

# PROGRESSIVE SUPERANNUATION FUND

ABN 21 871 924 959 SFN 110 630 941 R1056976

## INFORMATION FOR MEMBERS

COMBINED PRODUCT DISCLOSURE STATEMENT  
& FINANCIAL SERVICES GUIDE

### Pension Plan

Account-Based Pensions

Transition to Retirement Pensions

Prepared May 15<sup>th</sup> 2011

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This combined Product Disclosure Statement and Financial Services Guide was prepared by the issuer Progressive Pty Limited, the trustee of Progressive Superannuation Fund, in respect of Progressive Superannuation Fund's Pension Plan.

### Product Disclosure Statement

This Product Disclosure Statement (PDS) sets out the main features of Progressive Superannuation Fund's Pension Plan. This is information you require for the purpose of deciding whether membership of Progressive's Pension Plan will meet your needs and how it compares with other pension products you may be considering.

This advice has been prepared without taking into account your personal objectives, financial situation or needs and because of that, before acting on the advice, you should consider the appropriateness of the advice, having regard to your own objectives, financial situation and needs.

It is important that you carefully read this PDS when considering membership of Progressive Superannuation Fund's Pension Plan. Further information about the Fund is available by contacting Progressive.

The information in this PDS is current at the Preparation Date May 15<sup>th</sup> 2011 except for investment allocations and performance details, which are regularly updated. When there is a material change in the information we will publish a supplement or a replacement to this PDS.

### Financial Services Guide

The Financial Services Guide on page 36 contains important information about

- the financial services we offer you;
- assistance to you in deciding whether to use these financial services;
- how we and our associates are paid;
- any potential conflicts of interest we may have; and
- our internal and external dispute resolution procedures and how you can access them.

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## Progressive Superannuation Fund

Progressive Superannuation Fund (the Fund), established in 1967, is a Public Offer fund compliant under the *Superannuation Industry Supervision Act*. The Fund consists of:

- a Superannuation Plan catering for personal membership<sup>1</sup>; and
- a Pension Plan which offers account-based pensions including transition to retirement pensions

### Trustee

The Fund is governed by its Trust Deed which sets out the Fund's internal rules. This deed may be altered from time to time, usually as a result of changes to Government laws or regulations. When changes are required, the Trustee will send you a notice explaining the nature, purpose and effect of the changes.

The Trustee of the Fund is Progressive Pty Limited - ABN 53 075 411 371 AFSL 235 191 RSE L0003100 - located at Level 4, 131 Clarence Street Sydney NSW 2000. The Trustee has overall responsibility for the Fund, and for ensuring that the Fund complies with applicable legislation.

## Fund Administration and Management

All administration and management is conducted in-house by Progressive. The Trustee at all times retains direct responsibility for decisions relating to the Fund and its investments.

### Membership

Progressive Superannuation Fund welcomes:

- Individuals saving for retirement who may join the fund as Personal Members. See the Superannuation Plan PDS<sup>1</sup> for more details.
- Retired persons and those approaching retirement as Members of Progressive Pension Plan.

Superannuation Plan Members may commence a pension from within the Fund.

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<sup>1</sup> refer to *Progressive Superannuation Fund Superannuation Plan Combined Product Disclosure Statement and Financial Services Guide*

## Features

### ➤ Efficiency

A low cost of membership results from control and integration of investment, custodial and member administration functions.

The Fund's Trustee does not outsource these services and itself undertakes all functions – investment, custodial and member administration. This avoids the complexities, risks and costs of outsourcing to third parties to fulfill these roles.

### ➤ Overall Management Charge

Progressive Pension Plan Members pay a single overall management charge, at the fixed rate of 1.25% pa on daily balances, which covers all investment management, transaction and administration service fees. Rebates apply when account balances exceed \$ 300,000.

There are no other management costs deducted from Members' returns.

### ➤ Clear-Cut Investment Options

Progressive Members' investment options are free from unnecessary complexity and easy to understand.

Member Investment Choice (MIC) is straightforward, flexible and cost-free.

### ➤ Consistency

Investment strategies held by the Fund since 1998 have achieved returns for Members

which are consistent with the corresponding investment objectives.

### ➤ No Commissions

There are no commissions paid by the Trustee or Fund to anybody involved in recommending or selling this product.

## Progressive's Pension Plan

Progressive is pleased to offer account-based pensions to persons who have retired or are approaching retirement.

Account-based pensions are designed for people who have retired, or are approaching retirement age, and want to receive their superannuation entitlements as a regular income stream instead of one lump sum.

Progressive's Pension Plan includes:

- the *Commutable Account-Based Pension (CAP)*, for retired persons and those aged 65 or more; and
- the *Transition to Retirement Pension (TRP)*, a non-commutable account-based pension, for those who are approaching retirement.

Account-based pensions offer generous tax concessions coupled with flexible income stream payments and ready access to capital.

You have flexible control of your income by pre-selecting the pension amount and the frequency of payment - within the limits prescribed by the Government.

You receive this income in the form of regular periodic payments which continue as long as you have money in your pension account or until you choose to close your account or you die.

When you join Progressive's Pension Plan, an investment account is established in your name. Your account balance is invested according to the investment option you choose.

Only superannuation monies can be invested in an account-based pension

If you wish to invest monies from different sources, they must be consolidated in a single superannuation account (such as a Progressive Superannuation Consolidation Account) before being rolled over into your pension account.

Once a pension account is established no further contributions can be made to that account.

If more superannuation monies become available you can open a new account. With Progressive there is no barrier to doing so because it does not charge Members account establishment or contribution fees.

## Commutable Account-Based Pensions (CAPs)

The main features of Progressive's Commutable Account-Based Pension (CAP) are set out in this section.

### Generous Tax Benefits

The following tax benefits apply to commutable account-based pensions:

- No tax on pension payments if you are aged 60 or more.
- Tax-free lump sum withdrawals if you are aged 60 or more.
- Low tax rates on pension payments and lump sum withdrawals if are less than 60 years of age.
- Tax-free investment earnings and capital gains.

Please refer to the [Taxation](#) section on page 29 for more information.

### No Withdrawal Limits

There is no limit on the amount you can withdraw from your account at a concessional tax rate (tax-free if you're 60 or over).

### Flexible Pension Payments

Subject to the minimum annual payment amount specified by the Government, you have the power to choose the size and regularity of your payments. For more detail, refer to the [Pension Payments](#) section on page 11.

### Ready Access to Capital

A CAP is *commutable*, which means that you have ongoing access to your capital – at any time you can withdraw lump sums in addition to your pension payments - up to the full balance of your account.

### Member Investment Choice

You have a choice of investment options and flexibility to switch between them - see [Member Investment Choice](#) on page 18.

### Remaining Monies Not Forfeited

On your death remaining monies will not be forfeited since:

- your pension can be paid to your surviving spouse while funds last – (the *reversionary beneficiary* option); or
- any monies remaining on your death are distributed to your dependants and/or estate.

You are able to nominate your beneficiaries - refer to the [Death Benefits](#) section on page 26.

### Eligibility

You can establish a CAP if you are an Australian Resident and you:

- have \$20,000 or more in superannuation funds to invest; and
- satisfy one of the following:
  - You have permanently retired from the workforce after reaching your preservation age (see Table 1);
  - You have left a position of employment after reaching age 60;

- You are aged 65 or more irrespective of whether working or not; or
- You have retired early due to disablement or invalidity.

If you have reached your preservation age and are still working, you can open a *Transition to Retirement Pension Account* (see p8).

- 3. To alter the amount and the frequency of pension payment at any time.
- 4. To withdraw lump sum amounts up to the balance of the account (after providing for the minimum annual payment).
- 5. To change or switch investment choice without charge – see [Member Investment Choice](#) (p18).

**TABLE I – Preservation Ages**

Member’s Date of Birth	Preservation Age
Before 1 <sup>st</sup> July 1960	55
1 <sup>st</sup> July 1960 – 30 <sup>th</sup> June 1961	56
1 <sup>st</sup> July 1961 – 30 <sup>th</sup> June 1962	57
1 <sup>st</sup> July 1962 – 30 <sup>th</sup> June 1963	58
1 <sup>st</sup> July 1963 – 30 <sup>th</sup> June 1964	59
After 30 <sup>th</sup> June 1964	60

Your pension continues until you choose to close your account or your account balance reduces to \$2,000 at which time it will be paid to you.

It may be in your best interests to seek independent financial advice to determine whether the Pension Plan is best suited to your financial needs.

**The Flexible Conduct of a Commutable Account-Based Pension**

The monies which you rollover to a CAP account are invested in the investment option you choose – see [Member Investment Choice](#) (p18). Investment earnings are paid into your account and pension payments and any lump sum withdrawals are made from your account. The coverall management charge is debited to your account monthly.

You have the flexibility to choose:

- 1. The amount of pension paid subject to an age-dependent minimum – see [Pension Payments](#) (p 11).
- 2. The frequency of pension payment, to be

## Transition to Retirement Pensions (TRPs)

Progressive's Transition to Retirement Pension (TRP) is an account-based pension designed for people who have reached their preservation age (refer Table I on page 7) and want to access their superannuation benefits without retiring from the workforce. It provides the option of supplementing income with regular pension payments.

During a transition to retirement, superannuation contributions can continue to a separate Progressive Superannuation Plan account, so you could benefit by, for example, salary-sacrificing some income from your employment while taking money on which to live from your TRP account, thereby taking advantage of available tax concessions.

The TRP is *non-commutable*. This means there are limits on the amount you can withdraw from your account each year. See [Pension Payments](#) (p11) for details.

### Generous Tax Benefits

The following tax benefits apply to Transition to Retirement Pension accounts:

- Tax-free investment earnings and capital gains.
- Access to a proportion of the tax-exempt superannuation component within the balance invested.
- A 15% tax rebate on the taxable portion of the income stream received for

persons aged less than 60.

- No tax on pension payments for those aged 60 or more.

### Flexibility

With a TRP, you are able to supplement your other income with pension payments before you retire. Subject to maximum and minimum payment limits specified by the Government, you can decide on the size and frequency of these payments.

### Access to Capital

Lump sum withdrawals from a TRP account are permitted in the following circumstances:

- A condition of release of benefits with a "nil" cashing restriction is satisfied - normally when you retire or reach 65.
- The amount being cashed is an unrestricted non-preserved superannuation benefit.
- A superannuation contribution surcharge is paid.
- The payment is made to give effect to a payment split under family law.

### Member Investment Choice

You have a choice of investment options and flexibility to switch between them - see [Member Investment Choice](#) (p18).

### Remaining Monies Not Forfeited

On your death remaining monies will not be forfeited since:

- your pension can be paid to your surviving spouse while funds last – (the *reversionary beneficiary* option); or

- any monies remaining on your death are distributed to your dependants and/or estate.

You are able to nominate your beneficiaries - refer to the [Death Benefits](#) section (p 26).

### Eligibility

You can establish a Progressive Transition to Retirement Pension account if you are an Australian Resident and you:

- are still gainfully employed;
- have reached your preservation age (see Table I); and
- have \$20,000 or more in superannuation monies to invest.

### The Flexible Conduct of a Transition to Retirement Pension

The monies which you rollover to a TRP account are invested in your chosen investment option – see [Member Investment Choice](#) (p18).

Investment earnings are paid into your account and pension payments and any permissible lump sum withdrawals are made from your account. The overall management charge is debited to your account monthly.

You have the flexibility to choose:

1. The amount of pension paid subject to the minimum and maximum limits - see [Pension Payments](#) (p11).
2. The frequency of pension payment, to be monthly, quarterly, half yearly or yearly.
3. To alter the amount and the frequency of

pension payment at any time.

4. To change or switch investment choice without charge – see [Member Investment Choice](#) (p 18).

### Retirement

If you retire after you have opened a TRP account, you can choose to:

- continue to receive your TRP income stream;
- roll your account balance back into a super account;
- use your account balance to open a standard commutable account-based pension; or
- withdraw the balance of your account.

### Closing Your Account

Your Progressive TRP continues until you choose to close your account or your account balance reduces to \$2,000 - at which time it will be paid to you if allowable or rolled over to a superannuation account of your choice.

**TABLE 2 - Comparison of Commutable Account-Based Pension and Transition to Retirement Pension**

	Commutable Account-Based Pension	Transition to Retirement Pension
Can I choose how my funds are invested?	✓	✓
Can I switch my investment choice without cost?	✓	✓
Can I choose the amount of my pension payments (within legislated limits)?	✓	✓
Can I change the amount of my pension payments after commencement (within legislated limits)?	✓	✓
Will I have access to my whole account balance at all times?	✓	<b>X</b>
Will my pension payments be paid to my bank, credit union or building society account?	✓	✓
Will I be able to make lump sum withdrawals up to the balance of the account?	✓	<b>X</b>
Can I choose to stop my pension and move my funds into a superannuation plan account?	✓	✓
Will my investment earnings be tax-free?	✓	✓
Can I choose the frequency of my pension payments?	✓	✓
Will I receive a 15% tax offset on my income if eligible?	✓	✓
Can I elect a reversionary beneficiary?	✓	✓
Can I submit a binding death benefit nomination?	✓	✓
Can I submit a non-binding death benefit nomination?	✓	✓
Is my pension guaranteed for life?	<b>X</b>	<b>X</b>
Can I add more money after my pension account starts?	<b>X</b>	<b>X</b>
Can I start a second pension account?	✓	✓

## Pension Payments

For both types of pension account offered by Progressive, payment thresholds are calculated when you first invest and are then recalculated for each financial year. When you initially invest, these thresholds will be proportioned according to the time remaining in the financial year.

### Minimum Annual Payment Amount

The Government has laid down age-based Minimum Annual Pension Factors (Refer Table 3) from which you can calculate the minimum amount of pension payments you have to receive each year. This minimum applies to both commutable account-based pensions and Transition to Retirement pensions.

If your account is opened after the 1<sup>st</sup> of June, there is no minimum payable in that financial year.

#### *Example – Commutable Account-Based*

*Pension: – Aidan is retiring from the work force at the age of 62. She has \$300,000 in the Fund and wishes to transfer all of it into a commutable account-based pension.*

#### *Step 1 – Calculate the minimum annual pension amount*

*Aidan's minimum\* annual pension amount = Amount invested in Pension x Minimum Annual Pension Factor for a person aged 62 years*

$$\$300,000 \times 4\% = \$12,000^* \text{ per annum}$$

*If the pension commences part way through a financial year then the pension minimum will be calculated on a pro rata basis.*

#### *Step 2 – Decide the pension amount*

*Aidan can choose any pension amounts not lower than \$12,000\* per annum and not greater than her pension account balance during the current financial year.*

*\* NB: For the 2008/9 - 2010/11 financial years the minimum is halved*

**Table 3 - Minimum Annual Pension Factors\***

Age	% of Account Balance*
55 years – 64 years	4
65 years – 74 years	5
75 years – 79 years	6
80 years – 84 years	7
85 years – 89 years	9
90 years – 94 years	11
95 years and above	14

*\*For the 2010/11 year these factors are halved*

### ! Drawdown Relief Extended to 2010/11

The Australian Government has extended the 50% reduction in minimum annual pension amount to the 2010/11 financial year. This means that the minimum pension amount for 2010/11 is half the usual required amount as set out above.

### Maximum Annual Payment Amount

For a CAP there is no maximum set hence you can withdraw all your superannuation monies in one or many payment(s). You can choose your regular pension payments at or above the minimum threshold as set out above, up to your total account balance.

A TRP is restricted to a maximum annual pension payment of 10% of your account balance at the beginning of the year in which it is to be paid.

*Example – Transition to Retirement Pension - John, 55 years, is working part time. He has \$200,000 in the Fund and wishes to transfer all of it into a Transition to Retirement Pension account.*

**Step 1 – Calculate the minimum and maximum pension payment**

*John's minimum pension = amount invested in pension account x Minimum Annual Pension*

*Factor for a person aged 55 years:*

$$\$200,000 \times 4\% = \$8,000^* \text{ per annum}$$

*John's maximum pension = Amount invested in pension account x Maximum percentage:*

$$\$200,000 \times 10\% = \$20,000 \text{ per annum}$$

*Note - If John's pension commences part way through a financial year the payment thresholds will be calculated on a pro rata basis.*

**Step 2 – Decide the pension amount**

*John can choose any pension amounts not lower than \$8000\* and not greater than \$20,000 during the current financial year*

*\* NB: For the 2008/9 - 2010/11 financial years the minimum is halved*

### Choose Frequency of Pension Payments

You can choose to have your pension paid monthly, quarterly, half yearly or yearly.

The law requires pension payments at least annually - except in the first financial year of its operation if your pension commences on or after the 1<sup>st</sup> of June.

Payments will be made on the 16<sup>th</sup> day of the month (or the previous business day if the 16<sup>th</sup> day falls on a weekend or public holiday) into the bank, building society or credit union account of your choice.

For your pension payment to commence in the month you open your pension account, your application form and all other necessary documents must be provided to Progressive by the 10<sup>th</sup> day of the month.

### Change the Amount or Frequency of Pension Payments

You can change the amount and frequency of your pension payments at any time during the year as long as you meet the minimum and maximum requirements.

You can change your pension payments by providing us with written notification by the 10<sup>th</sup> day of the month in which you wish the change to take effect.

Your minimum and maximum pension amounts are recalculated every financial year. We will advise you of the new figures at the beginning of each financial year.

**Pension Duration**

The factors that determine how long your pension account will last are:

- the amount you invest;
- the investment income earned;
- the amounts of pension payments and lump sum withdrawals you make; and

- the amount of fees and charges paid.

When the balance of your pension account reduces to \$2,000 Progressive will contact you and pay the balance as permissible to another superannuation account or to you.

**Fees and Other Costs**

**CONSUMER ADVISORY WARNING**

**Did You Know?**  
 Small differences in investment performance and fees and costs can have a substantial impact on long term investment returns.

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

You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs. You may be able to negotiate to pay lower contribution fees and management costs where applicable. Ask the fund or your financial adviser.

**To find out more**  
 If you would like to find out more, or see the impact of fees based on your own circumstances, the Australian Securities and Investment Commission (ASIC) website ([www.moneySMART.gov.au](http://www.moneySMART.gov.au)) has a Superannuation Calculator to help you check out different fee options.

This section shows fees and other costs that you may be charged. These fees and costs may be deducted from your account, from the returns of your investment or the fund assets as a whole. Taxes are set out in the [Taxation](#) section of this document (p 29). You should read all of the information about fees and costs, as it is important to understand their impact on your investment.

**Table 4 – Table of Fees and Costs**

Type of Fees	Amount	How and when paid
<b>Fees charged when your money moves in or out of the Fund</b>		
<b>Establishment Fee</b> The fee to open your account	Nil	Not Applicable
<b>Contribution Fee</b> The fee for each amount contributed to your account	Nil	Not Applicable
NB – There are NIL BUY – SELL spread charges when you open your account. Also if you use Progressive’s Super Consolidation Account, there is no contribution fee when you transfer funds to establish your pension account		
<b>Withdrawal Fees</b> The fee on each amount you take out of your account	Nil	Not Applicable
<b>Termination Fees</b> The fee to close your account	Nil	Not Applicable
NB – There are NIL BUY – SELL spread charges when you withdraw amounts from your account		
<b>Management Costs</b> The fees and costs for managing your account. The rate at which you are charged is the same for all investment options you may choose – see Details of Investment Options		
<b>Management Charge</b>	1.25% per annum of your account balance, calculated on daily balances – This rate is the same for all investment options.	The Management Charge is calculated on daily balances and deducted from your account balance monthly.
<b>Less: Management Charge Rebate</b>	Management Charge Rebates may apply on parts of your account balance based on your account balance at the end of each month – see page 17.	Any Management Charge Rebate is calculated on month end balances and paid to your account on the first day of the following month.
NB – There are NO performance-based fees incurred by this fund or its Members		
<b>Service Fees</b>		
<b>Investment Switching Fees</b> The fee for changing investment options	Nil	Not Applicable
NB – There are NIL BUY – SELL spread charges when you change investment options		

**Table 4 continued – Table of Fees and Costs**

Type of Fees	Amount	How and when paid
Lump Sum Withdrawal Fee	Nil	Not Applicable
Splitting Fee	Nil	Not Applicable
Adviser Service Fees	Nil	Not Applicable
Family Law Enquiries Fee	Nil	Not Applicable
NB – Progressive does not out source investment, administration or custodial functions. Investment portfolios are directly owned and managed for the Plan by the Trustee.		
The management charge is quoted inclusive of GST and net of reduced input tax credits.		

### Example of Annual Fees and Costs for a Balanced Investment Option

*This table gives an example of how the fees and costs in Progressive's Pension Plan with a Balanced Investment Option can affect your pension investment over a one year period. You should use this table to compare this product with other pension products.*

EXAMPLE – Balanced Investment Option - Balance of \$50,000		
Type of Fees		
Fees when your money moves in or out of the Fund	Nil	For Establishment, Contributions, Withdrawals and Termination, you will be charged \$0.00
Management Costs: - Management Charge	1.25% pa	For the balance of \$50,000, you will be charged \$625.00 each year.
Cost of Fund		If your balance is \$50,000, then you will be charged \$625.00 for that year regardless of your investment option.

### Additional Explanation of Fees and Other Costs

#### Coverall Charge

A single management charge covers all fees and costs of membership of Progressive Superannuation Fund except transaction

costs and government levies (see below) which are paid by the Fund as a whole rather than by individual Members.

The coverall management charge is calculated on daily account balances and charged monthly to your account.

This management charge is charged at 1.25% per annum (inclusive of GST and net of expected reduced input tax credits) for all investment options. A rebate applies for account balances greater than \$300,000 (see below).

This amount comprises the fee paid to the Trustee to cover all costs of managing your investment, plus net GST which is payable to the Tax Office.

The Trustee is not paid any performance fees.

#### Transaction and Operational Costs

The Trustee does not outsource investment, membership, custodial or other administration services so there are no costs associated with external investment, custodial or administration managers.

Because Progressive Superannuation Fund's investment portfolios are directly owned (legally by the Trustee and beneficially by the Members) and managed by the Trustee, there are no ongoing external service providers' fees and your monies:

- are not reduced by external service providers' fees when you add to or withdraw from your account or switch your MIC; and
- do not incur custodial and performance-based fees.

Direct investment costs such as brokerage and bank fees are allocated to the investment pools as appropriate and deducted from investment earnings before allocation to Members' accounts, and are thus reflected in the investment returns and crediting rates reported.

The effect of direct investment costs on the crediting rates of individual Members will vary depending on Fund activity and the investment option chosen and range from approximately 0.01% to 0.07% of net asset values per annum.

Operational costs deducted from fund investment income before it is allocated to Members' accounts comprise Government levies when they occur. These levies amount to approximately 0.011% (of net asset values) per annum.

#### Management Charge Rebate

If the balance of your investment account (or the total of balances of your separate investment accounts) in the Progressive Pension Plan is more than \$300,000 a tiered Management Charge Rebate will apply.

Different rebate rates will apply for different incremental components of your balance as set out in the following table.

**Table 5 – Management Charge Rebate Rates**

Component of Balance	Management Charge Rebate Rate (% pa) Applying to Component
Up to \$300,000	0.00%
> \$300,000 - \$600,000	0.05%
> \$600,000 - \$1,000,000	0.10%
> \$1,000,000 - \$1,500,000	0.20%
> \$1,500,000	0.25%

The Management Charge Rebate is calculated on your account balance at the end of each month and credited to your account on the first day of the following month.

**Advisers and Commissions**

There are no commissions paid by the Trustee or Fund to advisers involved in recommending or selling this product.

**You should consider seeking independent financial advice when making investment decisions.**

**Alteration to Fees**

The Trustee may introduce or increase fees at its own discretion including where increased charges are incurred due to inflation, changes to legislation, or significant changes to economic conditions.

The Trustee undertakes to notify all Members of any change in fees at least 30 days before the change takes effect.

**Taxation**

A general outline of how taxation applies to your investment is set out in the [Taxation](#) section of this document (p 29).

**Member Protection Rules**

*If at any time the balance of your pension account is less than \$1,000 and it includes or has included Superannuation Guarantee or Award contributions made by an employer, The law limits the amount of charges that can be deducted from your benefit.*

*However, as set out in this PDS, when your account reduces to \$2,000, we will contact you to arrange the payment of the balance in your account.*

## Member Investment Choice

The arrangement for Member Investment Choice (MIC) in Progressive's Pension Plan is flexible and simple and provides a wide range of investment options.

The Progressive Pension Plan is invested in:

- An [Income Portfolio](#); and
- A [Growth Portfolio](#).

The Income Portfolio investment strategy is a defensive strategy for stable income, and the Growth Portfolio investment strategy incurs higher investment risk to target significant growth over the medium to long term.

Members can choose from a range of blended options - represented respectively by Income and Growth Portfolio investment strategies - in 10% increments.

In choosing an investment option, Members should take into account the associated risks faced and potential returns in the light of their individual circumstances.

Refer to the section [Details of Investment Options](#) (p 19) for more information on Progressive's investment strategies and to the section [Investment Risks](#) (p 22) for an overview of significant investment risks associated with this Fund's investment options.

➤ **PLEASE NOTE:** *These investment options are not capital guaranteed and are subject to investment risks which are outlined in this PDS. This means that the value of an investment in them can rise or fall.*

## Switching of Investment Choice

Members have the option initially and then at any time to nominate a preferred allocation of their account balance between the Income and Growth investment strategies in increments of 10%.

A switch of investment choice has effect from the start of the next month after written notification to the Fund.

There is no charge (nor buy-sell spread applied) when Members exercise or "switch" their investment choice, and also there is no change in the management charge rate.

There is no limit to the number of switches you can make except that the investment choice in place at the beginning of a month holds for the whole of that month.

## Management of Member Investment Choice

Progressive Superannuation Fund is fully vested in its Members and no reserves are withheld.

A Member's investment returns and contributions are allocated according to the Member's MIC. Therefore each Member's

MIC is maintained and periodic rebalancing by the Member is not required.

To satisfy ongoing changes that occur in the net investment preference of the Members, cash is exchanged between the Income and Growth Portfolios, followed by prudent investment reallocation between other income and growth assets.

### Default Investment Choice

The Trustee has determined that if for any reason a Pension Plan Member does not exercise his / her right to choose, the 70% Income/ 30% Growth investment option will apply for Members aged under 60 years (at July 1 of financial year) and the 80% Income/ 20% Growth option for members 60 years and over.

## Details of Investment Options

This section describes the investment objectives, strategies and historical performances of the investment options you can choose.

### Distinct Investment Strategies

Progressive Members' funds are invested in two portfolios:

- The Income Portfolio - according to a defensive investment strategy for stable income; and
- The Growth Portfolio - according to an investment strategy for significant growth over the medium-to-long term.

These strategies were carefully formulated and are continuously monitored by the Trustee having regard to the Fund's circumstances and its ability to meet its liabilities.

Investment risk / return, diversification, cash flow and liquidity requirements are foremost in these considerations.

These investment strategies have been applied since 1998 for the Progressive Superannuation Plan portfolios and the performances achieved are consistent with the objectives and strategies held over this period by the Fund.

Performance data for the Superannuation

Plan are available on the Progressive website. Note that these should be used for reference only as the Super Plan returns are taxed and the rate of management charge differs from that of the Pension Plan.

The Pension Plan has operated since July 2007. The most recent performance data available for the Pension Plan at the date of publication of this PDS appear on page 22. Please refer to Progressive’s website for up-to-date data.

## Income Portfolio

### Objectives

The Income Portfolio’s objectives are to provide high levels of:

- Security against short-term investment risk; and
- Assurance of positive annual returns at least equaling the accumulation at 30 day bank bill swap reference rates over any year.

### Strategy

To attain these objectives the Income Portfolio holds assets that characteristically produce a steady income and historically have shown low investment risk and volatility.

As such, these assets can include interest-bearing securities including mortgages, bonds, notes and term deposits, as well as units in collective investments of these securities, together with cash, bank-accepted bills of exchange and other money market securities.

Portfolio asset allocation ranges are set from time to time (Currently: 50% to 75% mortgages / 25% to 50% other interest-bearing securities and cash). Portfolio asset allocations between mortgages, cash and other interest-bearing investments will fluctuate typically within these ranges depending upon the Trustee’s perceptions of value (return) and volatility (risk) and occasionally may exceed the ranges.

#### *Income Portfolio Benchmark Ranges*

Asset Class	Range
Mortgages	50% - 75%
Cash and Other	25% - 50%

A strong portfolio weighting to mortgages has been adopted. Mortgages are originated and selected to meet stringent Fund criteria, and managed in-house by the Trustee with reference to assessments and procedures of subsidiary Progressive Mortgage Company Ltd – a specialist in mortgage finance since 1953.

Investment in Income Portfolio assets is determined directly by the Trustee.

## Growth Portfolio

### Objectives

The Growth Portfolio's objectives are:

- a net return at least equal to investment in the ASX 50 Leaders Accumulation Index over 5 year rolling investment periods; whilst incurring
- risk and volatility no greater than that of investment in the All Ordinaries Index of the ASX.

Accordingly, the Growth Portfolio can be expected to experience short-term fluctuations in returns and have the significant possibility of negative returns in a given year.

### Strategy

To attain its objectives the Growth Portfolio can hold direct and collective investments of listed Australian and international securities, together with cash and cash equivalents, but normally investment will be strongly weighted to ASX 50 securities.

Portfolio asset allocation ranges are set from time to time (Currently: 60% to 95% listed securities / 5% to 40% cash).

Portfolio asset allocations between listed securities and cash will fluctuate typically within these ranges depending upon the Trustee's perceptions of value (return) and volatility (risk) and occasionally may exceed the ranges.

### Growth Portfolio Benchmark Ranges

Asset Class	Range
Listed Securities	60% - 95%
Cash	5% - 40%

A strong portfolio weighting in favour of the ASX 50 Leaders has been held since 1998 (for the Super Plan) and no direct investments in international securities have been included since 1998.

Listed security investments are:

- Determined directly by the Trustee, guided by recommendations published by established licensed brokers who have substantial research resources; and
- In general selected and intended to be held for the long term.

### Balanced Investment Option

Generally a Member's investment choice will blend Income and Growth Portfolio strategies to achieve a strategy suited to his or her individual circumstances. Such a blend might be the Balanced Investment Option where 30% of the Member's funds are invested in the Income Portfolio and the remaining 70% in the Growth Portfolio.

The MIC for Progressive's balanced investment option is 30% Income: 70% Growth.

## Past Performance

The earnings returns of Members' funds invested in the Income, Growth and Balanced Investment Options for the 3 years to 30th April 2011 are presented in the following table. Past performance data on Progressive's website is updated monthly.

### Progressive Pension Plan – Past Performance

Year to 30th April	Earning Rate % p.a.		
	Income	Growth	Balanced
2009	6.29%	-19.81%	-12.28%
2010	6.03%	32.05%	23.90%
2011	5.71%	4.61%	5.06%
3 yr compound	6.01%	3.47%	4.52%

Investment performance is reported net of the coverall management charge.

Past performance is given in terms of the earning rate on a Member's investment. That is:

- the investment return is the investment income (which is tax-free) less the management charge; and
- the reported % annual return / crediting rate of an investment option or portfolio is the annualised rate of return or yield on the investment for the particular year as calculated on daily balances.

➤ **PLEASE NOTE:** Past performance is not a guarantee for future performance.

## Special Investment Considerations

Where non-compliance with labour, environmental, social or ethical standards are revealed to occur in relation to the issue of a security the Trustee's policy is to review holdings and transactions of the security concerned.

## Investment Risks

➤ **PLEASE NOTE:** These general comments below do not take account of your personal objectives, financial situation or needs. Before acting on this advice you should consider whether it is appropriate to your own situation. We recommend you also consider obtaining independent financial advice before making investment decisions.

The degree of your reliance on the investment is of central importance when making investment decisions.

Investment risks are the hazards posed by the degree and margin of (un)predictability of an investment's future performance. Investment risk will vary with the investment option chosen.

For this Fund, significant investment risks faced are market risk, credit risk and liquidity risk.

### Market Risk

Market risk varies with asset class and is the systemic or common risk exposure of securities of an asset class to changes in

general economic conditions. Economic conditions, characterised by indicators such as levels of economic growth, employment, interest rates, inflation and currency exchange rates, can be influenced by political events, changes in law (e.g. taxation), developments in national and international markets, and natural occurrences such as drought.

### Credit Risk

Credit risk is the risk that the counterparty to a debt asset will not meet its payment obligations to the Fund. This risk applies to interest-bearing investments held by the Fund and is particularly relevant to its mortgage assets which are originated and managed by the Trustee.

The Trustee guards against mortgage credit risk through the application of prudent lending procedures to achieve diversification and sufficient margin of cover, a thorough assessment of each borrower's capacity to pay and careful ongoing management of the Fund's loan portfolio.

Other interest bearing investments are restricted to investment grade securities that are tradeable or can be redeemed within one month.

### Liquidity Risk

Liquidity risk is the risk that an asset cannot be converted into cash within the required timeframe without significant loss of capital. When the timeframe is taken to be the 30 day portability period for rollover of

superannuation benefits this risk is relevant only to the mortgage assets which are held in the Fund's Income portfolios.

The Trustee guards against this risk by restricting mortgage investments to high quality loans and by closely monitoring cash flow requirements for the Fund. Of the total book value of loans currently held by the fund, approximately 25% can be recalled at will by the Trustee and a further 43% will be available for recall within 1 year.

### Diversification and Risk

For particular investment assets, performance is also affected by the particular circumstances of the issuer such as financial and management performance and specific market conditions experienced.

The investment options in this and most other funds are diversified investments in that they are interests in a portfolio of many individual investment assets.

Diversification or portfolio investment has a beneficial influence on investment risk because the extent to which the performances of the individual investments do not move in the same direction at the same time reduces the fluctuations or volatility of overall investment returns.

### Risk and Return

In general, for *sound investments*, the higher the risk exposure the more volatile the performance (greater fluctuation in returns

and greater chance of loss in the short term) but the higher the expected return over the long term.

Investment in Progressive Superannuation Fund involves the Member selecting a blend of a lower risk, stable income strategy with a higher risk growth (over the longer term) strategy.

In general, the greater your reliance on an investment, the more likely that a lower risk - or more defensive - investment strategy is appropriate.

Information about investment options ([Details of Investment Options](#) from p 19) and how Members can adjust the risk–return profile of their investment ([Member Investment Choice](#), p 18) is set out elsewhere in this PDS.

## How Your Account Operates

All the monies which you rollover to set up your pension account are invested according to your [Member Investment Choice](#) (MIC; see p 18). Pension payments and lump sum withdrawals – less any applicable withholding tax - are debited to your account at the date of transaction in accordance with your MIC.

At the end of each month, for each of the investment portfolios, expenses which have been incurred during the period are deducted from investment income to arrive at net investment income available for distribution to Members.

Your allocation of net investment income is credited to your pension account and management charge is deducted and the balance invested according to your MIC. Your earning rate (as given in your periodic *Member's Statement of Benefits*) is calculated on daily balances. This earning rate will vary consistent with how your account balance and MIC varied over the reporting period.

## Consolidate Your Super

Monies to establish a pension account can be sourced from multiple superannuation accounts, eligible termination payments (transitional arrangements), and employer, spouse and personal contributions.

Progressive can arrange rollovers from other funds when authorised with a completed Progressive Superannuation [Transfer Authority](#) form (which accompanies this PDS and can be downloaded from [www.progressive.com.au](http://www.progressive.com.au)) for each transfer.

Funds from multiple sources need to be consolidated into a superannuation account before transferring them to set up a pension account.

Current Members of Progressive Superannuation Plan can consolidate eligible amounts in their existing superannuation account.

### Consolidation Account

If you need to consolidate eligible amounts and do not have an existing Progressive Superannuation account, a special Progressive Superannuation Consolidation Account can be set up for this purpose.

Whilst your funds remain in the Progressive Superannuation Consolidation Account they

will be invested according to the option you have chosen for your pension account, and a coverall management charge of 0.85% pa will apply.

When consolidated, your funds will be automatically rolled over to open your Progressive Pension Plan account.

The Consolidation Account *can be used for a maximum period of six months.*

### Lost Super

There are large amounts of monies in “lost superannuation” accounts listed on the Australian Taxation Office’s Lost Member Register. You can check whether you have lost track of any super accounts held in other funds by using this search facility. Visit [www.ato.gov.au/super](http://www.ato.gov.au/super) or call 13 28 65 to use *SuperSeeker*. If you provide us with your tax file number and written authorisation, we can do this for you.

## Death Benefits

If you die, the Trustee will pay your superannuation to one or more of your *dependants* and/or your estate.

Progressive provides Members with the opportunity to make Reversionary Beneficiary nominations, or binding or non-binding nominations of beneficiaries. You can elect to make one of these types of nomination on the Member Application form.

Your nomination can be changed or revoked at any time by written notice to the Fund.

Your dependants include your spouse (including *de facto*), your children (including step or adopted children) or any person with whom you have an *interdependency relationship*, or others financially dependent on you at the time of your death.

Two persons have an *interdependency relationship* if all of the following are satisfied:

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

There is also an interdependency relationship where two people have a close personal relationship but do not satisfy the other requirements listed above because one

or both of them suffers from an intellectual, physical or psychiatric disability.

You can arrange that after your death your pension will be passed on to your surviving spouse – *Reversionary Beneficiary Nomination* – or that the remaining balance of your account be paid to your nominated dependants and/or your estate – *Binding and Non-Binding Beneficiary Nominations*.

### Reversionary Beneficiary Nomination

You can nominate your spouse (including *de facto*) as reversionary beneficiary at the commencement of your pension.

A Reversionary Beneficiary Nomination is binding on the Trustee – providing that the reversionary beneficiary is your spouse at the date of your death.

### Binding Nomination of Beneficiaries

Progressive provides you with the opportunity to make a Binding Nomination of Beneficiaries. This must be made in favour of your nominated dependant(s) and/ or your estate.

If you make a binding nomination, the Trustee is required to follow your instruction as long as it is still valid and in force on the date it comes into effect. Binding nominations expire after 3 years at which time they can be renewed. This may be done by using a Beneficiary Nomination Revision Form, which

is available on request or by download from [www.progressive.com.au](http://www.progressive.com.au)

### Non-Binding Nomination of Beneficiaries

A Non-Binding Nomination of Beneficiaries is also made in favour of your dependants and/or your estate. The Trustee will take such a nomination into consideration when making its decision as to who will receive your benefit in the event of your death. However in this case the Trustee has discretion in the way and in what proportion your benefits are paid. Progressive will also consider any Will valid at the date of your death and potential beneficiaries other than those whom you have nominated.

### No Nomination

If you do not nominate a beneficiary, in the event of your death, the Trustee may decide that payments should be made as a new pension to your spouse or to your dependants, or to pay money as a lump sum to one or more of your dependants or your estate.

## Becoming a Member

Application and other forms accompany this PDS.

To apply for membership you can detach or print the Pension Plan [Member Application Form](#), which is attached to this PDS.

You may also wish to use the [Transfer Authority Form](#) at this time to authorise the rollover of your monies in another fund to Progressive Super.

Read the instructions carefully before completing these forms.

On your Member application form, you can:

- Select the amount and frequency of your pension payments. See [Pension Payments](#) from page 11.
- Make your Member Investment Choice. Refer to [Member Investment Choice](#) on page 18.
- Nominate who will get your residual pension benefits if you die by making a Reversionary Beneficiary Nomination or a Non-Binding or Binding Beneficiary Nomination. See [Death Benefits](#) (p 26) for more details.

Proof of identification is required to be submitted with your application. Documents which may be acceptable for this purpose are outlined on the application form. If you are unable to provide any of the documents listed, please contact Progressive for alternatives.

When completed, please forward the original signed forms and identity proof direct to:

Progressive Superannuation  
Level 4, 131 Clarence Street  
Sydney NSW 2000

All applications will be attended to promptly, and confirmation of membership advised in writing.

Contact Progressive or download from [www.progressive.com.au](http://www.progressive.com.au) if you need more copies of this PDS with forms.

### Cooling Off Period

You have a period of 14 days (cooling off period) in which to apply for a refund of your investment.

This period commences on the day after the earlier of the date you receive your letter of acceptance from Progressive, and the date five working days after your pension account commences.

If you transact on your account during this 14-day period, your right to a refund under these provisions no longer applies.

Should you decide to cancel your pension account during this cooling off period, you may direct Progressive to refund your account balance by rollover to another complying superannuation fund or retirement savings account. You may also be paid in cash any component of your account balance which is not preserved.

If you request a rollover you must provide details of the new fund within one month of the date you advise us that you wish to close your account.

The amount returned to you or rolled over to another fund may vary from the amount you invested because of positive or negative investment earnings and deduction of any applicable coverall management charge and taxes.

## Taxation

This is a brief general summary of the way tax applies to account-based pensions. This information is based on the tax laws that were current at the date of publication of this Product Disclosure Statement.

### Tax on Rollovers

Rollovers of superannuation benefits from another fund to establish your Progressive pension account are not normally subject to contributions tax. This is because most superannuation and eligible rollover funds are *taxed schemes*.

However, the first \$1.155 million (indexed) of the benefit transferred from an *untaxed scheme* will be subject to 15% tax. Any remainder will have had PAYG tax deducted on transfer from the *untaxed scheme* and will not be taxed further on receipt.

### Tax on Pension Payments and Withdrawals – Individuals Aged 60 and Over

All pension payments and lump sum withdrawals paid to Members aged 60 or over are tax-free.

All pension payments and lump sum withdrawals from this fund (and most other funds) are tax-free for individuals aged 60 or over. These payments are non-assessable income and do not need to be reported in the individual's tax return.

### Tax on Pension Payments and Withdrawals – Individuals Under 60

#### PAYG withholding tax

If you are under age 60, PAYG withholding tax will be deducted from the *taxable component* of your pension payments and lump sum withdrawals and paid by the Fund to the Australian Taxation Office. Tax is withheld according to information collected from you on the *Tax File Number Declaration* form which is provided at the time of opening an account.

If you are under 60 and have not provided your Tax File Number the taxable component of all payments will be taxed at the highest marginal rate plus the Medicare levy.

#### Taxation Components

Superannuation benefits and benefit payments consist of two components for taxation purposes – the *taxable component* and the *tax-free component*.

The *tax-free component* is free from tax and not included in the recipient's tax return. The *taxable component* is the amount remaining after subtracting the tax-free component.

The *tax-free component* is made up of:

- a contributions segment; and
- a crystallised segment.

The contributions segment includes

contributions made from 1<sup>st</sup> July 2007 which have not been subject to contributions tax. Normally this would be non-concessional (e.g. after-tax) contributions and any Government co-contribution.

The crystallised segment is made up of the concessional-tax components that existed before the Super Simplification reforms took effect on 1<sup>st</sup> July 2007. When an account is established, Progressive calculates the proportion or percentage of the opening balance that is tax-free.

This tax-free percentage is fixed for the life of the account and is applied to every pension payment and lump sum payment to calculate the *tax-free component* of that payment.

#### Individuals under 60 – Tax on Pension Payments

For individuals who are not yet 60, the *taxable component* of pension payments is assessable income and is taxed at marginal rates.

For those who have reached their preservation age (see p7), a tax offset equal to 15% of the taxable component applies.

Individuals who have not reached their preservation age are not entitled to this offset unless they:

- are receiving the pension as a reversionary beneficiary; or
- have established their account as a person retired early because of total and permanent disability.

No tax applies to the *tax-free component* of pension payments.

#### Individuals under 60 – Tax on Lump Sum Withdrawals

For individuals aged less than 60, the *taxable component* of lump sum withdrawals is assessable income and tax will apply. The applicable rates are summarised in the following table.

<i>Tax on the Taxable Component of Pension Payments and Withdrawals*</i>		
Age	Pension Payment	Lump Sum
60 or over	Tax-free	Tax-free
Preservation age (currently 55) to 59	Marginal tax rates and 15% tax offset	NIL up to low rate cap (160,000 for 2010/11)  Amount above low rate cap: maximum 16.5%
Below Preservation age	Marginal tax rates (no tax offset except if disability benefit)	Maximum 21.5%
*rates apply to payments from taxed sources (such as Progressive Pension Plan) and include 1.5% Medicare Levy		

No tax applies to the *tax-free component* of lump sum withdrawals.

#### Individuals with a Terminal Illness

Individuals suffering from a terminal medical condition can access the whole of their superannuation benefit tax-free, subject to meeting legal requirements.

## Death Benefits

### Income Stream to Reversionary Beneficiary

A reversionary pension paid to a reversionary beneficiary upon the death of a member will be tax-free unless both the deceased and the reversionary beneficiary are aged below 60 at the time of death. In this case, the *taxable component* (refer to p 30) of the income stream will be subject to marginal tax rates and a 15% tax offset will be available until the recipient reaches age 60, at which time the payments become tax-free.

### Lump Sum to Dependant Beneficiary

A lump sum death benefit received by a *tax dependant* upon the death of a Member will be tax-free.

**! Note that the definition of dependant for taxation purposes (*tax dependant*) does not include children aged over 18 years unless they are under 25 and relied on the deceased for financial support, or have a disability.**

### Lump Sum to Non-Dependant Beneficiary

If the recipient is not a *tax dependant* of the Member, the *tax-free component* of the lump sum received will be tax-free, but tax at a maximum rate of 15% plus Medicare levy will be payable in respect of the *taxable component*.

### To Member's Estate

Where a dependant of the deceased is expected to receive a part of the

superannuation death benefit, the estate will be subject to tax on that part as if it were directly paid to the dependant. Similarly the estate will be taxed for any part of the benefit expected to be received by a non-dependant as if directly paid to the non-dependant beneficiary.

## Social Security

Account based pensions do not qualify for an exemption from either the Income or the Assets test used by Centrelink and the Department of Veteran's Affairs to determine eligibility for social security benefits. As such the superannuation payments you receive may affect your social security entitlements.

## Investment Earnings

The earnings and capital gains on an investment in the Pension Plan are *tax-free*.

*Note: The taxation information presented in this PDS is general information only. You may wish to obtain professional taxation advice for your particular circumstances.*

## Other Important Information

### Keeping in Touch

#### Member Statement

Member Benefit Statements are provided for the half year ending 31<sup>st</sup> December and the full year ending 30<sup>th</sup> June.

These statements will include the rate of return on your investment, summaries of transactions made during the reporting period, and your pension account details. The yearly statement will also include the new pension limits that apply to you and other information to assist you in completing your tax return.

#### Periodic Reports to Members

We will send you annual and half-yearly reports informing you about the management and financial condition of the Pension Plan and the performance of its investment options.

#### Change of Details

Confirmation of any changes to your personal details, member investment choice, or pension payments will be sent to you.

#### Significant Events

Any significant or material changes affecting rights of Members will be notified via either periodic reports or a special notice.

## Further Information

Members have the right to inspect or request copies of the following Fund documents:

- The Fund Trust Deed.
- APRA documents including Annual Returns, Certificates and Notices.
- Audited Accounts and Auditor's Reports.
- Annual Fund Report.

If you require further information regarding the Progressive Superannuation Fund or your account, contact Progressive as follows:

Tel: 02 9299 5843

Fax: 02 9262 1064

Email: [pension@progressive.com.au](mailto:pension@progressive.com.au)

Mail: Progressive Superannuation Fund  
Level 4, 131 Clarence Street  
Sydney NSW 2000

## Complaint Resolution

In situations where a matter of enquiry by a current or former Member or beneficiary about the operation or management of the Fund cannot be resolved to that person's satisfaction by the usual method of contact and the person wishes to make a complaint the following arrangements are in place.

### Step 1 – Direct with the Fund

Submit complaint to the Fund:

- Any complaint should be in writing and addressed to -
  - Progressive Superannuation Fund
  - Level 4 131 Clarence Street
  - Sydney NSW 2000
- When a complaint is received it will be recorded in a register and acknowledged in writing within five working days.
- The complaint will be investigated and action initiated to resolve the matter.
- The Trustee will provide a written response as soon as possible but within the 90-day limit prescribed by Law.

### Step 2 – Superannuation Complaints Tribunal

If the Fund has not responded to the person's complaint within the 90-day limit or for any complaint that is unable to be resolved directly, the person can submit the complaint to the Superannuation Complaints Tribunal.

The Tribunal - established by the Australian Government - can be contacted as follows:

In writing:

Superannuation Complaints Tribunal  
 Locked Mail Bag 3060  
 MELBOURNE VIC 3001

Telephone:  
 1300 884 114

The Tribunal is intended to be informal and easy to use. It will provide for fair, economical and quick conciliation or review of complaints. Complaints may be submitted by both current and former Members or their beneficiaries and will largely be dealt with by correspondence.

The Tribunal can deal with any complaint which is related to a decision or a failure to make a decision by a trustee, or a person acting for a trustee, in relation to a particular individual.

The Tribunal will not deal with complaints about the management of a fund generally, or investment strategy.

Further information on the function of the Tribunal can be obtained by contacting the Tribunal directly (see above).

## Privacy Policy

### 1. The Privacy Act and Our Dealings with You

This Policy concerns the National Privacy Principles, and regulations of the amended Privacy Act, which apply to the collection, use and disclosure of an individual's personal information by private sector organisations.

Progressive Pty Limited through its subsidiary entities Progressive Superannuation Fund and Progressive Mortgage Company Limited (Progressive) has always dealt with personal information in a manner consistent with these principles and regulations.

This statement explains the types of information we collect and keep on record and how we may use it. Also set out are details of your rights and our rights and obligations in the collection of personal information.

### 2. How and Why Progressive Collects Personal Information

The main reason Progressive needs to collect personal information is to provide the particular financial products and services you seek from us. This primarily consists of our need to process applications for, and to manage and administer, according to our agreements with you and the law, the products and interests we provide. If you do not provide information we request we may not be able to assess your application for our products or services.

We normally collect information from application forms, from direct consultation with you and from your response to requests by us for further information.

We may conduct surveys seeking information for our business purposes. Any such questionnaires will disclose

their purpose and inform you that their completion is entirely at your choice.

The information we collect may be used to send you information about other products and services offered by Progressive.

Progressive does not provide Member information to third parties except for the purposes set out in Section 5 of this Policy statement.

### 3. Information Progressive Collects and How it is Used

Progressive is careful to guard the confidentiality and keep secure personal information it holds. Access is limited to staff and service providers on a need-to-know basis. Electronic and physical storage is systematic and access limited.

Types of information Progressive keeps on record can include:

- Your name address and other contact details at home and at work as provided by you and persons nominated by you.
- Your gender and date of birth.
- Details of your employment as provided by you.
- Your bank account details.
- Your Tax File Number if provided by you. Progressive is required by law to request the collection of your Tax File Number in certain circumstances such as the provision of investment and superannuation products. The confidentiality and security of your Tax File Number are maintained also under the Tax File Number Guidelines of the Privacy Act.
- Details of transactions and balances of your accounts relating to products and services we provide to you.

- Any information contained in correspondence with us.
- Credit information we may request on your credit history or status and your permission to obtain such credit information from credit reporting agencies. The confidentiality and security of your credit information will continue to be maintained in accordance with the Privacy Act Code of Conduct binding credit providers and credit reporting agencies.
- Also, in our provision of Superannuation we may record your beneficiary nomination details.

#### 4. Your Access to the Information We Keep

You are entitled to enquire about the extent and accuracy of your personal information we have on record and how it is managed. If we are unable to disclose any details you seek we will give you a written explanation.

#### 5. Disclosure of Your Personal Information to Other Parties

Progressive may use and disclose personal information about you if the law requires or allows us and also if you provide your consent for us to do so. More specifically information disclosure may be made:

- to Government agencies as required by taxation, superannuation and other law.
- in confidence to entities providing services to us. These entities are limited in their use of your personal information to the purposes of our business only.
- to banks and other financial institutions approved by you for the purposes of payments and/or receipts.
- to any organisation at your request.
- to any persons including professional advisors (except in the case of sensitive information) acting on your behalf when you have given us permission to do so.
- to the Superannuation Complaints Tribunal pursuant to a complaint made on your behalf.

#### 6. How to Contact us About Your Privacy

Please direct any enquiry or concern about privacy to our

Privacy Officer:

Tel: 02 9299 5843

Fax: 02 9262 1064

Email: [privacy@progressive.com.au](mailto:privacy@progressive.com.au)

Mail: Progressive Superannuation  
Level 4, 131 Clarence Street  
Sydney NSW 2000

## Financial Services Guide

### A Guide to Our Relationship with You and Others

This Financial Services Guide (FSG) is concerned with financial services offered by:

Progressive Pty Limited (Progressive)  
ABN 53 075 411 371 AFSL 235191 RSE L0003100  
Level 4, 131 Clarence Street  
Sydney NSW 2000

The FSG contains important information about:

- The financial services we offer you.
- Assistance to you in deciding whether to use these financial services.
- How we and our associates are paid.
- Any potential conflicts of interest we may have.
- Our internal and external dispute resolution procedures and how you can access them.

#### Who is responsible for the financial services we provide?

Progressive Pty Limited (ABN 53 075 411 371 AFSL 235 191 RSE L0003100) is responsible for the financial services provided including the distribution of this FSG.

#### What kind of financial services are we authorised to provide you and what kind of financial product do those services relate to?

Progressive Pty Limited is authorised to deal and provide general advice in Superannuation, related to Progressive Superannuation Fund.

#### What factors will be taken into account when advice is provided to you?

The advice provided to you here and elsewhere by

Progressive is of a general nature only. Such advice does not take account of your personal objectives, financial situation or needs. Because of this before acting on the advice you should consider whether it is appropriate to your own situation, having regard to your objectives, financial situation and needs.

If you do not obtain independent advice, you face the risk that the financial product(s) you select will not fully take into account your objectives, financial situation or needs.

If the advice is related to the possible acquisition of a financial product you should obtain and consider the product's Product Disclosure Statement (PDS) before making any decision about whether to acquire the product.

If we offer you a particular financial product we will give you the product's PDS to help you make an informed decision about the financial product.

Read this FSG carefully before making any decisions relating to financial products.

#### How can you give Progressive instructions about your Financial Products?

In the first instance you must complete fully the appropriate Member application form attached to the PDS. Read the PDS for further information on communication with Progressive. Thereafter you can instruct us in writing or by email or telephone.

#### Does Progressive have any relationships or associations with a Financial Product Issuer?

Progressive is the issuer of the Superannuation Financial Products it offers.

Who is your advisor?

Your advisor is employed by Progressive Pty Limited as a responsible officer or employee representative.

What information do we maintain in your file and can you have access to it?

Information Progressive keeps in your file besides your personal details as provided to us by you includes copies of correspondences we have concerning yourself and details of transactions and balances of your account(s).

You are entitled to enquire about the extent and accuracy of your personal information we have on record and how it is managed. If we are unable to disclose any details you seek we will give you a written explanation.

How will you pay for the services provided?

The PDS contains details on the costs to you for the services provided and how they are paid to us.

How are commissions, fees or other benefits calculated for providing the financial services?

Progressive pays no commissions.

Details of the payments Progressive receives are set out in the PDS. Our responsible officers and representatives are paid salaries and may receive a bonus.

Will anybody be paid for referring you to us?

Progressive does not pay anybody for referrals.

What should you do if you have a complaint?

The section [Complaint Resolution](#) in this combined FSG and PDS has details of our internal and external complaints resolution procedures.

What type of compensation arrangements does Progressive have in place?

Progressive is covered by professional indemnity insurance which satisfies the requirements for compensation arrangements under section 912B of the Corporations Act 2001.

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# PROGRESSIVE SUPERANNUATION FUND

## PENSION PLAN - MEMBER APPLICATION

> THIS FORM IS TO BE READ IN CONJUNCTION WITH THE *PSF PENSION PLAN PRODUCT DISCLOSURE STATEMENT* DATED 15<sup>th</sup> MAY 2011

When you have completed and signed the form, please return it to: Progressive Superannuation  
Level 4 131 Clarence St  
Sydney NSW 2000

Please select the Pension Plan option you are applying for:

Commutable Account-Based Pension (CAP)  Transition to Retirement Pension (TRP)

Are you a current Member of Progressive Superannuation Fund?

Yes – Member Number   No

### 1. PERSONAL DETAILS

Title Mr  Mrs  Miss  Ms  Other:

Surname

Given Names

Date of Birth  Gender  Male  Female

Tax File Number\*

\* Quoting your TFN is not compulsory, but you may be disadvantaged if you do not, Progressive will be required to withhold tax on contributions and payments at a higher rate and will not be able to accept certain types of contribution.

### 2. CONTACT DETAILS

Home Address

Suburb  State  Postcode

Postal Address  
(If different from above)

Suburb  State  Postcode

Work Phone  Home Phone

Fax No  Mobile

Email

### 3. EMPLOYMENT STATUS

Please select which of the following applies to you:

- I am retired (or have met another condition of release that allows access to my superannuation benefits)
- I have reached my preservation age but I am still working and have not met a condition of release

### 4. IDENTIFICATION REQUIREMENTS

Please attach a certified\* copy of your Driver's Licence or Passport.  
If you are unable to provide either, please contact Progressive on (02) 9299 5843.

\* The copy must be certified as a true copy of the original by a qualified person, such as a JP, solicitor or public notary, who should provide their name, address, occupation and phone number.

### 5. TFN DECLARATION

If you are under 60, please complete a TFN Declaration Form\* and submit it with this application.  
Remember that you can only claim the tax-free threshold from one payer.

\* If you don't have one of these forms, please contact us and we will send you one.

### 6. INITIAL CONTRIBUTION/ ROLLOVER DETAILS

You can pay by cheque payable to Progressive Superannuation Fund or electronic transfer using direct credit or BPAY®.  
Please call (02) 9299 5843 to arrange for electronic transfer.

#### A. TRANSFERING FROM YOUR PROGRESSIVE SUPERANNUATION ACCOUNT

Entire Balance or  Partial Amount:      \$  ,    ,     .

#### B. VOLUNTARY CONTRIBUTIONS

Employer Contributions      \$  ,    ,     .

Spouse Contributions      \$  ,     ,     .

Personal Contributions – Concessional\*      \$  ,     ,     .

Personal Contributions – Non – Concessional      \$  ,     ,     .

#### C. ROLLOVERS FROM OTHER INSTITUTIONS\*\*

	Name of Institution	Expected Amount
1	<input type="text"/>	\$ <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> . <input type="text"/> <input type="text"/>
2	<input type="text"/>	\$ <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> . <input type="text"/> <input type="text"/>
3	<input type="text"/>	\$ <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> . <input type="text"/> <input type="text"/>

\*concessional contributions are those for which you intend to claim a tax deduction

\*\*We can arrange this for you: for each rollover please complete a *Transfer Authority* form and we will contact your old fund.

® registered to BPAY Pty Ltd ABN 69 079 137 518

## 7. MEMBER INVESTMENT CHOICE

Please indicate your preferred allocation by ticking the appropriate box below. You can alter your *Member Investment Choice* at any time – your instruction will take effect from the start of the following month.

Please refer to the *Product Disclosure Statement* section on *Member Investment Choice* for information on how you can exercise and vary your preferred investment allocation between Income and Growth strategies.

- |  |  |  |
|--|--|--|
| 100% Income : 0% Growth <input type="checkbox"/> | 90% Income : 10% Growth <input type="checkbox"/> | 80% Income : 20% Growth <input type="checkbox"/> |
| 70% Income : 30% Growth <input type="checkbox"/> | 60% Income : 40% Growth <input type="checkbox"/> | 50% Income : 50% Growth <input type="checkbox"/> |
| 40% Income : 60% Growth <input type="checkbox"/> | 30% Income : 70% Growth <input type="checkbox"/> | 20% Income : 80% Growth <input type="checkbox"/> |
| 10%Income : 90% Growth <input type="checkbox"/>  | 0% Income : 100% Growth <input type="checkbox"/> |  |

## 8. PENSION PAYMENT DETAILS

Pension Payment Amount:

- Minimum     
  Maximum     
  Specific amount: \$    ,    .

Pension Payment Frequency:

- Monthly     
  Quarterly     
  Half Yearly     
  Yearly

Bank Account Details (for payments to you):

Bank, Credit Union or Building Society Name

Branch

Account Name

Branch Number (BSB)  -

Account Number

9. BENEFICIARY NOMINATION (OPTIONAL)

A. Please choose only one of these three options:

Reversionary Beneficiary (must be your spouse)

Surname

Given Names

Date of Birth  Phone Number

> go to Section 10

Non-Binding Nomination > go to B

Binding Nomination (Please also complete Section 11) > go to B

B. Nominated Beneficiaries\* – Binding or Non-Binding Nomination

\*PLEASE NOTE: Your nomination must be in favour of one or more of your dependants or estate. Please refer to page 26 of the PDS for more information.

This nomination can be changed or withdrawn at any time – simply write to us and let us know making sure you sign and date your notification.

If I die, please pay my superannuation to the following beneficiaries – (fill in the details below):

First name	Surname	Relationship	Phone	% Share
				%
				%
				%
				%
MY ESTATE	N/A	N/A	N/A	%
Total				100%

10. DECLARATION

I hereby apply to become a member of Progressive Superannuation Fund.

I declare that:

- I have read the Progressive Superannuation Fund Pension Plan Product Disclosure Statement dated 15<sup>th</sup> May 2011.
- I agree to be bound by the *Trust Deed* and the rules governing the Fund, as amended from time to time.
- The information I have supplied on this application form is true and correct at the date of signing and I will notify the Trustee immediately if any of this information changes.
- I have read the *Privacy Policy* set out in the *Product Disclosure Statement* and consent to the collection, use and disclosure of information about me in accordance with the *Privacy Policy*.

Signature

>> Please note that if you are making a binding of beneficiaries, your signature must witnessed by two individuals – see below

Date  /  /

## 11. DECLARATION BY WITNESSES (FOR BINDING NOMINATIONS)

We certify that this Binding Nomination of Beneficiaries was signed in our presence.

Witness 1

Surname	<input type="text"/>
Given Names	<input type="text"/>
Signature	<input type="text"/>
Date	<input type="text"/> / <input type="text"/> / <input type="text"/>

Witness 2

Surname	<input type="text"/>
Given Names	<input type="text"/>
Signature	<input type="text"/>
Date	<input type="text"/> / <input type="text"/> / <input type="text"/>

## BINDING NOMINATION OF BENEFICIARY RULES

- A binding nomination is binding on the Trustee as long as it is valid and in force on the date it comes into effect.
- In order to be effective, a binding nomination must be signed by a Member in the presence of two witnesses who are at least 18 years old and who are not named in this nomination form.
- A binding nomination is effective for 3 years from the date it was signed, or amended by the Member.
- A binding nomination can be amended or revoked at any time by providing a notice to that effect to the Trustee, witnessed in the same manner as your original nomination.