spouse (see the "Fees and Costs" section of this PDS regarding the applicable fees).

As part of a financial settlement in the event of a marriage breakdown, your benefit in the Fund can be split between you and your spouse (see the "Fees and Costs" section of this PDS for details regarding the applicable fees). This must be by instruction to the Trustee via a 'Superannuation Agreement' between you and your spouse or by a Court Order.

Borrowing against Your benefit in the Fund

It is not possible to borrow from the Fund or to apply your benefit in the Fund as security for a loan.

GLOSSARY OF TERMS

General Terms: In this PDS, unless indicated otherwise, reference to:

Administrator means Pillar Administration (ABN 80 976 223 967).

Dependants in relation to a Member, includes the spouse of the Member (this includes married couples, de facto spouses (including same-sex) and certain registered relationships), any child of the Member, any person financially dependent on the Member and any person with whom the Member has an interdependency relationship. Two people have an interdependency relationship if:

- > They have a close personal relationship; and
- > They live together; and
- > One or each of them provides the other with financial support; and
- > One or each of them provides the other with domestic support and personal care.

If two people have a close personal relationship but the other criteria above are not satisfied due to the fact that one person suffers from a physical, intellectual or psychiatric disability, they may still have an interdependency relationship.

Note: for tax purposes a different definition of "Dependant" applies.

Fund means The Super Money Eligible Rollover Fund (SMERF).

Investment manager/s means one or more underlying investment managers utilised by the Trustee in the investment of Fund assets to manage the assets of the Fund.

Member means a person who is or becomes a member of SMERF.

SMERF means The Super Money Eligible Rollover Fund

Trustee means CCSL Limited (ABN 51 104 967 964).

Us/We/Our means CCSL Limited.

Investment terms: In this PDS, unless indicated otherwise, reference to:

Asset allocation means the usual mix of assets in an investment portfolio. Each investment portfolio has an asset allocation range for the assets in which it invests; these may be exceeded from time to time should the Trustee consider it prudent.

Index means a measure of investment or economic performance used to set investment objectives; for example, to exceed the UBSA Warburg Bank Bill Index or Consumer

Price Index (CPI). Indices can be complex, please contact the Administrator for more information.

Investment objective means the return and other investment related objectives (including investment risk management) an investment portfolio is intended to achieve. An investment objective can be to outperform an index.

Performance means earnings allocated to members after the deduction of relevant fees, costs and taxes and the application of the Fund's reserving policies.

If you would like an explanation of any other terms used in this PDS please contact the Administrator.

SMERF

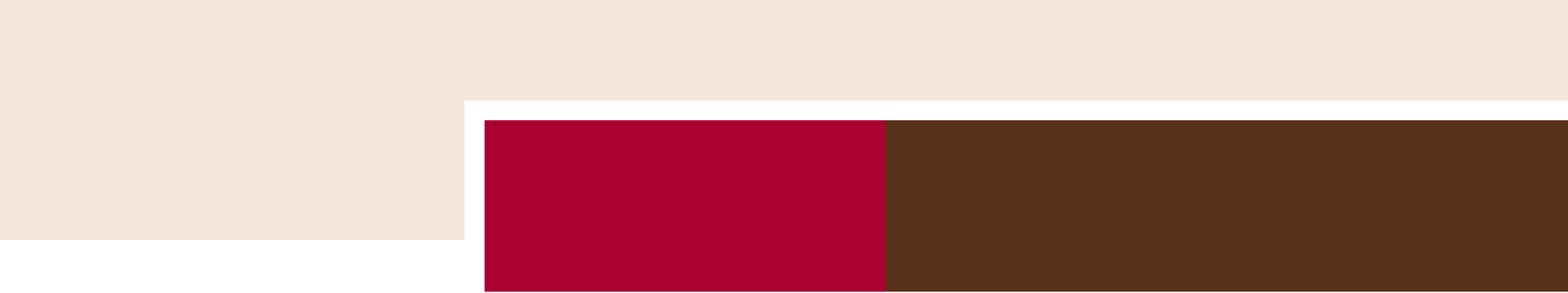
**Locked Bag 8840
Wollongong NSW 2500**

Freecall: 1800 114 380

Freefax: 1800 118 307

Email: administration@smerf.com.au

Website: www.smerf.com.au



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