



Retirement income for real estate professionals

Combined Financial Services Guide and Pension Product
Disclosure Statement 1 November 2020



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Important information you should be aware of:

This Product Disclosure Statement for REI Super's Pension products has been prepared and issued on 1 November 2020 by the Trustee of the Fund, REI Superannuation Fund Pty Limited (ABN 68 056 044 770), Australian Financial Services Licence No. 240569, SPIN REI0001AU RSE L0000314. REI Super ABN 76 641 658 449 RSE R1000412.

This document is a combined Product Disclosure Statement (PDS) and Financial Services Guide. The PDS provides members with important information about the main features, benefits, costs and risks of investing in REI Super in general and REI Super Pension in particular. You should read this document before making a decision to join the Fund or acquire a Pension.

This document provides general information only and does not take into account your objectives, financial situation or needs. You should obtain financial advice tailored to your personal circumstances.

Every reasonable care has been taken to ensure the information provided in the PDS is correct at the time of publication. However, the Trustee reserves the right to correct any error or omission. If there is any discrepancy between the PDS and the Trust Deed, which is the legal document governing the operation of the Fund, the Trust Deed will be the final authority. Superannuation pensions are subject to Government pension standards as applicable from time to time, as summarised in this PDS. We are required to adhere to Government standards. In the event of any discrepancy between the PDS and these standards, the standards prevail.

A copy of the Trust Deed and Rules is available for inspection by members on request. The information in this PDS is current as at the date of its preparation and is subject to change from time to time. Information in this PDS that is not materially adverse information may be updated by being made available from our website reisuper.com.au or you can obtain the updated information (free of charge) by calling us on 1300 13 44 33 to request a paper or electronic copy.

A printed copy of the current PDS and any other information you may reasonably request about the product (for example, the performance of any investment option) may be obtained free of charge on request by contacting us on 1300 13 44 33 from 8.30am to 7.00pm AEST Monday to Friday.



Looking after your pension

REI Super manages over \$1.5 billion of our members' super money. Our focus is on delivering strong risk adjusted returns over the long term.

We realise super is probably one of the most important investments you will ever have, and we know that investment information can sometimes be daunting. But understanding the basics can help you make decisions that could really benefit you in years to come.

1. Key features of an REI Super Pension

An REI Super Pension allows you to draw money from your super account as you approach retirement by using a transition to retirement (TTR) pension, or when you permanently retire (or meet some other condition prescribed in superannuation legislation – called a Condition of Release – that gives you full access to your super) by using a retirement pension.

Both types of income streams allow you to keep your money in the superannuation system, which means you continue to receive the tax advantages of super.

The benefits of an REI Super Pension include:

- ✓ tax-free investment earnings on Retirement Pensions¹
- ✓ tax-free withdrawals from age 60
- ✓ variable payment amounts and payment frequency (subject to Government limits)
- ✓ fee rebates for large balances
- ✓ access to your super after your preservation age, while you're still working, in the case of a TTR pension
- ✓ continuation of your membership when you retire
- ✓ access to low-cost banking products from ME Bank
- ✓ a choice of ten investment options plus our Default Investment Strategy
- ✓ the ability to make binding death lump sum beneficiary nominations, or reversionary nominations
- ✓ access to professional financial advice²
- ✓ anytime, anywhere access to your account via our website and app.



We recommend that you seek advice from a financial adviser before you make a decision on how you invest or manage your REI Super Pension. Call us on **1300 13 44 33** to get started.

1 Up to 15% tax on investment earnings will apply to TTR pensions until an applicable Condition of Release is met. You may also incur tax in respect of investment earnings on a Retirement Pension if you exceed the Government limit on the amount of retirement phase pensions (like the Retirement Pension) you hold.

2 Fees and costs may apply (refer to section 6).



REI Super Pension at a glance

Both types of the REI Super Pension allow you to keep your money in the superannuation system, which means you continue to receive the tax advantages of super. The taxation treatment of a TTR Pension is different to the taxation treatment of a Retirement Pension.

Minimum investment	While there is no minimum investment, we recommend that you seek advice from a financial adviser to help decide if an REI Super Pension is right for you.
Eligibility/suitability	<p>TTR pension</p> <ul style="list-style-type: none"> • Still gainfully employed and reached preservation age • Want an income stream to supplement employment income <p>Retirement pension</p> <ul style="list-style-type: none"> • Permanently retired after reaching your preservation age • Stopped work due to permanent incapacity • Reached age 65 • Reached preservation age and met another condition of release that gives you full access to your super • Want an income stream in retirement <p>Note: The Government restricts how much super you can have in the form of a retirement phase pension.</p>
Income payments*	<p>Minimum annual payments</p> <ul style="list-style-type: none"> • Between 2% and 7% of account balance based on age and size of balance at 1 July each year for both types of income stream <p>Maximum annual payments</p> <ul style="list-style-type: none"> • 10% of your account balance at 1 July each year for TTR pension up to age 64 • No maximum for Retirement pension
Lump sum withdrawals (commutation)	<p>TTR pension</p> <p>No, unless you meet a condition of release that gives you full access to your super, you have an unrestricted non-preserved component, or it is for a purpose permitted by law (e.g. a family law split)</p> <p>Retirement pension</p> <p>Yes, as long as you receive your minimum payment for that financial year</p>
Payment frequency*	Choice of monthly, quarterly, or annually
Tax treatment of benefits	<ul style="list-style-type: none"> • 60 or over: no tax is payable on income stream or lump sum payments • At or above preservation age and under 60 years: taxed at marginal tax rates - tax offset of 15% is available • Taxed at marginal tax rates, with no tax offset - Tax offset of 15% is available if a disability super benefit
Investment choices	You can choose/switch between 10 investment options. A default investment strategy is also available.
Payment drawdown options (if you have more than one investment option)	Pro-rata (in proportion to the options in which your money is invested) or in accordance with an election you make (you nominate how your payments are deducted from your investment options)
Estate planning/death benefit options	<p>Two options available:</p> <ul style="list-style-type: none"> • Lump sum beneficiary nomination (binding or non-binding). Must be a dependant and/or legal personal representative. Multiple beneficiaries can be nominated. • Reversionary beneficiary nomination for continuation of pension (must be a dependant. One beneficiary only can be nominated.)

* You can change the amount and frequency of your payments (within the set limits) by completing a *Vary your Pension Payments* form available from reisuper.com.au or by calling us. Any change to your pension payment amount will be treated as regular pension payment (not a commutation) unless you elect (where permissible) that the amount is not a pension payment. The trustee reserves the right to change your payment amount or frequency where it considers necessary or appropriate to ensure Government pension standards are met.

2. About REI Super

REI Super ('the Fund') was established in 1975. It is the industry superannuation fund (profits to members) for the real estate industry. We're also a 'public offer' super fund, which means anyone can join. We operate solely for the benefit of our members and pride ourselves on offering value-for-money super products and services.

REI Super acts in the best interests of all members and obtains professional independent advice to assist in achieving the Fund's objectives. There are currently seven Trustee directors who are elected by employee members of the Fund. The elected directors have appointed an independent chair who is a director and also two additional independent Trustee directors.

REI Superannuation Fund Pty Limited acts as trustee (in this document referred to as the Trustee or simply we) of REI Super (in this document referred to as the Fund or simply us). Where we refer in this document to the word *our*, we may be referring to either or both the Trustee and the Fund. All references for these entities required by law can be found by going to reisuper.com.au.

Benefits of investing with REI Super

- ✓ Real estate industry specialists that understand you
- ✓ Investments to produce long term results for you
- ✓ Fee rebates on high balances mean more money in retirement for you
- ✓ The tools and advice to help make the most of your super

REI Super members receive:

- ✓ An annual report available on our website or as a hard copy
- ✓ A statement of benefits showing your details effective 30 June
- ✓ Newsletters
- ✓ Regular updates and communications about your super
- ✓ Opportunities to attend seminars
- ✓ Access to licensed financial advisers
- ✓ Anytime, anywhere access to your account via our website and app
- ✓ Access to low-cost banking products from ME Bank.

3. How the REI Super Pension works

There are two types of REI Super Pension:

Option 1 - TTR Pension

To transition to retirement

Continue working full time while supplementing your income from employment and boost your super for when you retire (by making additional contributions to an accumulation account), taking advantage of potential tax breaks or reduce your working hours without reducing your income – by receiving a regular income from your TTR pension.

Option 2 - Retirement Pension

As your main income when you stop working

Retire fully from the paid workforce (or meet some other Condition of Release that gives you full access to your super) and receive a regular income from your Retirement pension. You may also be able to access a Government Age Pension to provide you a better retirement income.

Option 1 – Transition to retirement

Transition to retirement (TTR Pension) in brief

A REI Super TTR pension provides you with income once you reach preservation age while you are still working in some gainful employment (i.e. work for which you are being remunerated). You must submit a duly completed Pension Application form (accompanying this PDS) to us to commence a TTR Pension. You must complete this form even if you are an existing member of REI Super, as the pension is a separate financial product.

A TTR offers a number of benefits:

Possibility of a tax-effective pension income. Your income stream payments are tax free from age 60.

Supplement your employment income. You can make a gradual adjustment to retirement by reducing your working hours and supplementing your lower salary with regular income stream payments.

Boost your super savings and reduce your tax. You may be able to pay less tax on your employment income by salary sacrificing into an accumulation account (for example, an REI Super account) while topping up your lower salary with regular income stream payments.

Your TTR pension will be treated as a Retirement pension once you have met a Condition of Release that gives you full access to your super.

If you've reached your preservation age and you're still working – either full or part time – a REI Super TTR Pension can help you boost your super balance (if you are able to make additional contributions to an accumulation account) for when you eventually retire. A TTR pension lets you restructure the way you receive your income so any reduction in your take-home pay is supplemented by pension income while growing your accumulation balance.



WARNING: Whether a TTR Pension strategy involving the reduction of your employment income through reduced work hours and/or salary sacrifice contributions into your accumulation account to boost your overall retirement savings is right for you depends on your personal circumstances. You should obtain financial or taxation advice from an appropriately qualified adviser about the potential tax and other savings you may be able to achieve.

You should check with your employer whether they allow salary sacrifice arrangements. You should bear in mind that an expanded definition of income applies when assessing a person's entitlement to various government programs including tax benefits relating to superannuation such as tax deductions for personal contributions, the Government co-contribution and spouse contributions rebate. This means salary sacrifice contributions are included in the determination of your income for other purposes and may trigger adverse tax or social security outcomes.

How TTR Pension works

You open your REI Super Pension account which provides you income payments (from your super savings). This can help replace any reduction in salary due to a reduction in your work hours (e.g. if you go part time to transition to retirement) or before-tax salary you direct to your accumulation account as salary sacrifice contributions.

You then use your accumulation account to receive contributions from your employer and to make additional salary sacrifice contributions.

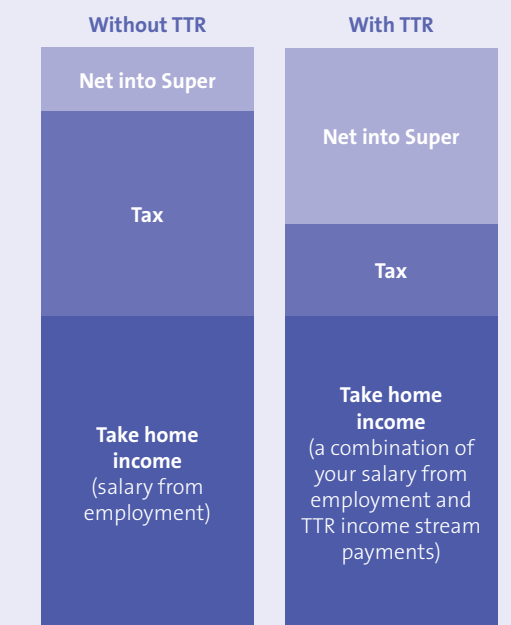
At any point in time, the balance in your TTR pension account is made up of:

- the amount rolled over or transferred in
- less: any taxes, fees and costs, and pension payments
- plus: investment earnings on this money (these can be positive or negative, and depend on the investment earnings of your chosen investment options), all of which equals
- your current pension account balance.

How you can boost your super with a TTR Pension

If your income-tax rate (including the Medicare levy and any offsets) on your salary from employment is more than 15%, a TTR Pension can be used as part of a strategy to help you build your super faster – without sacrificing your current level of income – and minimise the tax you pay.

1. Start by transferring some of your super account balance into your new REI Super TTR Pension account.
2. You sacrifice a portion of your before-tax salary as a contribution to your super. You may save tax because the portion of your salary you contribute to super is usually taxed at the concessional rate of 15%* – which may be lower than the tax you pay on your salary (your marginal tax rate).
3. You draw regular payments from your REI Super TTR Pension account to top up your take-home pay which has reduced because you've put a portion into your super (step 2). This TTR Pension income is taxed concessionally before age 60 and is tax free after 60.



* Higher tax can apply to contributions, for example, if you are a high income earner, you exceed your concessional contributions cap or we don't hold your tax file number.

Your pension payments

Pension payments may commence as soon as you establish a TTR Pension account. Payments from your account must be made in accordance with the following rules. You must receive:

- at least one pension payment each financial year, unless you establish your pension after 31 May in that financial year
- at least the minimum amount of pension each financial year
- no more than the maximum amount each financial year
- pension payments first from any unrestricted non-preserved component until this amount is exhausted, then from any restricted non-preserved amount, and finally, from any preserved amount transferred.

How do I get started?

To qualify for an REI Super TTR pension, you must have reached your preservation age, as set out in the table below, and be gainfully employed full time or part time. A TTR Pension is not generally available to temporary residents of Australia.

A TTR is 'non-commutable' account-based pension and so you are generally unable to withdraw lump sum amounts until you permanently retire from the workforce or meet some other Condition of Release that allows you to fully access your super. You can, however, transfer your TTR account balance back into an accumulation account, or another pension, within REI Super or another fund.

Your pension account must be opened with the proceeds of an eligible payment from a superannuation fund or other source that is permitted to be rolled over. This may be either 'preserved' or 'non-preserved'.

If you're already a member of REI Super and have met the requirements above, then you may transfer part of your super account balance into a TTR Pension. You cannot add amounts to your TTR Pension but you can establish another TTR Pension with any additional super savings you accumulate or transfer your initial TTR Pension into your accumulation account and combine it with the further super savings that you wish to convert to an income stream.

It's important to note that once you start receiving your TTR pension payments, you cannot make further deposits, transfers or rollovers into your TTR pension account. This is a legislative requirement. However, you can roll your TTR pension account balance back into your REI Super accumulation account (or another fund) at any time and/or commence another pension.

Date of Birth	Preservation Age
Born before 1/7/1960	55
Born from 1/7/1960 to 30/6/1961	56
Born from 1/7/1961 to 30/6/1962	57
Born from 1/7/1962 to 30/6/1963	58
Born from 1/7/1963 to 30/6/1964	59
Born after 1/7/1964	60

Minimum and maximum pension payments

The Government has set annual minimum and maximum limits the amount you must withdraw in any one financial year. The annual minimum shown below is temporary only and applies for the 2020/21 financial year. For subsequent financial years, the annual minimum is double the percentage shown below.

We'll calculate these values based on your age and the value of your pension account balance on commencement of your pension, and again at 1 July each financial year. We'll advise you of these amounts in

writing each year, and ask you to nominate the amount of pension you require.

To calculate your minimum and maximum pension payment, multiply the percentage factor relating to your age by your pension account balance using the table below.

Transfers or rollovers to other super funds (and any other lump sum commutations, if permitted) do not count towards meeting the minimum annual payment.

REI Super TTR Pension: Minimum & Maximum Annual Payments		
Age*	Minimum % Withdrawal [^]	Maximum % Withdrawal
Under 65**	2	10
65-74	2.5	—
75-79	3	—
80-84	3.5	—
85-89	4.5	—
90-94	5.5	—
95+	7	—


* Age is your age at commencement and, in respect of subsequent years, your age at 1 July.

** Once you meet a condition of release that provides full access to your super, your transition to retirement pension is automatically treated like a Retirement Pension, and the maximum payment limit no longer applies. This happens automatically when you reach age 65.

You can also move to a Retirement Pension by notifying us in writing that you have:

- permanently stopped paid work after reaching your preservation age, or
- ceased an employment arrangement after 60, or
- become permanently incapacitated (at any age).

[^] In the year in which your pension commences, the minimum payment is pro-rated according to the number of days remaining in the financial year.

 If you don't nominate your pension payment amount for any subsequent year, your pension payment will be equal to the dollar value of your pension payment for the previous year, plus any nominated indexation (if applicable). We'll also increase your pension to the minimum pension payment amount if needed.

Method of payment

Your pension payments will be made by a direct credit to your nominated bank, building society or credit union account.

If you're invested in the Default Investment Strategy, your pension payments will draw upon invested amounts which underlie that Strategy in a specified order, starting with the Cash option. If this option ever has insufficient funds then your payments will be made from the Balanced option.

If you've made an investment choice and are invested in more than one investment option, then you can elect how the units should be redeemed when the Trustee makes your pension payments. If you don't make such an election, then the units will be redeemed proportionally over all your chosen investment options.

Indexation of payments

You can elect to have your pension payments automatically increased annually in line with the Consumer Price Index or by a fixed percentage, as long as the payment remains within the minimum and maximum levels. You may select an indexation rate to apply to your pension on 1 July each year. This is not compulsory; however, if you have nominated a pension amount between the minimum and maximum amounts, but have not selected an indexation rate, REI Super will automatically index your pension in line with the Consumer Price Index. If your pension payments become less than the minimum or greater than the maximum amounts permitted, they will be adjusted to remain within these limits.

Changing your pension payment options

You are generally able to change any of the options set out above at any time by completing a *Request to vary Pension Payment form*, which can be obtained by calling us on **1300 13 44 33** or visiting **reisuper.com.au**.

Option 2 – Retirement Pension as your main income when you stop working

Retirement Pension in brief

Subject to Government limits, once you permanently retire or turn 65 (or have unrestricted access to your super because you meet some other Condition of Release) you can access your super through our Retirement Pension.

You must submit a duly completed *Pension Application form* (accompanying this PDS) to us to commence a Retirement Pension. You must complete this form even if you are an existing member of REI Super, as the pension is a separate financial product. However, in some circumstances (see page 8) if you hold a TTR Pension, the TTR Pension will be treated as a Retirement Pension without you completing a *Pension Application Form*.

Our Retirement Pension offers many benefits:

Possibility of a tax-effective income in retirement: Your income stream payments are tax free from age 60.

Your Retirement Pension account stays in the super system: You benefit from the tax advantages that apply to income streams in 'retirement phase', such as tax-free investment earnings (provided you don't exceed the Government limit on the amount you transfer to a retirement phase pension).

You have access to all your super: You can vary the amount of income you receive each year (subject to the minimum annual payment requirement) and you can withdraw lump sums.

How do I meet a Condition of Release and get started?

To qualify for an REI Super Retirement pension, you cannot (generally) be a temporary resident of Australia and you must have 'non-preserved' super because you have either:

- reached your Preservation Age (see page 8) and permanently retired before age 60, or
- ceased an employment arrangement since turning age 60, or
- reached age 65, or
- become permanently incapacitated (at any age).

Your pension account must be opened with the proceeds of an eligible payment from a superannuation fund or other source that is permitted to be rolled over.

If you're already a member of REI Super and have met the requirements above, then you may transfer part or all of your super account balance into a Retirement Pension.

Once this has occurred, you decide (subject to annual minimum payment limits) how much you wish to receive as regular pension payments, and how frequently you wish these payments to be deposited into your nominated bank account, building society or credit union.

It's important to note that once you start receiving your pension payments, you cannot make further deposits, transfers or rollovers into your Retirement pension account. This is a legislative requirement. However, you can roll your Retirement pension account balance back into an REI Super accumulation account (or other fund) at any time and/or commence another pension.

Limit on Retirement Pension amount

There is a limit (\$1.6 million at the date of preparation of this PDS) that the Government places on the amount of super that can be transferred by an individual (across all funds they participate in) to the tax-free retirement phase. If you breach the limit, you will personally have to pay additional tax. Refer to the information about tax in section 7 of this PDS for further information. (The limit is subject to indexation over time).

At any point in time, the balance in your Retirement pension account is made up of:

- the amount rolled over or transferred in
- less: any taxes, fees and costs, pension payments and lump sum withdrawals paid out to you
- plus: investment earnings on this money (these can be positive or negative, and depend on the investment earnings of your chosen investment options), all of which equals
- your current pension account balance.

Your pension payments

Pension payments may commence as soon as you establish a REI Super Pension account. Payments from your account must be made in accordance with the following rules. You must receive:

- at least one pension payment each financial year, unless you establish your Retirement pension after 31 May in that financial year
- at least the minimum amount of pension each financial year

Our Retirement Pension is an account-based pension. It's important to note that a pension available from a super fund is different to the pension you may be able to access through the Government.

To find out more about the Government Age Pension, please contact the Department of Human Services at www.humanservices.gov.au or on **13 24 68**.



Minimum pension payments

Your minimum annual pension payment will be calculated based on your age and the value of your pension account balance on commencement of your pension, and again at 1 July each year. We'll advise you of this amount in writing each year, and ask you to nominate the amount of pension you require.

The minimum pension payment factors are determined by the Government and set out in the table below. The annual minimum shown below is temporary only and applies for the 2020/21 financial year. For subsequent financial years, the annual minimum is double the percentage shown below.

REI Super Retirement Pension: Minimum Annual Payments	
Age*	Minimum % Withdrawal [^]
Under 65	2
65-74	2.5
75-79	3
80-84	3.5
85-89	4.5
90-94	5.5
95+	7

* Age is your age at commencement and, in respect of subsequent years, your age at 1 July.

[^] In the year in which your pension commences, the minimum payment is pro-rated according to the number of days remaining in the financial year.

No minimum payment applies if your pension commences after 31 May in that year. Transfers or rollovers to other super funds (and any other lump sum commutations) do not count towards meeting the minimum annual payment.



If you don't nominate your pension payment amount for any subsequent year, your pension payment will be equal to the dollar value of your pension payment for the previous year, plus any nominated indexation (if applicable). We'll also increase your pension to the minimum pension payment amount if needed.

Lump sum withdrawals

Lump sum withdrawals are permitted in the following circumstances, to:

- cash part of your pension account. The minimum withdrawal is generally \$5,000
- transfer your entire account balance back into a complying superannuation fund or another retirement pension product
- effect a Family Law payment
- pay an Excess Contributions tax assessment.

If you make a partial cash withdrawal or transfer benefits to another fund or product, you must keep at

least \$5,000 in your Retirement Pension account for it to remain active.

There are some situations in which you may be required by the Australian Taxation Office and/or the Trustee to commute all or part of a Retirement Pension, to ensure the tax-free status of underlying pension assets is maintained. The Trustee will do this where required by law or it believes it is otherwise necessary.

Method of payment

Your pension payments will be made by a direct credit to your nominated bank, building society or credit union account.

If you're invested in the Default Investment Strategy, your pension payments will draw upon invested amounts which underlie that Strategy in a specified order, starting with the Cash option. If this option ever has insufficient funds then your payments will be made from the Balanced option.

If you've made an investment choice and are invested in more than one investment option, then you can elect how your investments should be redeemed when the Trustee makes your pension payments or lump sum withdrawal. If you don't make such an election, or we can't give effect to your election for any reason, then your investments will be redeemed proportionally over all your chosen investment options.

Indexation of payments

You can elect to have your pension payments automatically increased annually in line with the Consumer Price Index or by a fixed percentage, as long as the payment meets the minimum level. You may select an indexation rate to apply to your pension on 1 July each year. This is not compulsory; however, if you have nominated a pension amount that is at least the minimum annual amount, but have not selected an indexation rate, REI Super will automatically index your pension in line with the Consumer Price Index. If your pension payments become less than the minimum amount permitted, they will be adjusted to meet the minimum required.

Changing your pension payment options

You are generally able to change any of the options set out above at any time by completing a *Request to vary Pension Payment form*, which can be obtained by calling us on **1300 13 44 33** or visiting reisuper.com.au.



Adding to your pension

If you have multiple rollovers or payments from different sources, it may be in your best interest to first combine them in an REI Super accumulation account before commencing your pension. A licensed or appropriately authorised financial adviser can advise you on this.

However, if you become entitled to more than one eligible rollover or payment after establishing your initial pension, you are able to set up more than one pension.

4. Risks of investing in REI Super Pension

Super is a tax-effective retirement savings vehicle. It is designed to provide you with an income in retirement. However there are also certain risks that you should be aware of, and these can be broadly categorised as either investment or operational risks.

Investment Risks

When it comes to investing, the risk is that the value of your investments may go down as well as up. We think it's important to understand the risks associated with your super investments, so that you can better ensure you have chosen the right investment option for your circumstances.

REI Super offers you a choice of ten different investment options to cater for your own particular preferences about return and risk.

You can choose to invest in our Default Investment Strategy, or one or a mixture of other options, depending on your investment needs.

Those other options are:

- Growth
- Balanced
- Stable
- Conservative Income (Premium Income)
- Cash
- Australian Shares
- International Shares
- Australian Property
- Global Property
- Bonds.

History shows that investment markets can behave differently according to different economic situations, and it is often difficult to predict these in advance. Risks relating to particular types of investment are set out below.

Market risk

Other than the Cash investment option, the investment options invest into investment markets and these markets are affected by a range of conditions (e.g. economic, technological or political) that impact returns. As the risk relates to the market as a whole, it cannot be reduced by holding a greater variety of assets within a particular market. Periods of extreme market volatility can alter the level of risk, return and liquidity of an investment.

Currency risk

Movements in exchange rates between the Australian dollar and foreign currencies can affect performance of an investment option due to its exposure to international currency changes. Where foreign currencies fall in value relative to the Australian dollar this can have an adverse impact on investment returns. Exposure to currency movements may be managed by converting foreign currency exposures to local currency exposures, also known as hedging.

Country risk

Some of the investment options invest internationally. There is a risk that a country may become politically or economically unstable, which may prevent assets (such as shares) being sold or the proceeds being repatriated to Australia. This risk is generally higher in countries classified as emerging markets.

Derivatives risk

Some of the investment options may hold derivatives such as options, futures, swaps, forward rate agreements and forward foreign exchange contracts.

Risks associated with using derivatives include the value of the derivative failing to move in line with the underlying asset, illiquidity of the derivative, and counterparty risk (this is where the counterparty to the derivative contract cannot meet its obligations under the contract).

Inflation risk

Increasing inflation, or the cost of living, reduces the purchasing power of your super savings. Your super needs to increase in value above the rate of inflation so that you maintain your purchasing power.

Interest Rate risk

An increase in interest rates may lead to a reduction in the value of most investments. The risk is usually greater for fixed income securities that have longer maturity dates.

Liquidity risk

Liquidity risk is the risk that a security may not be converted into cash on a timely basis with little or no loss of capital. Liquidity is affected by market movements. During extreme market volatility, an investment option may experience illiquidity. Withdrawals may be suspended for a period of time and payments may be deferred.

Counterparty or Default risk

There is a risk that a party fails to meet its contractual obligations, resulting in a loss of capital for the investment option. Counterparties include brokers, foreign exchange counterparties, and borrowers under any stocklending agreements.

Managing investment risk

Whilst you can never fully eliminate the risk associated with an investment, there are a number of different ways in which you can minimise the potential risk. Two strategies for managing risk are:

Investment diversification: spreading your money across different asset classes, rather than just investing in a single asset class.

Investment goals: choosing an investment option that is best suited to the length of time you wish to invest.

Investment goals: choosing an investment option that is best suited to the length of time you wish to invest.

You can make an investment choice when you apply for an REI Super Pension or when your needs change. See the *Pension Application form* accompanying this PDS or login to your Pension account online if you are an existing Pension member with us. If you don't choose an investment option for your REI Super Pension, your account balance will be invested in our Default Investment Strategy.

Refer to the section **How we invest your money** for more information about investing with REI Super including the risk profile of each investment option using a Standard Risk Measure (SRM) that is based on industry guidance. See below for more information about the SRM.

Operational Risks

Other than investment related risks, there are other risks that may be relevant to your super fund such as the failure of the administrator, insurer or other third party service providers to meet their contractual obligations.

Also we may have risks associated with the general operation of the Fund, such as financial risk, operational risk and loss of data risk. We rely on technological, human and other resources provided by service providers, for example, administrative, custodial, investment and insurance. A failure in these systems and processes may have an impact on your investments or benefits (for example, investment transactions or benefit payments may be delayed).

Managing operational risks

We are required by regulation to hold an operational risk reserve to compensate you for any Fund operational risk events that may otherwise impact your member benefits.

A Risk Management Framework is in place to help manage investment and other risks associated with the operation of REI Super.

Other Risks

Changes to super law

There may be changes to super legislation that may affect your benefit or ability to access a benefit, or there could be taxation changes that may affect the value of your investment.

Longevity risk

Your REI Super Pension may not provide you an income for the whole duration of your retirement and/or an income that meets your needs and objectives in retirement. Income payments will only be made while there is sufficient money in your account.

Standard Risk Measure (SRM)

The SRM allows you to compare investment options that are expected to deliver a similar number of negative annual returns over any 20-year period. The SRM is not a complete assessment of all forms of investment risk, for instance it does not detail what the size of a negative return could be or the potential for a positive return to be less than a member may require to meet their objectives. Further, it does not take into account the impact of administration fees and tax on the likelihood of a negative return. You should ensure you are comfortable with the risks and potential losses associated with your chosen investment option(s).

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

5. How your REI Super Pension is invested

Choosing an investment option that's right for you is key to getting the investment outcomes that you want.

You need to balance the return you hope to achieve with the level of risk you're comfortable taking. Risk is the chance an investment won't give you the outcomes you want. This could mean your investment falls in value, or you don't achieve your financial goals.

All investments carry some risk and, in general, the more risk you take the higher the potential for higher returns. The important thing is to understand such risks, and make sure the investments you choose, carry a level of risk that you're comfortable with. This is known as your risk profile. For more information regarding the risks of investing, please refer to our **Risks of investing in REI Super Pension** on page 12.



Your risk profile

Your risk profile will depend on many factors, such as your investment time frame and personal circumstances. The **REI Super Risk Profile Quiz** can help you work this out and suggest which investment option may be right for you. Remember, the quiz is a guide only and may not accurately reflect your particular circumstances:

reisuper.com.au/super/investments/risk-profile-quiz

Which investment option is my super invested in?

If you are starting a new Pension and do not make a valid investment choice, your Pension account balance will be invested in our Default Investment Strategy.

The Default Investment Strategy for your Pension account balance is a combination of the Cash and the Balanced investment options and is designed to increase the life of your Pension by reducing the impact of short term market volatility. More information on the Cash and Balanced investment options can be found on pages 18 to 20 of this PDS.

The initial amount invested in the Cash option will be equal to two times the minimum annual pension payment required by legislation. Your investments will be automatically rebalanced on 1 April each year based on your age on the rebalance date (see table in next column).

Members are not restricted to taking the minimum annual pension payment amount and can choose a nominated amount or, for Transition to Retirement Pension members, the maximum annual pension payment amount.

Age	Cash option	Balanced option
Under 65	8%	92%
65-74	10%	90%
75-79	12%	88%
80-84	14%	86%
85-89	18%	82%
90-94	22%	78%
95+	28%	72%

* Age at commencement and at rebalancing date.

It is important to note that between each annual rebalance on 1 April, the level held in each option will differ from the above target amounts due to market movements and any lump-sum or regular pension payments. Regular pension payments will draw upon invested amounts which underly that Strategy in a specified order, starting with the Cash option. If this option ever has insufficient funds then your payments will be made from the Balanced option.

You are free to change your investment choice at any time. However, it is important to remember that you are unable to combine the Default Investment Strategy with other investment options; or to request the Default Investment Strategy for account balance only, or for pension payments only.

Members who choose, or switch between, other investment options after commencing their pension will be excluded from the annual portfolio rebalancing process applicable to members invested in the Default Investment Strategy. Members may opt-in to the Default Investment Strategy at any time by completing a 'Change your investment options' form.

How we define risk

We define risk as losing money that can't be made back. For most investors, that's the risk of not having enough money in time to retire. Or having to change your lifestyle so that your savings last throughout retirement. We have the flexibility and expertise to invest in an asset class (e.g. shares, cash, fixed income and property) only if it makes sense to do so. To ensure we're investing your super savings where there's most potential for reward, and avoiding those areas where there's most potential for loss we use an investment approach called Dynamic Asset Allocation.

How we manage your investments

Strategic Asset Allocation

The Strategic Asset Allocation (SAA) of a diversified portfolio is the predetermined fixed mixture of growth and defensive assets, which the investment manager believes will achieve the investment objective of the portfolio, over a full economic cycle, for a given level of risk.

The SAA is a longer term measure and does not take into account shorter term market events.

A strategic asset allocation approach involves managing investments within tight asset class ranges.

This approach:

- provides little flexibility to move away from overvalued asset classes and towards those presenting good value.
- may result in buying asset classes when they're expensive and offering a low reward for risk.
- little flexibility to move when market conditions change

Dynamic Asset Allocation

Unlike a traditional approach to constructing investment portfolios, Dynamic Asset Allocation gives us the flexibility to avoid those asset classes which aren't presenting a good investment opportunity.

The Dynamic Asset Allocation approach involves removing the tight asset allocation constraints so we're able to focus on investing where the best opportunities can be found.

This approach provides significant flexibility to move when market conditions change.

Introducing the REI Super Pension investment options

REI Super has a number of different investment options to suit all investors. You can choose to invest in one option or a mixture of them (if you don't wish to be invested in the Default Investment Strategy).

There are ten investment options available (other than the Default Investment Strategy), each one with a different investment goal and a different risk and return profile as highlighted by the chart below.

What's in the different investment options?

We have four pre-mixed or multi-sector investment options and six single sector options; which are made up of different investment types such as shares, property, fixed interest and cash. These investment types are known as asset classes. Changing the allocation to these asset classes determines where they sit in the risk and return chart below.

These investment options allow you to design an investment portfolio from amongst the investment options offered that suits your individual circumstances. Importantly, as your circumstances and investment goals change, so too can your investment portfolio.

Investment option asset classes

There are two main categories of investment types, or asset categories; growth assets and defensive assets. Growth assets have the potential to grow in value, whilst defensive assets are typically stable in price and pay an income, like a term deposit for example.

Growth assets are used to grow the value of your super savings, whilst defensive assets are used to preserve the savings that you've already built up.

Growth assets

Australian shares are the part ownership of a company generally listed on the Australian stock exchange. Shareholders have the potential to benefit from any increase in the share price. In addition, shareholders may also be paid dividends, which is the company's profit being distributed to shareholders.

International shares are the part ownership of a company generally listed on an exchange outside of Australia. Shareholders have the potential to benefit from any increase in the share price. In addition, shareholders may also be paid dividends, which is the company's profit being distributed to shareholders. These can be either hedged or unhedged.

Global Property Securities A common form of these are known as Real Estate Investment Trusts (REITs). An international REIT generally invests in residential, industrial or commercial properties outside of Australia on behalf of a group of investors. You own shares in a REIT, just like you would international shares and similarly may benefit from increases in the value of the share price as well as the receipt of dividends.

Listed infrastructure are assets such as airports, railways or electricity and gas transmission and distribution networks. These assets can be in Australia or overseas. Shares in some infrastructure companies are listed on a stock exchange, such as the Australian Stock Exchange or an overseas exchange. You own shares in an infrastructure asset, just like you would Australian shares and similarly may benefit from increases in the value of the share price as well as the receipt of dividends.

Unlisted investments are investments that are not listed on a stock exchange, such as the Australian Stock Exchange. An example could be direct or unlisted property investments, or unlisted infrastructure. Unlisted investments may take longer to sell than shares because they are not bought and sold on an exchange. Rather the investment manager has to find a buyer for the assets. Such assets are said to be 'illiquid' (refer to Liquidity Risk in **Risks of investing in REI Super Pension** on page 12).

In general you should expect unlisted assets to generate a good return commensurate with an acceptable level of risk, and ease of liquidity would also be an important factor, to similar listed assets in order to justify investing in them.

Defensive assets

Cash investments are short-term, interest-paying investments. Investing in a Bank Bill is an example of a cash investment.

Fixed income, or bonds are where investors lend money to a government or a company in return for a fixed interest payment. The investment can be held until maturity or traded beforehand. When the bond matures, you are paid back your initial investment. The agreed interest payments are generally paid in installments during the life of the bond. These securities can be issued in Australia or Internationally. **Inflation linked Securities** are fixed income securities, or bonds whose principal value is periodically adjusted according to the rate of inflation.

Benefits of REI Super Pension's investment options

REI Super's investment options give you access to a professionally managed and diversified investment portfolio, providing you with a range of benefits:

- **Professionally managed:** a team of investment professionals are entrusted with managing your super savings. So whatever's happening in the share markets, your super is actively managed to make sure it's invested to provide returns and manage risk.
- **A focus on managing risk:** we see risk as losing money that can't be made back. We want you to rest assured that we aim to deliver smoother long term returns, helping mitigate some of the ups and downs that can be associated with investing in share markets.
- **Investing only when the reward is worth the risk:** using a Dynamic Asset Allocation approach allows us to only invest if the reward is worth the risk. We're able to avoid asset classes that we believe are too expensive or not worth the risk. That's why when we invest your super savings, we only invest if the reward is worth the risk.
- **Diversification:** your super savings are generally invested in a diversified investment option. So whatever the economic environment, you'll be invested in a mixture of growth and defensive assets. Growth assets such as shares aim to grow the value of your super, whilst defensive assets such as cash and bonds aim to preserve the savings you've already built up. A well-diversified option can reduce risk and increase the potential for returns.
- **Increase your purchasing power:** by using a CPI + benchmark, we aim to increase the value of your savings above that of inflation. This way, you can stay a step ahead of the cost of living, increasing your purchasing power over the course of your investment time-frame.
- **Cost effective:** by investing with REI Super, you gain access to a range of assets and leading global fund managers not normally available to individual investors.
- **Control and customisation:** you can also use the REI Super Sector investment options to create an investment portfolio specific to your investment needs. As your circumstances change, so too can your investment portfolio.

Your REI Super Pension investment options in detail

REI Super offers you ten investment options for your pension account balance, if you don't wish to be invested in the Default Investment Strategy.

You cannot invest part of your account balance in accordance with the Default Investment Strategy and part in another investment option(s). Each investment option has a different composition of growth and defensive assets. Before making a decision on which investment option to choose, please ensure that you understand the objectives and composition of each option. Before choosing the Default Investment Strategy, understand the objectives and composition of the Cash and Balanced options included in that strategy in the proportions shown on page 18.

Investment goals

We focus on growing and preserving your savings. To determine each pre-mixed (or multi-sector) investment option's investment goal, or objective, we start with the rate of inflation and add to that an additional amount.

This is known as a CPI+ objective. The additional amount

alters the risk return profile, so those investment options with a higher investment objective will generally carry a greater level of risk than those with a lower investment objective.

The table below summarises the risk and return characteristics of each investment option. The investment objective is set at a level that the Trustee believes is achievable over a longer term. The objective may not be achieved in each year during that term.

The Risk Profiles shown in the tables below are based on the Risk labels in the Standard Risk Measure (SRM), based on industry guidance. For further information about the SRM, refer to page 13 of this PDS, which also provides information about the Risk Band and the Estimated number of negative annual returns over any 20 year period attributable to each Risk label. The Risk Band ranges from 1 (Very Low risk) – 7 (Very High risk) depending on the risk level.

CPI+ objective aligning our investment objective to your financial goals:

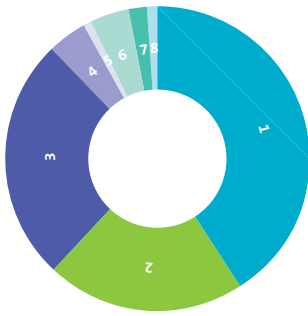
Consumer Price Index or CPI is a measure of inflation. Inflation is the increase in the average level of prices, or in other words, the cost of living. It makes sense to define an investment objective that starts with keeping up with inflation, then adding an additional amount = a CPI+ objective. The additional amount should be based on your investment goals and risk tolerance.

Pre-mixed investment options

For the pre-mixed (or multi-sector) options, the proportion invested across the various asset classes also known as the strategic asset allocation is predetermined by REI Super acting on the advice of its professional investment adviser. The strategic asset allocation of these investment options is shown below.

	Growth	Balanced	Stable	Conservative (Premium Income)
Members looking for...	... the potential for the highest return over the long term, comfortable with taking on a higher level of risk.	... a higher return than from investing in defensive assets, comfortable with a reasonably high level of fluctuations in returns.	... a stable investment with lower level of risk than the Balanced Option.	... a more secure investment than the Stable Option with a lower expected return.
Investment Objectives*	This Option aims to provide net (after investment fees and tax, where applicable) investment returns of CPI + 4.0% per annum over rolling 10 year periods.	This Option aims to provide net (after investment fees and tax, where applicable) investment returns of CPI + 3.0% per annum over rolling 10 year periods.	This Option aims to provide net (after investment fees and tax, where applicable) investment returns of CPI + 1.5% per annum over rolling 3 year periods.	This Option aims to provide net (after investment fees and tax, where applicable) investment returns of CPI + 0.5% per annum over rolling 3 year periods.
Members with a minimum time horizon of...	Ten years plus.	Ten years plus.	Three years plus.	Three years plus.
Members that can accept a negative return...	... 5 years in every 20 years.	... 4 years in every 20 years.	... 3 years in every 20 years.	... 2 years in every 20 years.
Risk Profile	High	Medium to high	Medium	Low to medium
This option invests in...	... predominantly growth assets and has the potential for the highest return over its investment horizon. However, returns will vary and are expected in some years to be low or negative.	... mainly growth assets with some interest bearing defensive assets. It has the potential for high returns over time due to the significant proportion of growth assets. However, returns will vary and are expected in some years to be low or negative, although to a lesser degree than the Growth option.	... mainly defensive assets (cash and bonds), with some growth assets also. Returns have the potential to be higher than just investing in cash investments. Returns will vary and there is a still a possibility of delivering a negative return in any one year, but are likely to be more stable than options with a higher proportion to growth assets.	... mostly defensive assets – with the remainder of the portfolio comprised of growth assets. Returns are expected to be positive in most years however, due to the small growth exposure, there is a small possibility of a negative return in any one year.

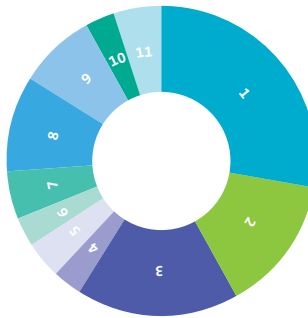
The investment objective is set at a level that the Trustee believes is achievable over a longer term. The objective may not be achieved in each year during that term.



GROWTH

Strategic Asset Allocation

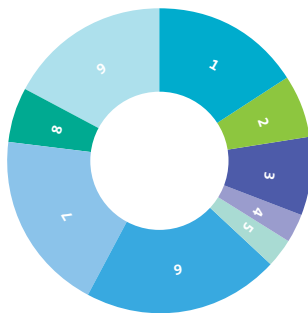
1. Australian Shares	41.00%	6. Global Listed Infrastructure	4.00%
2. International Shares (Hedged)	21.15%	7. Unlisted Infrastructure	2.00%
3. International Shares (Unhedged)	25.85%	8. Cash	1.00%
4. Global Property Securities	4.00%	Total	100%
5. Unlisted Property	1.00%		



BALANCED

Strategic Asset Allocation

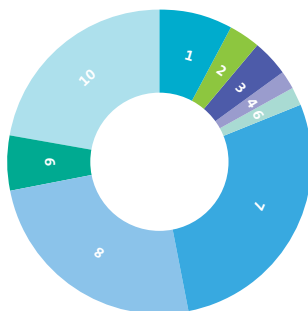
1. Australian Shares	28.00%	7. Unlisted Infrastructure	5.00%
2. International Shares (Hedged)	13.95%	8. Australian Bonds	10.00%
3. International Shares (Unhedged)	17.05%	9. International Bonds (Hedged)	8.00%
4. Global Property Securities	3.00%	10. Inflation-Linked Securities	3.00%
5. Unlisted Property	4.00%	11. Cash	5.00%
6. Global Listed Infrastructure	3.00%	Total	100%



STABLE

Strategic Asset Allocation

1. Australian Shares	16.00%	6. Australian Bonds	21.00%
2. International Shares (Hedged)	6.75%	7. International Bonds (Hedged)	19.00%
3. International Shares (Unhedged)	8.25%	8. Inflation-Linked Securities	6.00%
4. Global Property Securities	3.00%	9. Cash	17.00%
5. Global Listed Infrastructure	3.00%	Total	100%



CONSERVATIVE (PREMIUM INCOME)

Strategic Asset Allocation

1. Australian Shares	8.00%	7. Australian Bonds	28.00%
2. International Shares (Hedged)	3.15%	8. International Bonds (Hedged)	25.00%
3. International Shares (Unhedged)	3.85%	9. Inflation-Linked Securities	6.00%
4. Global Property Securities	2.00%	10. Cash	22.00%
5. Unlisted Property	0.00%	Total	100%
6. Global Listed Infrastructure	2.00%		

Allocations shown may vary by up to +/- 15%.

Performance and updates

Keeping up to date with how your super savings are tracking is as important as choosing the right option.

We send you a Member Statement annually for your pension account, but if you'd like to review your super's performance on a more regular basis, you can access performance and updates on all of the investment options at reisuper.com.au/investment-performance.

Important notes: Future investment performance can vary from past performance, and you should not base your decision to invest simply on past performance. The investment returns are not guaranteed, and the value of an investment may rise or fall. In addition to the investment related fees, costs and taxes (if applicable) taken into account in the calculation of investment returns, other fees, costs and taxes may impact your investment in the Fund. For information about fees and costs, refer to section 6 of this PDS.

Sector investment options

	Australian Shares*	International Shares*	Australian Property*	Global Property*	Bonds *	Cash
Members looking for...	... high-quality, professionally managed, Australian shares investment.	... high-quality, professionally managed, international shares investment.	... high-quality, professionally managed, domestic property securities investment.	... high-quality, professionally managed, global property securities investment.	... high-quality, professionally managed, fixed interest investment.	... a low risk investment with a lower rate of return.
Investment Objectives	This option aims to grow the value of your super savings above the S&P/ASX 300 Accumulation Index over rolling ten year periods.	This option aims to grow the value of your super savings above the benchmark [^] over rolling ten year periods. [^] Weighted average benchmark comprising 50% MSCI All Country World Ex-Australia with Net Dividends Reinvested (Unhedged) Index; 50% MSCI All Country World Ex-Australia with Net Dividends Reinvested (\$A hedged) Index	This option aims to grow the value of your super savings above the S&P/ASX 300 Property Accumulation Index over rolling ten year periods.	This option aims to grow the value of your super savings above the FTSE/NAREIT Developed Markets Real Estate (\$A Hedged) over rolling ten year periods.	This option aims to grow the value of your super savings above the benchmark [^] over rolling four year periods. [^] Weighted average benchmark comprising 50% Bloomberg AusBond Composite Bond Index and 50% Barclays Global Aggregate \$A Hedged Index.	This option aims to deliver a return broadly in line with the Bloomberg AusBond Bank Bill Index over rolling three year periods.
Members with a minimum time horizon of...	10 years	10 years	10 years	10 years	4 years	No minimum.
Members that can accept a negative return...	... 6 years in every 20 years.	... 5 years in every 20 years.	... 7 years in every 20 years.	... 7 years in every 20 years.	... 3 years in every 20 years.	... less than 1 year in every 20 years.
Risk Profile	High	High	Very High	Very High	Medium	Very Low
Strategic Asset Allocation	100% Australian Shares	50% International Shares (Hedged) 50% International Shares (Unhedged)	100% Listed Australian Property Securities	100% International Property Securities (Hedged)	50% Australian Bonds 50% International Bonds (Hedged)	100% Cash

*May include exposure to cash of up to 10%.

Who manages your money?

REI Superannuation Fund Pty Ltd ‘the Trustee’ is responsible for determining the investment options (including the strategic asset allocation and asset ranges) offered to its members.

The Trustee works with its investment consultant, Morningstar Investment Management Australia Limited (ABN 54 071 808 501; AFSL 228986), who provides ‘implemented investment consulting’ services to REI Super and takes responsibility for selecting and monitoring specialist investment managers. Implemented investment consulting places responsibility for the day-to-day investment decision making in the hands of full-time investment professionals, experienced in managing investments.

The Trustee continuously and rigorously monitors the investment consultant to ensure that all aspects of the implemented investment consulting agreement are fulfilled.

How we invest in underlying funds

Each of the investment options may invest directly in one or more of the investment consultant’s managed investment products or schemes known as the ‘Investment trusts’. These trusts are managed in various ways:

- within a multi-manager framework; and/or
- by investment in registered managed investment schemes with similar asset classes; and/or
- by investment in mandates with similar asset classes; and/or
- through the use of derivatives to gain exposure to similar asset classes; and/or
- in foreign currencies and exchange traded funds for dynamic asset allocation and hedging purposes.

The Trustee may also invest in investment products not managed by Morningstar.

Changes to investment options

Changes to investment options which the investment consultant may make at any time without prior notice to REI Super (where permitted by law) are as follows:

- Remove or replace any trusts on the list, or its underlying funds;
- Change the name or other features of any trusts on the list;
- Change the terms of any product or trusts offered to the Trustee, and as a direct consequence, to REI Super’s members; or
- Change or remove underlying fund managers.

However, if you are affected by the changes, REI Super will notify you in accordance with the Trustee’s disclosure documents. Should the investment consultant remove or replace any Trusts, it is required to advise the Trustee but in any case, deal with REI Super members’ interests (or notional interests) in accordance with each Trust’s constitution, its contractual requirements and the law.

Investment managers

The underlying investment managers appointed by the investment consultant and the Trustee may change from

time to time. The latest up-to-date list of investment managers is always made available on our website, reisuper.com.au.

You can obtain current disclosure document(s) free of charge and on request from your adviser or REI Super. We recommend that you consult your financial adviser before making any decision about your investment choices.

Custodian

The Trustee has appointed a custodian for certain investment operational activities. The custodian’s key activities include calculating the unit prices of each investment option in accordance with the Trustee’s requirements, implementing transactions and maintaining investment records.

How are unit prices determined?

The assets of the Fund invested within each investment option are reported on a unitised basis, and members effectively buy units when an amount to establish a pension is received, or sell units when they are paid a benefit. For example, if an amount of \$100.00 is received and at that time, the application (buy) price of the unit is \$1.00, 100 units are credited to the member’s account.

Units in a member’s account are held at their redemption (or sell) value, and this is the value:

- shown on the REI Super website,
- provided in benefit estimates; and
- shown on the annual benefit statements.

Unit prices are calculated weekly by the Fund’s custodian, and vary according to the underlying value of the assets in each investment option.

The unit prices for each option vary, depending on whether the option is for TTR or Retirement Pensions, to reflect that the unit prices for investment options in which TTR Pensions are invested are net of investment earnings tax (this tax does not apply to Retirement Pension investment assets).

The Trustee reserves the right not to switch investments or pay benefits if a weekly unit price cannot be determined because of market failure.

Labour and ethical standards

Our investment consultants’ research and investment processes do not take into account labour standards, environmental, social or ethical considerations when deciding to select, retain or dispose of managers or the sector-specialist investment options offered to the Trustee. However, the various underlying investment managers may each have their own policy relating to these considerations and whether or not such considerations are taken into account when making investment decisions.

6. Fees and costs

Did you know?

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

For example, total annual fees and costs of 2% of your account balance rather than 1% could reduce your final return by up to 20% over a 30-year period (for example, reduce it from \$100,000 to \$80,000). You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs.

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

To find out more:

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

* Please note that you or your employer, as applicable, cannot negotiate to pay lower fees in REI Super.

This document shows fees and other costs that you may be charged. These fees and other costs may be deducted from your money, from the returns on your investment or from the assets of the superannuation entity as a whole. Other fees, such as activity fees, and advice fees for personal advice may also be charged, but these will depend on the nature of the activity or advice chosen by you. Entry fees and exit fees cannot be charged. Taxes are set out on page 21. You should read all the information about fees and other costs because it is important to understand their impact on your investment. The fees and other costs for each investment option offered by REI Super for pension accounts, are set out in Table 1 on page 23 in this document.

Fees and costs

Type of fee or cost	Amount	How and when paid
Investment fee¹	From 0.15% p.a. to 0.58% p.a. depending on the investment option and the type of pension you hold (estimated).	These fees are not deducted directly from your account. They are deducted proportionately from the investment option and reflected in the weekly calculation of the unit prices.
Administration fee¹	\$85.80 p.a. (\$1.65 per week) + 0.25% p.a.	The dollar fee is deducted from your account balance monthly in arrears or on the date your account is closed. If you have more than one pension account, the dollar fee applies to each. The percentage fee is not deducted directly from your account. This fee is deducted proportionately from the investment option and reflected in the weekly calculation of the unit prices.
Buy/Sell spread	Buy spread from 0.00% to 0.14% depending on the investment option. Sell spread from 0.00% to 0.14% depending on the investment option.	These amounts are not deducted directly from your account. They are charged each time units are bought or sold on your behalf and reflected in the calculation of the unit prices.
Switching fee	Nil	Not applicable.
Advice fees relating to all members investing in the investment options	Nil	See below.
Other Fees and Costs²	Various	Deducted from your account, where applicable.
Indirect Cost Ratio¹	From 0.00% p.a. to 0.11% p.a. depending on the investment option and the type of pension you hold (estimated).	These costs are incurred indirectly by our investment managers and are attributed to the investment option before the gross investment returns have been determined. They are reflected in the weekly calculation of unit prices.

1. If your account balance is less than \$6000 at the end of REI Super's income year, the total combined amount of administration fees, investment fees and indirect costs charged to you is capped at 3% of the account balance. Any amount charged in excess of that cap must be refunded.
2. Activity fees and advice fees for personal advice may apply. See the Additional explanation of fees and costs later in this document.

Example of annual fees and costs

This table gives an example of how the fees and costs for the Balanced option for an REI Super Pension product can affect your superannuation investment over a one-year period. You should use this table to compare REI Super's Pensions with other superannuation pension products.

Example – Balanced option	Retirement Pension	TTR Pension [^]	Balance of \$50,000
Investment fees	0.57%	0.58%	For every \$50,000 you have in the Balanced option you will be charged \$285 each year for a Retirement Pension, OR \$290 each year for a TTR Pension.
Plus Administration fees	\$85.80 p.a. (\$1.65 per week) + 0.25% p.a.	\$85.80 p.a. (\$1.65 per week) + 0.25% p.a.	And , you will be charged \$85.80 regardless of your account balance plus \$125 in administration fees each year.
Plus Indirect costs for the Balanced option	0.11%	0.12%	And, indirect costs of \$55 for a Retirement Pension, OR \$60 for a TTR Pension will be deducted from your investment each year.
Equals Cost of product			If your balance was \$50,000, then for that year you will be charged fees of \$550.80 for a Retirement Pension, OR \$560.80 for a TTR Pension for the Balanced option.*

[^]Transition to Retirement.

*Please note: Additional fees may apply.

Fee rebate

If your total account balance is over \$300,000, you will receive a Fee rebate on the portion of your account over \$300,000 as follows:

Account balance	Rebate (%)
First \$300,000	NIL
Amount over \$300,000	0.28%

The fee rebate is calculated using your pension account balance in the Fund at the end of each month. It will be paid to your REI Super Pension account by way of additional units in your account. If your super is invested in more than one investment option, your rebate will be paid proportionally across your investment options. The Trustee reserves the right to change the rebate level and the eligibility conditions at any time.

Additional explanation of fees and costs

Administration fee

These fees cover the general administration and management of the Fund, including the operations of the Trustee office, the costs associated with regulatory compliance, communications and marketing and access to Helpline advice services provided by Mercer Financial Advice (Australia) Pty Ltd (MFA) ABN 76 153 168 293, Australian Financial Services Licence 411766.

Investment fee

The investment fees (shown in Table 1 on the next page) include internal and external investment-related fees such as investment management fees, asset consulting fees, custody fees etc. These fees are not deducted directly from Members' account balances instead they are deducted from the underlying assets of each investment option and reflected in the unit prices.

As these are forward looking estimates, actual fees may vary from these depending on the actual assets each investment option invests in.

Indirect costs

Indirect costs are costs that, directly or indirectly, reduce the return on investments of each investment option including investment management costs, performance related fees and certain transactional and operational costs.

These costs are not deducted directly from Members' account balances, instead they are deducted from the underlying assets of each investment option and reflected in the unit prices. The ICRs (shown in Table 1 on the next page) represent the ratio of the total indirect costs for each investment option to the total average net assets attributed to that investment option. The actual indirect costs for each investment option and hence the actual ICRs are likely to vary from year to year.

TABLE 1: Investment fees & Indirect Cost Ratio (ICR)

Investment option	Investment fee [^] p.a.	Indirect Cost Ratio p.a. (ICR) [*]
Retirement Pension		
Growth	0.58%	0.09%
Balanced	0.57%	0.11%
Stable	0.49%	0.06%
Conservative Income (Premium Income)	0.45%	0.02%
Australian Property	0.26%	0.00%
Australian Shares	0.23%	0.06%
Bonds	0.33%	0.01%
Global Property	0.31%	0.10%
International Shares	0.24%	0.07%
Cash	0.15%	0.00%
TTR Pension		
Growth	0.60%	0.11%
Balanced	0.58%	0.12%
Stable	0.49%	0.08%
Conservative Income (Premium Income)	0.45%	0.00%
Australian Property	0.26%	0.00%
Australian Shares	0.23%	0.00%
Bonds	0.33%	0.01%
Global Property	0.31%	0.09%
International Shares	0.24%	0.05%
Cash	0.15%	0.00%

[^] The Investment fees above represent the Trustee's reasonable estimates for the 2020/21 financial year and will vary from year to year depending on the underlying asset mix of each investment option.

^{*} The ICRs above reflect the Trustee's reasonable estimates of the actual indirect costs incurred by the underlying investment vehicles used by the Fund over the 2019/20 financial year.

Past fees and costs may not be a reliable indicator of future fees and costs.

Property operational costs

The Fund invests in direct property through an external fund manager. The estimated Property operational costs incurred over the 2019/20 financial year were:

Investment option	Property operational costs p.a.
Retirement Pension	
Growth	0.03%
Balanced	0.04%
TTR Pension	
Growth	0.03%
Balanced	0.05%

These costs are not included in the ICRs in Table 1 above. They are an additional cost to members but are not deducted directly from members' account balances; instead they are deducted from the underlying assets of the relevant options and reflected in unit prices.

Buy/Sell spread

When money is added to your account (e.g. amount to commence pension is received) or money is deducted from your account (e.g. a pension payment or other benefit is paid), it is used to purchase or sell units in your investment option. For some investment options, the entry price for the issue of units may be different from the exit price for the redemption of those units. The difference between the entry and exit price represents an allowance for transaction costs, and is commonly referred to as a 'Buy/Sell spread'.

Buy/Sell spreads (if incurred) are additional costs and do not form part of the investment fees and indirect costs shown in the 'Example of annual fees and costs' table above. The Buy/Sell spread for each investment option is set out in the table below:

Investment option	Buy/Sell spreads
Growth	0.14% / 0.14%
Balanced	0.14% / 0.14%
Stable	0.11% / 0.11%
Conservative Income (Premium Income)	0.10% / 0.10%
Cash	0.00% / 0.00%
Australian Shares	0.07% / 0.07%
International Shares	0.09% / 9.09%
Australian Property	0.06% / 0.06%
Global Property	0.08% / 0.08%
Bonds	0.13% / 0.13%

Performance related fees

Performance related fees (see Table 2 on the next page) are charged by some of the Fund's underlying investment managers when actual performance achieved is greater than an agreed target.

These fees are reflected in the unit price of the underlying investment vehicle and form part of the ICR of the relevant investment option shown in Table 1 on this page.

Transactional and Operational Costs (TOCs)

Transactional and operational costs are incurred when the investments of the Fund are bought or sold. Explicit costs (see Table 2 on the next page) include buy/sell spreads charged by the underlying investment vehicles, brokerage costs, settlement costs, clearing costs and stamp duty. Implicit costs include costs such as the bid/offer spread incurred on transactions.

These costs are an additional cost to Members but are not deducted directly from Members' account balances; instead they are deducted from the underlying assets of each investment option and reflected in the unit prices. The total explicit costs for each investment option (less estimated costs recovered from the buy-sell spread) are included in the ICR of each investment option shown in Table 1 above. The implicit costs do not form part of the ICR or any of the other fees and costs described in this document.

Borrowing costs

Borrowing costs (see Table 2 below) are costs relating to a credit facility (that is not a derivative financial product) provided to the Trustee, or to certain interposed vehicles (or the trustees of such vehicles) through which the Fund holds its investments.

These costs are an additional cost to Members but are not deducted directly from Members' account balances instead they are deducted from the underlying assets of each investment option and reflected in the unit prices. Borrowing costs are not included in indirect costs or any of the other fees and costs described in this document.

TABLE 2: Investment related costs (p.a.)

Investment option	Total Explicit TOCs	Total Implicit TOCs	Borrowing Costs	Performance Related Fees
Retirement Pension				
Growth	0.17%	0.02%	0.02%	0.01%
Balanced	0.12%	0.03%	0.03%	0.01%
Stable	0.09%	0.03%	0.02%	0.00%
Conservative Income (Premium Income)	0.11%	0.03%	0.00%	0.00%
Australian Property	0.00%	0.00%	0.00%	0.00%
Australian Shares	0.08%	0.03%	0.00%	0.00%
Bonds	0.16%	0.05%	0.01%	0.00%
Global Property	0.10%	0.02%	0.00%	0.00%
International Shares	0.12%	0.01%	0.00%	0.00%
Cash	0.00%	0.00%	0.00%	0.00%
TTR Pension				
Growth	0.11%	0.03%	0.02%	0.01%
Balanced	0.12%	0.03%	0.03%	0.01%
Stable	0.11%	0.03%	0.02%	0.00%
Conservative Income (Premium Income)	0.10%	0.03%	0.00%	0.00%
Australian Property	0.00%	0.00%	0.00%	0.00%
Australian Shares	0.08%	0.00%	0.00%	0.00%
Bonds	0.15%	0.05%	0.01%	0.00%
Global Property	0.14%	0.02%	0.00%	0.00%
International Shares	0.11%	0.01%	0.00%	0.00%
Cash	0.00%	0.00%	0.00%	0.00%

The above investment related costs (expressed as a % of each investment option's assets) represent the Trustee's reasonable estimate of the actual costs charged by the Fund's underlying fund managers over the 2019/20 financial year.

Past fees and costs may not be a reliable indicator of future fees and costs.

Activity fees

Family law information and splitting fee

A fee of \$350 will be charged for splitting a superannuation payment upon receipt of a splitting agreement or court order. The fee will be divided evenly and deducted from your account and the former spouse's entitlement when the account split is processed.

Unless they former spouse received the entire balance, in which case the former spouse will pay the entire fee.

Advice fee

The cost of providing Helpline advice services to REI Super members is included in the administration fee. An advice fee will only be charged for comprehensive financial advice services offered to REI Super members through Mercer. Mercer financial advisers are authorised representatives of Mercer Financial Advice (Australia) Pty Ltd (MFA) ABN 76 153 168 293, Australian Financial Services Licence 411766.

Mercer financial advisers are salaried professionals who do not receive commissions for advice provided to our members. You can arrange an appointment with them to discuss your financial situation. There is no cost or obligation to have the initial consultation.

You will be provided with a fixed price quote for any further advice. Any fees are set by agreement between you and Mercer and provided to you in a letter of engagement.

Taxes

Goods and Services Tax (GST)

The fees and costs include the net effect of GST, after the benefits of reduced input tax credits where appropriate, unless otherwise specified.

Government charges

Government charges such as stamp duty will be applied to your account as appropriate.

Tax deductions

The benefit of any tax deductions relating to percentage-based fees is passed on to members through the calculation of the Fund's unit prices. The benefit of any other tax deductions relating to fees or costs relevant to pension products is retained in the Fund's reserves.

For more information about taxes, see page 26 of this document.

Switching fee

You do not pay any fees for switching investment options. However, buy-sell spreads may apply.

Fee changes – our disclosure obligations

All fees are current at the time of publication. They may be revised or adjusted by us from time to time. We may also introduce new fees from time to time. If there were to be a material increase in fees, we'll notify you at least 30 days in advance of the change. Where there is a materially adverse change to the Indirect Costs Ratios, we will update the PDS. Where the change is not materially adverse, we will provide an update on our website at reisuper.com.au.

Defined fees

Activity fees

A fee is an activity fee if:

- a) the fee relates to costs incurred by the trustee of the superannuation entity that are directly related to an activity of the trustee:
 - i) that is engaged in at the request, or with the consent, of a Member; or
 - ii) that relates to a Member and is required by law; and
- b) those costs are not otherwise charged as an administration fee, an investment fee, a buy-sell spread, a switching fee, an advice fee or an insurance fee.

Administration fees

An administration fee is a fee that relates to the administration or operation of the superannuation entity and includes costs that relate to that administration or operation, other than:

- a) borrowing costs; and
- b) indirect costs that are not paid out of the superannuation entity that the trustee has elected in writing will be treated as indirect costs and not fees, incurred by the trustee of the entity or in an interposed vehicle or derivative financial product; and
- c) costs that are otherwise charged as an investment fee, a buy-sell spread, a switching fee, an activity fee, an advice fee or an insurance fee.

Advice fees

A fee is an advice fee if:

- d) the fee relates directly to costs incurred by the trustee of the superannuation entity because of the provision of financial product advice to a Member by:
 - i) a trustee of the entity; or
 - ii) another person acting as an employee of, or under an arrangement with, the trustee of the entity; and
- e) those costs are not otherwise charged as an administration fee, an investment fee, a switching fee, an activity fee or an insurance fee.

Buy-sell spreads

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

Exit fees

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

Indirect cost ratio

The indirect cost ratio (ICR), for an investment option offered by a superannuation entity, is the ratio of the total of the indirect costs for the investment option, to the total average net assets of the superannuation entity attributed to the investment option.

Note: A fee deducted from a member's account or paid out of the superannuation entity is not an indirect cost.

Investment fees

An investment fee is a fee that relates to the investment of the assets of a superannuation entity and includes:

- a) fees in payment for the exercise of care and expertise in the investment of those assets (including performance fees); and
- b) costs that relate to the investment of assets of the entity, other than:
 - i) borrowing costs; and
 - ii) indirect costs that are not paid out of the superannuation entity that the trustee has elected in writing will be treated as indirect costs and not fees, incurred by the trustee of the entity or in an interposed vehicle or derivative financial product; and
 - iii) costs that are otherwise charged as an administration fee, a buy-sell spread, a switching fee, an activity fee, an advice fee or an insurance fee.

Switching fees

A switching fee is a fee to recover the costs of switching all or part of a member's interest in the superannuation entity from one investment option or product in the entity to another.

7. How your REI Super Pension is taxed

When you open a pension account, your money stays in the super system and keeps receiving investment earnings and tax benefits. Generally, no tax is payable on investment earnings in your REI Super Retirement Pension account, however tax of up to 15% on investment earnings applies in TTR pension accounts.

The following information is a general description of the tax treatment of superannuation pension accounts, and is based on our understanding of the tax laws as at the preparation of this document.

It aims to give you an overview only, assuming you are an Australian resident. If you are not an Australian resident for income tax purposes, different tax rules may apply. Tax rules, including figures shown here are subject to change from year to year due to changes in legislation or annual indexation.

For up to date information, go to www.ato.gov.au. As the taxation treatment of super can be complex it's a good idea to get professional advice if you are making major financial decisions.

The tax treatment for pension payments made to you depends on your age. If you're 60 or over, your pension payments (and any lump sum withdrawals) are tax-free and don't need to be declared as assessable income when you lodge a tax return.

Paying tax on benefits

If you are under 60, pension payments are subject to tax. Any tax is generally deducted from your pension payment before it's deposited into your bank account in the same way tax comes out of a working wage.

If you're under age 60 we will work out any tax you need to pay, deduct it and pay it to the Australian Taxation Office. The tax taken from your pension payments is based on a number of factors such as whether you have any tax-free amount, or whether you'll claim the tax-free threshold (\$18,200 at the date of preparation of this PDS) and whether you're eligible for the 15% tax offset.

The tax rules applicable to pension payments or lump sums received (on your death while the holder of an REI Super Pension) by your beneficiary(ies) are different.

Tax for members under 60

If you're under 60, your pension account balance is divided into a tax-free portion and a taxable portion.

The proportions that apply are calculated at the commencement of your pension.

Your tax-free amount

Your tax-free amount includes:

- after-tax contributions (non-concessional contributions)
- government co-contribution including Low Income Super Contributions (when in effect and applicable)
- pre-July 1983 benefits calculated at 30 June 2007
- capital gains tax (CGT) exempt component, and
- certain amounts of disability benefits received before 1 July 2007 (called the 'post-1 June 1994 invalidity component').

Your taxable amount

The rest of your balance is your taxable amount and will be subject to income tax if you're under age 60, as shown below.

When a lump sum withdrawal is paid, the benefit will include both tax-free and taxable portions.

Your taxable portion includes:

- your before-tax contributions, including employer Superannuation Guarantee (SG) payments and Salary Sacrifice amounts
- any personal contributions where you've claimed a tax deduction, and
- investment earnings.

Tax rates on your taxable portion at 1 July 2020

Your age	Your pension payments	Lump sum withdrawals [#]
Less than your preservation age (see page 8)	Taxable at your marginal tax rate, plus Medicare levy	Your marginal tax rate or 20% (whichever is lower) plus the Medicare levy
Between your preservation age but less than 60	Taxable at your marginal tax rate, plus Medicare levy, less the 15% tax offset	First 210,000* is tax free; balance at Your marginal tax rate or 15% (whichever is lower) plus the Medicare levy
Age 60 and over	Tax-free	Tax-free

[#] When a lump sum withdrawal is paid, the benefit will include both tax-free and taxable components.

* Applicable for 2020/21 financial year. Subject to indexation in future years. See www.ato.gov.au for updated information.

If you're under age 60, the part of any pension or lump sum payment that is from the taxable portion is reported as assessable income to the Australian Taxation Office and is taxed as required. However, this tax could be reduced as a result of receiving a tax offset.

You cannot elect that a payment from a transition to retirement pension (up to the maximum annual payment limit) is to be treated as a lump sum withdrawal. All payments from preserved and unrestricted non-preserved monies in a transition to retirement pension are treated as regular pension payments for tax purposes.

If you receive your pension balance as a lump sum benefit because you suffer a terminal medical condition (as defined in tax laws), your benefit will be tax-free regardless of your age.

Tax offset

You'll receive a 15% tax offset on any taxable pension payment once:

- you have reached your preservation age (see page 8) up to age 59 (your preservation age is 55 if you were born before 1 July 1960); and
- you've provided your Tax File Number.

The tax offset is also available when the account balance is a disability super benefit.

Tax on rollovers used to set up your account

Generally, no tax is payable when you transfer your super into a pension account.

However, tax at the rate of 15% applies to certain portions of super lump sum rollovers which have not been subject to tax and are used to invest in a pension. Typically, this applies to rollovers from untaxed super funds such as unfunded public-sector schemes.

When a lump sum withdrawal is paid, the benefit will include both tax-free and taxable components.

Tax on death benefits

Refer to the table included in the Summary of tax on death benefits on page 30 for more information regarding taxation of death benefits.

Paying tax on investment earnings

As noted above, generally, investment earnings of Retirement Pension accounts are tax-free, however TTR Pension account earnings are subject to tax up to 15%.

The 'transfer balance cap' – \$1.6 million

The Government places a limit (\$1.6 million in the 2020/21 financial year, subject to indexation over time) on the amount of money that can be transferred to the tax-free retirement phase of super (that is, an account based pension like our Retirement Pension). When determining whether this limit is exceeded other types of superannuation pensions (e.g. non-account based pensions such as defined benefit pensions) will also count based on calculations set out in tax laws.

Any notional earnings on the amount above this limit (excess amount) is subject to tax up to 15% (for the first breach of the limit) or 30% (for subsequent breaches), payable directly by you. The notional earnings are also based on a calculation set by legislation. The tax applies while the limit is exceeded, that is, until you commute (withdraw) the excess amount, for example, by transferring the excess amount into an accumulation account. This can be managed, for example, by transferring the excess amount to an accumulation account in REI Super. You should consider the REI Super PDS when deciding whether to acquire or invest in an REI Super accumulation account.

8. Beneficiaries – who gets your benefit?

We have a legal responsibility to make sure your super goes to your dependants or your legal personal representative.

As an REI Super Pension member you have three options to inform us how you would like your Pension to be paid in the event of your death, they are:

- 1. Reversionary beneficiary nomination**
- 2. Binding death benefit nomination**
- 3. Non-binding (preferred) beneficiary nomination**

If you have more than one account in the Fund including where you have more than one pension account, you must complete a separate form for each account.

You can hold only one type of death benefit nomination on your account. In the event that you hold two or more death benefit nominations on your account, a valid reversionary beneficiary nomination will take precedence over all other nominations relating to your pension and, if you have not made a reversionary beneficiary nomination, a valid and effective binding death benefit nomination will take precedence over a non-binding death benefit nomination.

Reversionary beneficiary nominations

What is a reversionary beneficiary nomination?

If you would like the balance of your pension to continue to be paid to one of your eligible dependants after your death as a pension rather than a lump sum, you can nominate a dependant as your reversionary beneficiary. This provides both you and your nominated reversionary beneficiary with the certainty of receiving an ongoing income stream.

If your reversionary beneficiary is not an eligible dependant at the time of your death then the Trustee will use its discretion as to whom the death benefit will be paid. If you choose the reversionary option, your entire death benefit will be paid as a pension to your nominated reversionary beneficiary. You cannot apportion your death benefit between your nominated reversionary beneficiary and other dependants.

A reversionary nomination can be made at the time of applying for a pension or by completing the *Change of Details form* located at reisuper.com.au/publications-and-forms.

Who can I nominate as a reversionary beneficiary?

Eligible dependants to receive a reversionary pension include the following (taking into account the more detailed definition of dependants shown below):

- your spouse,
- your child under 18,
- a financial dependant (at the time of your death) or
- a person who is in an interdependency relationship with you (both at the time of nomination and at the time of your death).

You can't nominate a child age 18 or over unless:

- they're between age 18 and 25 and financially dependent upon you immediately before your death, or
- they are disabled within the meaning of the Disability Services Act 1986 (Cth).

Where a pension is payable to a child between 18 and 25, the child will receive the pension until they reach 25 unless the account balance is reduced to zero earlier. Once the child turns 25, a lump sum will be paid to them unless the child is disabled (as described above), in which case the pension can continue to be paid to the disabled child until the account balance expires.

Your nominated reversionary beneficiary must be an eligible dependant at the date of your death. If this is not the case then the Trustee will use its discretion as to who will receive your death benefit and the form of the benefit (lump sum or pension).

Binding death benefit nominations

If you have a valid and effective binding nomination in place at the time of your death, the Trustee is required to pay your benefit to the beneficiary(ies) you nominate, regardless of whether your circumstances have changed. You can set up, change or cancel a binding nomination by completing a *Binding Death benefit Nomination form* – download a copy at reisuper.com.au.

For your binding nomination to remain valid and effective under superannuation law, it must:

- be properly completed and provided to the Trustee in original form
- nominate eligible dependants (see next page for definition) and/or your legal personal representative(s) (meaning the executor or administrator of your estate)

- be confirmed (or changed) at least once every three years, and
- be signed in your presence by two witnesses who are 18 years of age or older, and neither of whom are proposed beneficiaries.

Your nominated beneficiary(ies) must be a dependant or legal personal representative at the date of your death. If this is not the case or your binding nomination is invalid or ineffective when you die, the Trustee will attempt to pay your death benefit to one or more of your dependants or your legal personal representative after considering your dependants' circumstances at the time of your death.

A binding nomination is valid for three years, unless it is changed or cancelled earlier. If you do not renew it before the end of the three-year period from last signing, it becomes a non-binding nomination at the end of the three-year period.

The Trustee will endeavour to notify you when the binding nomination is due for renewal, however it is your responsibility to ensure your nomination is kept up to date. There are other circumstances in which a binding nomination may become invalid.

For further details, refer to the information accompanying the form.

Non-binding beneficiary nominations

With a non-binding nomination, you're telling us who you'd prefer to receive your benefit (also referred to as 'preferred beneficiaries') should you die while a Pension member, but your nomination is not binding on the Trustee. While your wishes will be taken into account, the Trustee ultimately decides who the benefit will be paid to. You can make a non-binding nomination when you apply for a Pension from the Fund.

An invalid or ineffective binding nomination is treated as a non-binding nomination. You can update it through MemberOnline (at reisuper.com.au/online) or by calling us on **1300 13 44 33**. With a non-binding nomination, if you have no dependants when you die, the Trustee will pay your benefit to your legal personal representative (your estate). If you also have no legal personal representative when you die, the Trustee has the discretion to pay your benefit to another person, such as a relative.

No nomination or invalid binding nomination

If you die without making a nomination or if your binding or reversionary nomination is invalid, or ineffective when you die, the Trustee will attempt to pay your death benefit to one or more of your dependants or your legal personal representative. Where this happens, the Trustee will consider your dependants' circumstances at the time of your death.

Definition of dependants

Your dependants include:

- your spouse (which includes another person, whether of the same sex or a different sex, with whom you are in a relationship that is registered under a law of a state or territory, or a person who, although not legally married to you, lives with you on a genuine domestic basis in a relationship as a couple),
- your child (which includes an adopted child, a step-child, an ex-nuptial child, a child of your spouse or someone who is your child within the meaning of the Family Law Act 1975),
- a person who is wholly or partially financially dependent on you, or
- a person with whom you have an interdependency relationship.

An interdependency relationship is defined as:

- a close personal relationship between two people who live together, where one or each provides the other with financial support, and one or each provides the other with domestic support and personal care, or
- a close personal relationship that does not satisfy the other criteria because one or both people suffer from a physical, intellectual or psychiatric disability.

Government regulations require that we take into account the following criteria when assessing interdependency:

- a) all of the circumstances of the relationship between the persons, including (where relevant):
 - I. the duration of the relationship
 - II. whether or not a sexual relationship exists
 - III. the ownership, use and acquisition of property
 - IV. the degree of mutual commitment to a shared life
 - V. the care and support of children
 - VI. the reputation and public aspects of the relationship
 - VII. the degree of emotional support
 - VIII. the extent to which the relationship is one of mere convenience
 - IX. any evidence suggesting that the parties intend the relationship to be permanent
- b) the existence of a statutory declaration signed by one of the persons to the effect that the person is, or (in the case of a statutory declaration made after the end of the relationship) was, in an interdependency relationship with the other person.

Summary of tax on death benefits

The money paid to your dependants is called a 'death benefit'. Tax will be based on a number of factors including how the money is paid and who receives it.

	Tax-free	Taxable
Lump sum	<p>If paid to a dependant for tax purposes including:</p> <ul style="list-style-type: none"> • your spouse or de facto • your children under 18 • your children between 18 and 25, who are financially dependent on you immediately prior to your death • your children age 25 or older, who are permanently disabled • any person who was financially dependent on you at the time of your death or at the time of the payment of your death benefit, or • any person who had an interdependent relationship with you. 	<p>If paid to anyone else: 15% tax plus Medicare levy.</p>
Pension payment*	<p>If:</p> <ul style="list-style-type: none"> • you're 60 or over when you die and you've given us your Tax File Number, or • your dependant is 60 or over. 	<p>If you and your dependant is under 60 when you die, tax is payable at your dependant's applicable income tax rate on the taxable component (pension payment minus any tax-free amount), less any 15% tax offset until dependant is 60.</p>

* The personal circumstances of a reversionary beneficiary may affect the tax treatment of investment earnings associated with their income stream.

If a death benefit is paid to your legal personal representative (i.e. your estate), they will be responsible for withholding the appropriate level of tax for the final beneficiary. The tax rules applicable to death benefit pension payments are complex and you should obtain taxation and financial advice relevant to your (and any beneficiary) circumstances if you would like further information about this.



9. Other important information

Social security benefits

Your social security benefits may be affected when you invest in a superannuation pension. Centrelink and the Department of Veterans' Affairs both have an assets test and an income test to determine the amount of your social security benefits, including the age pension or service pension you are eligible to receive from the Government.

Determining your social security entitlements and the effect your superannuation pension (including any reversionary death benefit nomination you make) can be a complex topic.

You should discuss your financial objectives and circumstances with a licensed financial adviser before making a decision to invest in an REI Super Pension.

Accessing your benefits

Under the Anti-Money Laundering and Counter Terrorism Financing Act 2006 (AML/CTF Act), you (including your beneficiaries or agents) must provide certified copies of identification documents when receiving certain services, such as the payment of super benefits or the commencement of pension payments.

Other requirements may apply under the AML/CTF Act which, if not complied with, may result in a delay in accessing your benefits or the provision of information to the relevant government regulator.

We may be required to transfer your account to the ATO

The Trustee may be required to transfer the balance of a pension account to the ATO in some circumstances as prescribed under the Superannuation (Unclaimed Money and Lost Members) Act, as applicable from time to time.

Those circumstances include unclaimed lump sum benefits of deceased members or members who have reached age 65, lost account balances and inactive low-balance accounts (under \$6,000). If your account balance is transferred to the ATO because we are required to do so, we will contact you if you are contactable.

You may claim any super benefits held by the ATO that belongs to you in cash or (if the money is subject to preservation) by instructing which super product it should be paid into, by contacting the ATO.

Cooling off

If after applying for a pension you change your mind about acquiring this product, you may write to the Trustee and request a refund. The request must be received within a period of 14 days (the 'cooling-off period') from the earlier date of:

- when the Trustee provides you with confirmation of your acquisition of the product; or
- the end of the fifth (5th) day after the date on which your pension account is opened.

Your ability to cancel your membership may be lost in certain circumstances (for example, if you exercise a right associated with your membership).

If you do cancel your pension during the cooling off period, the amount that is repaid to you will be adjusted to take account of any increase or decrease in the value of the investments you selected, reasonable costs and any tax payable on that amount. If any of the monies used to acquire your Pension were preserved benefits, then those monies will not be repaid to you, but may instead be transferred to an accumulation account, including an account with us.

We respect your privacy

REI Super collects your personal information in order to establish and manage your super account. Our Privacy Policy outlines the type of information we keep about you, as well as how we, and any of our service providers, use this information.

Our Privacy Policy is available at reisuper.com.au/privacy-policy or by contacting us.

Resolving complaints

Internal dispute resolution process

If you wish to make an enquiry about your account or have concerns, you can call us between 8:30am and 7:00pm (EST) on **1300 13 44 33**, or write to:

REI Super
GPO Box 4303
Melbourne VIC 3001

If your concerns can't be resolved immediately or your complaint is complex, we'll ask you to provide it to us in writing to:

Complaints Officer
REI Super
GPO Box 4303
Melbourne VIC 3001

We'll then investigate your complaint and make every effort to respond to you as soon as possible.

You can also make a complaint to the Australian Financial Complaints Authority (AFCA) who can be contacted as follows:

Mail: Australian Financial Complaints Authority
GPO Box 3
Melbourne VIC 3001

Phone: 1800 931 678
Web: afca.org.au
Email: info@afca.org.au

For more information refer to our **How to make a complaint** fact sheet available at reisuper.com.au

Financial Services Guide (FSG)

The purpose of this Financial Services Guide (FSG) is to provide information about our services, how our representatives are remunerated and your rights as a client. If you need more information or clarification on any matter raised in this document, please ask us.

REI Super's Product Disclosure Statement (PDS) sets out the main services, features and benefits of REI Super. If you have not already received a copy of the PDS, you can obtain one by calling **1300 13 44 33** or you may access it and download it from REI Super's website at www.reisuper.com.au.

The PDS will assist you to make an informed decision about joining the Fund and the choices you may need to make. The PDS will also provide you with significant further information about your rights in respect of the benefits which may be provided for you out of REI Super.

This FSG explains:

- who is responsible for giving you advice
- what financial services we provide
- details of any potential conflicts of interest
- remuneration
- details of our internal and external dispute resolution procedures.

Who is responsible for giving you advice?

Your REI Super representative acts on behalf of REI Superannuation Fund Pty Ltd, which is responsible for the advice provided to you. REI Superannuation Fund Pty Ltd is the Trustee company, which acts as trustee of and responsible entity for REI Super.

What financial services does the Trustee provide?

Under the AFS Licence it holds, the Trustee, its employees and its authorised representatives (where permitted by the Trustee), are authorised to provide general financial product advice to you about superannuation benefits provided from REI Super.

General financial product advice is financial product advice that does not take into account your personal objectives, financial situation or needs. If you would like advice that takes into account your personal objectives, financial situation or needs, you should contact an appropriately licensed financial adviser.

The Trustee assists participating employers to meet their superannuation guarantee requirements by allowing them to contribute to REI Super.

When must we give you further information?

In providing you with general financial product advice we may also be required to provide you with a Product Disclosure Statement. For example, if you become a standard employer-sponsored member of REI Super or change membership categories within REI Super, we will give you all the information you need to know about REI Super, including the fees and charges that you would incur and your rights and obligations.

All this information is contained in the Product Disclosure Statement.

Do any relationships or associations exist which might influence us in providing you with the financial services?

The Trustee is a shareholder of Members Equity Pty Ltd (ABN 56 070 887 679), a provider of banking and other related financial services and financial products to superannuation funds such as REI Super.

The Trustee is a passive shareholder to enable REI members access to shareholder benefits including dividends which are passed back as returns to members, net of fees. Other than this, the Trustee does not have any associations or relationships with other entities and persons which may influence any advice we may provide to you.

Mercer Outsourcing (Australia) Pty Ltd (variously 'the Administrator' or 'MOAPL') ABN 83 068 908 912 Australian Financial Services (AFS) Licence No 411980 and Mercer Financial Advice (Australia) Pty Ltd (ABN 76 153168293) ('MFAAPL') are wholly-owned subsidiaries of Mercer (Australia) Pty Ltd. Mercer and its subsidiaries also issue and are authorised to provide advice in superannuation products, life Insurance products, fixed interest investments, managed investment products and a non-cash payment facility.

Accordingly, the Trustee is not responsible for any financial product advice provided to you by MFAAPL and its related entity MOAPL through the Helpline.

Mercer receives fees out of REI Super for undertaking these services on behalf of the Trustee.

However, any fees paid to Mercer are not conditional upon any financial product advice that you may receive from them.

What we are paid

REI Super is run only to benefit members. All REI Super's employees are paid a salary and only certain employees may receive performance-related bonuses, but these are paid when a range of employment key performance indicators (KPI's) are met and are not related to the services provided to you.

The cost of providing general financial product advice is included in the fees charged for membership of REI Super. We do not charge any additional fees for the general advice provided.

Enquiries and complaints

Advice we provide you

REI Super is committed to handling any complaints promptly and fairly. All complaints are managed, subject to the requirements of any court order, tribunal requirement or statutory obligation otherwise, in the strictest of confidence.

If you have a complaint about the service we provide, as a first point of contact you should contact REI Super's Complaints Officer by writing to REI Super at GPO Box 4303, Melbourne 3001 or by calling 1300 13 44 33. Most complaints you may have can usually be dealt with by the Trustee's representatives.

You will be advised of the Complaint Officer's decision within 30 days of receipt of your complaint by the Complaints Officer, and failing this, within 90 days of receipt of your complaint by the Trustee. For further details of about our requirements and time limits refer to the Fund's website www.reisuper.com.au or call us on **1300 13 44 33**.

Your response can be mailed to:

REI Super Complaints Officer

GPO Box 4303
Melbourne VIC 3001

If the Trustee has not responded to your complaint within 90 days, or you are not satisfied with the Trustee's decision, you may refer your complaint to:

The Australian Financial Complaints Authority (AFCA)

Online: www.afca.org.au

Email: info@afca.org.au

Phone: 1800 931 678

Mail: GPO Box 3, Melbourne VIC 3001

Complaints must be referred to the AFCA within certain time limits. For more information about requirements and time limits, call AFCA on **1800 31 678**.

Compensation arrangements

The Trustee maintains a trustee indemnity insurance (TII) policy. The Trustee's TII policy is written or created on the basis that claims are able to be made only while the policy is in force and the policy is renewable annually. The Trustee's TII policy provides cover for the insured events explained in that policy and which occur in respect of any insured person. Included as insured people are employees and directors of the Trustee. Insured events include certain actions and omissions of employees and directors of the Trustee which occur whilst a TII policy is in force. Representatives have separate cover provided by other licensees.



Combined Financial Services Guide

Issued by:

REI SUPERANNUATION FUND PTY LTD
ABN 68 056 044 770 ('the Trustee')
Australian Financial Services (AFS)
Licence No 240569
RSE L0000314
REI Super ABN 76 641 658 449
RSE R1000412

MERCER OUTSOURCING (AUSTRALIA) PTY LTD
(variously 'the Administrator' or 'MOAPL')
ABN 83 068 908 912
Australian Financial Services (AFS)
Licence No 411980

The purpose of this Financial Services Guide ('FSG') is to provide you with information about the Trustee's and the Administrator's services, how their representatives are remunerated in relation to the financial services on offer and how complaints against the Trustee and the Administrator are dealt with. This FSG is designed to assist you in deciding whether to use any of the services offered by the Trustee and/or the Administrator.

We are required to provide you with the information contained in this document if we are likely to deal on your behalf or provide you with financial product advice. Our employees may provide you with factual information and in some circumstances may provide general financial product advice. General financial product advice is a recommendation or an opinion given orally or in writing that can influence you to make a decision about financial products but does not take into account your particular objectives, financial situation or needs.

Who are the Trustee and the Administrator?

The Trustee is the trustee company ('REI Superannuation Fund Pty Ltd'), which acts as trustee of and responsible entity for REI Super ('the Fund'). The Administrator, MOAPL, has been contracted by the Trustee to provide member and employer enquiry and administration services to the Fund and receives a fee for these services. Along with the Trustee, MOAPL has authorised the distribution of this FSG.

What types of financial advisory services do the Trustee and the Administrator provide?

The Trustee is authorised under its Australian Financial Services Licence ('AFSL') to only provide general financial product advice for superannuation products. In providing you with general financial product advice we may also be required to provide you with a Product Disclosure Statement.

The Administrator is authorised to and has contracted with REI Super to also only provide general financial product advice in respect of superannuation products to members. If requested by a member, they may also receive limited personal financial advice from Mercer

Financial Advice (Australia) Pty Ltd (ABN 76153168293) (MFAAPL) in which case a separate FSG will be issued.

REI Super's members will be provided with written material and access to the Fund's website. Some of that material may contain general financial product advice about superannuation.

Written enquiries will be answered by a representative of either the Trustee or the Administrator. All contact with us through any of the Fund's telephone numbers will generally be with a representative of the Administrator and any general financial product advice will be provided by the Administrator as a Representative of MOAPL.

General financial product advice provided on or through the Fund's website will be provided under the Trustee's AFSL. With the exception of any circumstance in which MFAAPL provides limited personal advice and/or issues a Statement of Advice to you (for which it is entirely responsible) at no time will either the Trustee or the Administrator take into account your particular financial needs, circumstances or objectives in giving advice, and all advice provided will be of a general nature only.

This FSG does not relate to financial planning services or personal financial product advice, should you choose to receive personal financial product advice you will receive an FSG from the entity providing that advice.

Who will be responsible for the provision of financial services?

Either the Trustee or the Administrator will be responsible for the financial services described in this FSG. At the point you receive any financial services as described in this FSG, it will be made clearer to you exactly who is responsible for the financial services you have chosen to receive.

The Trustee has employees who may visit your workplace to give presentations to members of the Fund. These representatives are authorised to provide general financial product advice on behalf of the Trustee.

Will you pay any additional fees for the financial services on offer?

No, the cost of the Trustee and the Administrator providing you with general advice is included in the fees charged for membership of the Fund. There are no additional fees or commissions charged. Details of fees charged for membership of the Fund can be found in the Fund's Product Disclosure Statement.

The Trustee pays the Administrator ongoing fees for providing member and employer administration services in accordance with a written agreement between the Trustee and the Administrator.

These fees are met out of the Fund's assets and are supported by the membership fees charged to members.

How are representatives paid?

The Fund is run only to benefit members. All of the Trustee's employees are paid a salary.

Representatives employed by the Administrator are paid a salary and only certain employees may receive performance-related bonuses, but these are paid when a range of employment key performance indicators (KPI's) are met and are not related to the services provided to you.

Do any relationships or associations exist which might influence the financial services we provide?

The Trustee is a shareholder of Members Equity Pty Ltd, a provider of banking and other related financial services and financial products to superannuation funds such as REI Super. The Trustee may receive a dividend as a result of its shareholding, which is passed back as returns to REI Super Members (net of fees); but receives no other financial reward as a result.

Compensation arrangements

The Trustee maintains a trustee indemnity insurance (TII) policy. The Trustee's TII policy is written or created on the basis that claims are able to be made only while the policy is in force and the policy is renewable annually. The Trustee's TII policy provides cover for the insured events explained in that policy and which occur in respect of any insured person. Included as insured people are employees and directors of the Trustee. Insured events include certain actions and omissions of employees and directors of the Trustee which occur whilst a TII policy is in force. Representatives have separate cover provided by other licensees. MOAPL has adequate professional indemnity insurance arrangements in place to compensate members or their beneficiaries for loss or damage because of breaches of any relevant legislative obligations by MOAPL or its representatives.

What should you do if you have a complaint?

If you have a complaint about the service we provide, as a first point of contact you should contact the Complaints Officer by email admin@reisuper.com.au or post to REI Super at GPO Box 4303, Melbourne, VIC, 3001 or by calling **1300 13 44 33**. Most problems you have can be dealt with by the representatives.

If your complaint is not resolved satisfactorily, you may put your complaint in writing, marking your letter 'Notice of Dispute' and sending it to:

REI Super
GPO Box 4303
Melbourne VIC 3001

The matter will be investigated by the Complaints Officer. You will be advised of the Complaint Officer's decision within 30 days of receipt of your complaint by the Complaints Officer, and failing this, within 90 days of receipt of your complaint by the Trustee.

Super fund complaints

You may refer your complaint to an external dispute resolution body:

The Australian Financial Complaints Authority (AFCA)
Online: www.afca.org.au
Email: info@afca.org.au
Phone: 1800 931 678
Mail: GPO Box 3, Melbourne VIC 3001

Complaints must be referred to the AFCA within certain time limits. For more information about requirements and time limits, call the AFCA on **1800 931 678**.

Complaints about advice received

However, if your complaint relates to advice given on a non-superannuation product or about the service provided to you by the Administrator (MOAPL), you should take the following steps:

- Contact the person who provided you with the particular service or advice and tell them about your complaint. The person has five working days in which to resolve the complaint.
- If the person cannot resolve your complaint or if you are not satisfied with the way your complaint is resolved please contact the Complaints Officer who will try to resolve your complaint quickly and fairly.

Complaints Officer

Mercer Outsourcing (Australia) Pty Ltd
GPO Box 9946, Melbourne VIC 3001
Telephone: 03 9623 5555

- You have the right to complain to:
 - **The Australian Financial Complaints Authority (AFCA)**
Online: www.afc.org.au
Email: info@afc.org.au
Phone: 1800 931 678
Mail: Australian Financial Complaints Authority
GPO Box 3, Melbourne VIC 3001

Complaints must be referred to AFCA within certain time limits. For more information about requirements and time limits, call the AFCA on **1800 931 678**.

How to contact REI Super

Telephone: 1300 134 433
Phone number for callers outside
Australia: +61 3 8687 1834
Facsimile: +61 3 9245 5827
Online: www.reisuper.com.au
Email: You can contact us directly via the Contact page at www.reisuper.com.au/contact

Postal address

REI Super
GPO Box 4303
Melbourne VIC 3001

How to contact Mercer

Telephone: +61 3 9623 555
Facsimile: +61 3 8640 0800
Online: www.mercer.com.au

Postal address

Mercer
727 Collins Street
Docklands VIC 3008

Super for real estate professionals

Need help?

1300 13 44 33


reisuper.com.au

Between 8.30am and 7.00pm AEST. (Local call cost within Australia, calls from mobile phones may cost more.)

admin@reisuper.com.au

GPO Box 4303, Melbourne VIC 3001

 facebook.com/reisuper

 instagram.com/reisuperannuation

 linkedin.com/company/rei-super

