

**Your life
your fund**



Super for real estate professionals

Product Disclosure Statement
1 October 2017



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Cover image: REI Super member, Cameron Elliott

Important information you should be aware of:

This Product Disclosure Statement (PDS) contains information about REI Super's MySuper product which is the Balanced Option. This PDS is a summary of significant information and contains a number of references to important information (each of which form part of the PDS, but not contained in it). When you see this icon , you will know that there is other information you should read which you can download from reisuper.com.au. You should consider that information before making a decision about the product.

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.

Please note the information is current at 1 October 2017 and is subject to change between the time of reading and when you join. Updated information is available free of charge from reisuper.com.au or by calling us.

For further information about REI Super, please refer to our website reisuper.com.au, including our product dashboard for our Balanced option, which is the Fund's MySuper option. Other important Fund information including executive and director remuneration and additional documents prescribed by superannuation law are available on the website.

This Product Disclosure Statement is prepared in accordance with Subdivision 4.2B of Division 4 of Part 7.9 of the Corporations Regulations 2001 (as amended). This Product Disclosure Statement for REI Super has been prepared and issued on 1 October 2017 by the Trustee of the Fund, REI Superannuation Fund Pty Limited (ABN 68 056 044 770), Australian Financial Services Licence 240569, SPIN REI0001AU RSE L0000314. REI Super (ABN 76 641 658 449) RSE R1000412. MySuper unique number 76641658449129.

“I found more benefit in keeping my super in REI Super and getting all the advantages of an industry-based super fund.”

REI Super member,
Braden Walters



1 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 eight 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 an additional independent Trustee director.

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**.

2 How super works

Superannuation (super) is a tax-effective retirement savings vehicle.

In simple terms, contributions and rollovers are the money that is put into your REI Super account. They can be from your employer, yourself, your spouse, the Government or by consolidating your super accounts you have had elsewhere.

Most people have the right to choose which super fund their employer should direct their Superannuation Guarantee and/or Award contributions. They are in part, compulsory and tax savings are provided by the Government.

Contributing to your super

REI Super accepts:

- Contributions from employers. These may be Superannuation Guarantee and/or Award contributions and also additional employer contributions
- Contributions from members. You can make contributions to REI Super, either after-tax or pre-tax (salary sacrifice)
- Contributions from members for their spouse. You can make contributions for your spouse if they are a low-income earner, and split contributions with your spouse
- Rollovers and transfers of existing benefits from other superannuation funds or rollover vehicles
- Co-contributions from the Federal Government
- Super guarantee payments from the Australian Taxation Office (ATO).

- You can put extra money into super, over and above the contributions your employer makes. There is generally no minimum contribution amount. However, there are superannuation law imposed limits on the level of contributions that are concessional taxed, and some contributions cannot be accepted until we receive your Tax File Number. To find out more go to apra.gov.au, ato.gov.au or moneysmart.gov.au.

Investments

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

With REI Super, you can choose how your super is invested from amongst ten investment options. You can choose to invest in a single option or a mixture of them, depending on your investment needs.

If you do not choose which investment option you would like your money invested in, your super will go into the Balanced Option. This is known as our MySuper option.

Accessing the money you put into super

Because super is for your retirement, the law is strict about how and when you can access your money. To find out more go to moneysmart.gov.au.

You should read the important information about...

how super works, including making additional contributions or withdrawals. Go to reisuper.com.au and read **How super works**. The material relating to how super works may change between the time when you read this PDS and the day when you acquire the product.



“You don’t really notice a change to your cash flow when you make additional contributions. And for what you get at the end, it’s worth it.”

REI Super member, Cassandra Mason



3 Benefits of investing with REI Super

- Real estate industry specialists that understand you
- Investments to produce long term results for you
- Lower fees and no commissions mean more money in retirement for you
- Simple, cost effective insurance for you
- The tools and advice to help make the most of your super
- MySuper authorised which means that our default option has passed rigorous regulatory requirements on fees, insurance and investments so can continue to be used as your default super fund.

As a member of REI Super, you will be entitled to receive:

- An annual report available on our website or as a hard copy
- A statement of benefits showing your details effective 30 June
- Regular updates and communications about your super
- Newsletters
- 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.

4 Risks of super

Investment decisions are important and should reflect your particular circumstances.

All investments carry some form of risk, so in making a decision, it is important to consider the investment, its level of risk and diversification and how it relates to your investment goals, other investments you may hold, your tolerance to that risk, and your proposed investment period. Factors that may affect your decision include:

- Different strategies may carry different levels of risk, depending on the assets that make up the strategy
- Assets with the highest long-term returns may also carry the highest level of short-term risk
- Changing economic cycles
- Political events
- Investment market sentiment
- Changes in tax and legislation
- Changes in interest rates and currency
- Factors affecting particular industries, companies or securities.

None of the investment options is capital guaranteed, and their value may rise and fall. When choosing your investment option, you may wish to seek professional financial advice as well as considering:

- The amount of time your money will be invested before you retire
- The level of investment earnings (return) which you are hoping for
- The level of risk (volatility) with which you are comfortable.

And also that:

- The value of investments will vary
- The level of returns will vary, and future returns may differ from past ones
- Superannuation laws may change in the future
- The amount of your future superannuation savings (including contributions and returns) may not be enough to provide adequately for your retirement
- The level of risk for each person will vary depending on a range of factors including your age, investment time frame, where other parts of your wealth are invested and your tolerance to risk.



You should read the important information about...

the risks of investing in super before making a decision.

Go to [reisuper.com.au](https://www.reisuper.com.au) and read **Risks of super**. The material relating to the risks of investing in super may change between the time when you read this PDS and the day when you acquire the product.

5 How we invest your money

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

You choose where your super is invested

There are ten investment options available. Each investment option has a different level of growth and defensive assets. They are Growth, Balanced (MySuper and default option), Stable, Premium Income, Cash, Australian Shares, International Shares, Australian Property, Global Property and Bonds. You can choose a single investment option, or a mixture of different options, when you join REI Super.

You can also choose different investment options to apply to ongoing contributions from those applying to your existing account balance.

You should always consider the likely return, risk and investment time frame when making your investment decision.

The Trustee may change the target or strategic asset allocation of an investment option, add new or remove investment options, and add and remove investment managers at any stage. We will let you know if we do this.

Switching investment options.

You can switch your money or ask for future contributions be paid into a different option. Simply log on to your account online at reisuper.com.au. Switching investment options can be a significant decision. For more help, visit reisuper.com.au.

Social and ethical investment choices.

For information about how we take labour, environmental, social or ethical considerations into account when we invest, see our **Investment Guide** at reisuper.com.au.

Want a better financial future? It's easy with REI Super.

When you become an REI Super member, you get access to low-cost, expert financial advice in person, over the phone or even live online.

To find out more, simply call 1300 13 44 33.

If you do not choose

If you do not choose an investment option, your account balance and all future contributions and rollovers will be invested in the Balanced option, which is our MySuper option.

Balanced (MySuper and default option)	
What type of investment is it?	Growth-oriented diversified investment.
Investment return objective is:	To earn a rate of return, after tax and fees, that exceeds CPI by at least 3% per annum over rolling 10 year periods.*
Investment time frame:	Medium term – three years plus.
Expected frequency of negative return over 20 year period:	4 years every 20 years.
Risk profile:	Medium to high
Summary of risk profile:	The Balanced investment option is designed for members who want higher potential returns and who are willing to accept a reasonably high level of fluctuations in returns. This option invests mainly in growth assets with some interest bearing defensive assets. It has 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.

*The investment return objective is the investment return this option will seek to achieve after investment fees and taxes. It is the amount above the increase in the rate of inflation. For example, if the objective for an investment option is inflation +3% and the inflation rate is 2.5%, then the investment return objective would be 5.5%.



Balanced

Strategic Asset Allocation

- 1. Australian Shares 20%
- 2. International Shares 33%
- 3. International listed property (Hedged) 7%
- 4. Unlisted property 4%
- 5. Global Infrastructure 3%
- 6. Australian bonds 8%
- 7. International bonds 5%
- 8. Global inflation linked bonds 3%
- 9. Alternatives 12%
- 10. Cash 5%

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



You should read the important information about...

our investment philosophy, including information on our implemented investment consultant before making a decision. For this and more information on the Balanced (MySuper) Option as well as other investment options, see our **Investment Guide** at reisuper.com.au. We have provided a lot of information on super, investment risk and investing for the future. The material relating to the investment menu may change between the time when you read this Statement and the day when you acquire the product.

6 Fees and costs

Super is about saving. Industry super funds like REI Super are run only to benefit members and charge no commissions, to avoid eating into your hard-earned super savings.

Under Australian law, REI Super is required to include the below warning about fees and costs. The Trustee negotiates with its service providers to ensure fees to our members are

competitive. You pay no contribution fees and the Fund does not pay commissions to financial advisers.

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 investment 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 contribution fees and management costs where applicable.* Ask the fund or your financial adviser.

To find out more: If you would like to find out more or see the impact of fees based on your own circumstances, the Australian Securities and 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 contribution fees and management costs in REI Super.

Fees and costs for the Balanced Option

The main fees and costs for the Balanced Option are listed on page 10. You can use this information to compare REI Super with other funds (see table on page 10).

How fees are charged to your account

All dollar-based fees related to administration of your account are deducted directly from your account, and the amounts are shown on your annual member statement.

All other percentage-based fees are deducted from your investment earnings before the earnings are added to your account.

Additional fees may be paid to a financial adviser if you consult with one.

Varying of fees

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 Cost Ratio, we will update the PDS. Where the change is not materially adverse, we will provide an update on our website at reisuper.com.au.

“Previously, I had a few Super Funds and their fees were too high. So I rolled them all into REI Super. I have been very happy with the performance and the fees are low and realistic.”

REI Super member,
Michael Schofield



Balanced (MySuper Option)

Type of fee or cost	Amount	How and when paid
Investment fee[^]	0.47%	These fees are not deducted directly from your account. They are deducted proportionately from the investment option and reflected in the calculation of the unit prices.
Administration fee	\$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. The percentage fee is not deducted directly from your account. This fee is deducted proportionately from the investment option and reflected in the calculation of the unit prices.
Buy/Sell spread	Buy spread: 0.14% Sell spread: 0.14%	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.
Withdrawal/exit fee	\$90	Deducted from your account for each withdrawal or if your account is closed.
Advice fees	Nil	See below.
Other Fees and Costs	See Fees and costs at reisuper.com.au for information about activity fees, insurance fees, and advice fees for personal advice.	
Indirect Cost Ratio[*]	0.46%	These costs are incurred indirectly by our investment managers and are attributed to the investment option before the gross investment returns have been determined.

[^] The Investment fee reflects the Trustee's reasonable estimate of the investment-related fees for each option for the 2017-18 financial year.

^{*} The Indirect Cost Ratio reflects the Trustee's reasonable estimate of the indirect costs incurred for each option in the 2016-17 financial year.

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



For an additional written explanation and more details about fees and costs together with some defined terms that are relevant...

for the Balanced (MySuper option) and other investment options, go to reisuper.com.au and read **Fees and costs**. The material relating to the fees and costs may change between the time when you read this PDS and the day when you acquire the product.

Example of annual fees and costs

The table below gives an example of how the fees and costs in the Balanced (MySuper option) can affect your superannuation investment over a one-year period. You can use this table to compare REI Super with other super products.

Example – Balanced (MySuper option)		Balance of \$50,000
Investment fees	0.47%	For every \$50,000 you have in the Balanced option you will be charged \$235 each year.
Plus administration fees	\$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	0.46%	And, indirect costs of \$230 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 \$675.80 for the Balanced option.

Please note: Additional fees may apply.

And if you make a withdrawal or leave the Fund, you will also be charged a fee of \$90.

Fees for financial advice

Financial planning is offered to REI Super members through our appointed administrator and consultant, 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 for the initial consultation.

You will be provided with a fixed price quote. Any fees are set by agreement between you and Mercer. The Statement of Advice given to you by the adviser will include any details about applicable fees. Contact Mercer on **1300 13 44 33**.

7. How super is taxed

This section isn't a comprehensive and complete tax guide.

The taxation treatment of super is complex; we recommend you contact the Australian Tax Office (ATO) on ato.gov.au or your financial adviser for further details in relation to your own personal circumstances.

Superannuation is generally taxed at three stages:

1. Contributions paid into a super fund
2. Investment earnings of a super fund
3. Benefits from a super fund.

Tax on contributions: Concessional contributions include Superannuation Guarantee (SG), salary sacrifice, any extra employer contributions, and contributions

for which a tax deduction is claimed. These are taxed at a rate of up to 15%. Non-concessional or after-tax contributions are not taxed.

The Government sets annual limits for concessional and non-concessional contributions and if you exceed them, additional tax may apply.

Tax on investment earnings: Investment earnings are generally taxed at a rate of up to 15%.

Tax on benefits: If you are under 60 years of age, your super withdrawals may be taxed. Once you turn 60, they are generally tax-free.

When acquiring a superannuation product you should provide your Tax File Number (TFN). If we don't have your TFN, you may pay extra tax on your contributions or when you later access your benefit, or not be able to make some types of contributions.

It will also be difficult to trace different super amounts in your name. This can mean that you may not receive all of your super benefits when you retire. Also note there will be taxation consequences if your superannuation contribution caps are exceeded.



You should read the important information about...

how super is taxed before making a decision. Go to reisuper.com.au and read **How super is taxed**. The material relating to how super is taxed may change between the time when you read this PDS and when you acquire the product.

8. Insurance in your super

REI Super provides you with modern and flexible insurance cover.

It is generally true that for many members, their need for insurance cover changes over the course of their working lives. Often, younger members are just starting out – they may not yet be in a permanent relationship, and may not yet have family responsibilities, or have acquired assets such as a house which likely involves taking out a mortgage.

On the other hand, later on, people are likely to be heavily involved in raising a family, and these may be the years where people will carry the greatest level of debt. So therefore, they need to be able to obtain greater insurance protection from their super fund to meet these needs.

Types of insurance the Fund provides

Death and Total and Permanent Disablement (TPD) cover for eligible members. Eligible members may also elect to take out optional Income Protection cover.

Cover when you first join REI Super

When you join REI Super, you will be provided with 4 units of automatic cover for Death and TPD. There are no medicals or health evidence required. On joining the Fund, for insurance purposes, you will be classified as one of the following:

Participating employer member

You are employed by an employer who is a participating employer with REI Super and makes Superannuation Guarantee (SG) contributions on your behalf. An (SG) contribution must be received from your employer within 6 months of joining the Fund for cover to commence.

Direct member

You are not employed by an employer who is a participating employer with REI Super. Either a contribution or rollover must be

received into your account within 6 months of joining the Fund for cover to commence.

To adjust or cancel your cover at any time, complete the *Adjusting your insurance cover form* available on our website at reisuper.com.au.

Basic Death & TPD Cover

Age at date of Death or Disablement	Sum Insured for 1 unit of cover
15 – 22	\$62,500
23 – 37	\$64,000 – \$104,000
38 – 45	\$103,250 – \$55,000
46 – 55	\$49,000 – \$14,025
56 – 65	\$12,500 – Nil

The amount of cover reduces each birthday after you turn 37. You should refer to the **Insurance Guide** available at reisuper.com.au for the full sum insured table.

Applying for additional cover

You can apply for additional cover subject to the maximum levels stated in the **Insurance Guide** online simply by logging in to your online account at reisuper.com.au and going to the insurance area. Fast and simple, your online insurance application should take less than 10 minutes to complete.

When applying for insurance cover, you are required to comply with the Duty of Disclosure as set out in the 'Other important information' section in the **Insurance Guide** available at reisuper.com.au.

The Insurer may accept your application, and in some cases apply exclusions to your additional cover for Death or TPD. The Insurer may also accept certain types of cover and decline another type of cover. For instance, the insurer may accept your application for additional death cover and decline you for additional TPD cover.

Optional Income Protection Insurance (IP) cover

IP cover allows you to insure against your loss of income if you are unable to work through Illness or Injury and lodge an eligible claim with our insurer. The payment of all IP benefits is subject to your claim meeting the terms and conditions of the insurance policy.

You can apply for cover up to 85% of your annual salary. A maximum of 75% is paid to you as income and 10% contributed to your REI super account, if you are unable to work. There is a waiting period of 90 days (with 30 and 60 day options available) for members and a benefit payment period of up to 2 years.

How much does insurance cost?

For Participating employer members, each unit of Death & Total & Permanent Disablement cover costs \$1.50 per week and Death only cover costs \$0.75 per week. Higher premiums may apply to Direct Members (read the **Insurance Guide** at reisuper.com.au).

Each IP unit provides a benefit of \$5,200 per annum. The insurance fees payable for each unit of cover per annum may range from \$7.43 to \$107.96 depending on age. This cost is applicable for a 90-day waiting period benefit.

The cost of default cover will be deducted from your account unless you opt out or cancel the cover.

Can I transfer cover from elsewhere?

You can transfer existing Death, TPD and IP cover that you have from other super funds, by completing an Application to Transfer Insurance Cover available on our website. Transfers are subject to the maximum levels stated on the form.

Need help?

The Fund has an insurance calculator on the website at reisuper.com.au/super/insurance/how-much-insurance-do-you-need. This can help you to determine how much cover you need and the cost of that cover.

Our helpline consultants, available on **1300 13 44 33** can also assist you with discussing your insurance options.

The Insurer reserves the right to vary or restrict your cover based on health evidence you may have supplied when applying for additional cover. You will be advised if this applies to you.

You should read the important information about...



insurance before making a decision. Go to reisuper.com.au and read the **Insurance Guide** for more information about the eligibility, cancellation, the cost and any conditions and exclusions that may apply to insurance cover provided through REI Super. The material relating to insurance may change between the time when you read this Statement and when you acquire the product.

9. How to open an account

STEP 1

Read this Statement and the other important information referred to in the Statement.

STEP 2

Complete the **Membership Application form**. You can complete this online or by downloading a form at reisuper.com.au. If you are completing paper form, make sure you remember to sign and date the form.

STEP 3

If you have super in other funds that you wish to transfer to REI Super, complete the **Rollover form**. If you have super that you want to transfer in from more than one other fund, photocopy the form and complete one form for each account you wish to transfer.

STEP 4

Post your completed application form to us.

Cooling-off period

If after applying for a super account 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 super 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 account 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. Note that any preserved and restricted components of your account balance must be transferred to another complying superannuation fund nominated by you. For example, if you make personal contributions to the Fund, these contributions are deemed by law to have entered the superannuation system and cannot be returned to you (unless you satisfy a condition of release under superannuation law) even when you elect to cancel your membership within the cooling-off period.

Please note that if you have joined the Fund through your employer, the cooling-off period does not apply to you.

We respect your privacy

REI Super collects your personal information in order to establish and manage your super account. Our Privacy Policy outlines the types 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 REI Super.

Resolving complaints

If you're not satisfied with our products or services, we've established a formal procedure to deal with any complaint or dispute that may arise to address your concerns fairly and efficiently.

For more information go to reisuper.com.au and read **How to make a complaint**.

Low fees | Profits to members | Strong returns

REIS 50767

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.)

E: admin@reisuper.com.au

M: GPO Box 4303, Melbourne VIC 3001

F: 03 9245 5827

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