

#1

Application for Membership

Name of Fund: Cavallaro Superannuation Fund

Member's Name: Cavallaro, Roberto

(Minor's Name if on behalf of minor)

Address:

22 Glendower Way

SPEARWOOD WA 6163

Date of Birth: 27/10/1963

Occupation:

Telephone:

Fax:

Tax File Number: 629 587 894

Contributing Employer(s):

I hereby apply to become a Member of the abovementioned Fund.

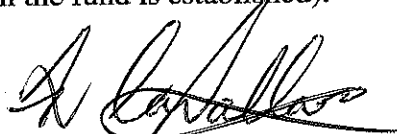
I understand that my membership is subject to terms and conditions specified in the Trust Deed governing the Fund.

This application is accompanied by a Product Disclosure Statement.

I nominate and agree to the Trustee named in the Deed acting as Trustee.

I have received from the Trustee a notice containing information needed for the purpose of understanding the main features of the Fund, its management and financial condition and investment performance. (The Trustee must attach these if the Member is joining at a time other than when the fund is established).

Signed:



Dated:

21/05/2013

Product Disclosure Statement

Cavallaro Superannuation Fund

This Product Disclosure Statement must be attached to all Application Form(s) for Membership by Members or Employers. Any omitted details must be inserted. **Date:**

Name of Member: Cavallaro, Roberto

Address of Member:

22 Glendower Way
SPEARWOOD WA 6163

Contact Details of Member:

Name & Address and Contact Details (ie Telephone, Fax, Email) of Trustee(s):

Cavallaro Holdings Aust Pty Ltd
A.C.N. 143 993 122
22 Glendower Way
SPEARWOOD WA 6163

PRODUCT DISCLOSURE STATEMENT (PDS)

Contents

1. About your self managed superannuation Fund (SMSF)
2. How super works
3. Benefits of investing in a Self Managed Super Fund
4. Risks of super
5. How we invest your money
6. Fees and costs
7. How super is taxed
8. Insurance in your super
9. How to open an account

PRODUCT DISCLOSURE STATEMENT (PDS)

This PDS is a summary of significant information and contains a number of references to important information (each of which forms part of the Statement). You should consider this information before making a decision about the product. The information provided in the Statement is general information only and does not take account of your personal financial situation or needs. You should obtain financial advice tailored to your personal circumstances.

1. About your self managed superannuation Fund (SMSF)

Superannuation is to provide you with income for your retirement.

Your SMSF is established by the Trustee and the initial Member(s) signing a trust deed and contributions being paid to the Trustee who then invests that money as part of your super to provide retirement benefits to you.

For your Fund to be a SMSF it must meet several requirements. The requirements can vary depending on whether your Fund has individual Trustees or a corporate Trustee.

If your Fund has individual Trustees, it is an SMSF if all of the following apply: it has four or fewer Members; each Member is a Trustee; each Trustee is a Member; no Member is an employee of another Member, unless they are related and no Trustee is paid for their duties or services as a Trustee.

If your Fund has a corporate Trustee, it is a SMSF if all of the following apply: It has four or fewer Members; each Member of the Fund is a director of the corporate Trustee; each director of the corporate Trustee is a Member of the Fund; no Member is an employee of another Member, unless they are related; the corporate Trustee is not paid for its services as a Trustee; and no director of the corporate Trustee is paid for their duties or services as director in relation to the Fund.

Single Member Funds: If you have a corporate Trustee for a single Member Fund, the Member needs to be one of the following: the sole director of the corporate Trustee; one of only two directors, that is either of the following; related to the other director; not an employee of the other director. A single Member Fund can also have two individuals as Trustees. One Trustee needs to be the Member and the other a person related to the Member or a person who does not employ them.

If a Member is under 18 they cannot be a Trustee and special rules apply.

Investments are made by the Trustee and are pooled with contributions made to the Fund in respect of any other Members.

A SMSF Trustee is ultimately responsible for running your SMSF. It is important that the Trustee understand the duties, responsibilities and obligations of being a Trustee or director of a corporate Trustee.

Members can, generally speaking, withdraw their investment in a superannuation fund (called a "Benefit") when they retire. Benefits can also be paid if a Member dies or becomes totally and permanently disabled or if they are entitled to a transition to retirement pension. This means that you should only invest in superannuation money you can afford to put away until later.

2. How super works

Superannuation is a means of saving for retirement which is, in part, compulsory.

There are different types of contributions available to a person (for example, employer contributions, voluntary contributions, government co-contributions).

There are limitations on contributions to, and withdrawals from, superannuation.

Tax savings are provided by the Government.

Most people have the right to choose into which Fund the employer should direct their superannuation guarantee contributions.

More detailed information on the matters referred to above may be found at www.ato.gov.au. See the publications - "Running a self managed super Fund"; "Thinking about self-managed super"; "Guide to self managed super Funds".

1. You should read the important information about your SMSF before making a decision. Go to the Trustee and the Trustee will provide you with a copy of "YOUR SELF MANAGED SUPERANNUATION FUND" (version dated 26 June 2012) if they have not already done so.

2. The material relating to your SMSF may change between the time when you read this Statement and the day when you sign the application form.

3. Benefits of investing in a Self Managed Super Fund

This paragraph covers the SMSF in respect of which you have been given an application for Membership so that you may become a Member of the Fund.

The Fund's significant features and benefits are:

As a Member and also a Trustee or director of the corporate Trustee, you may have more control over investments and greater flexibility by comparison with being a Member of an industry Fund or a retail Fund that is not a SMSF where you would not be a Trustee and where you may usually have general investment options only.

Fees maybe lower, however, this will depend usually upon where the Funds are investment and the costs of running the SMSF.

Many SMSFs may perform better than industry and retail Funds. The Trustee may be able to make quick changes to the investment portfolio if investment conditions change.

A SMSF may have greater flexibility in establishing and managing pensions. It may give you the ability to transfer personally owned listed securities and business real property directly into the Fund. It has the ability to own business real property that may, in appropriate circumstances and conditions in superannuation law, be rented for your business.

A SMSF may be able to borrow money to purchase real estate or shares where the security is limited to the single asset being acquired, subject to certain conditions in superannuation law.

A SMSF has estate planning benefits by allowing family Members to combine their assets in the Fund to grow for retirement.

The SMSF provides retirement benefits usually in the form of lump sums or pensions and may provide income streams as a transition to your retirement.

More information is available at the website and in the document mentioned in section 2.

4. Risks of super

All investments carry risk.

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.

The significant risks of a SMSF are in summary:

- (a) the value of investments will vary;
- (b) the level of returns will vary, and future returns may differ from past returns;
- (c) returns are not guaranteed, and you may lose some of your money;
- (d) superannuation laws may change in the future;
- (e) the amount of your future superannuation savings (including contributions and returns) may not be enough to provide adequately for your retirement;
- (f) the level of risk for you will vary depending on a range of factors, including:
 - (i) age; and
 - (ii) investment time frames; and
 - (iii) where your other wealth is invested; and
 - (iv) your risk tolerance.

If the Trustee is not fully aware of Trustee obligations and fails to comply with the superannuation tax laws, penalties may apply and your super may be reduced or fail to perform as well as it should. Additional tax may be payable from your super.

There is a risk of theft or fraud and there is no insurance that will cover you for theft or fraud.

Costs associated with running a SMSF are usually fixed and therefore for smaller account balances (for example less than \$200,000) these costs can be significant and uncompetitive compared with other available super options.

Rates of tax on superannuation contributions and benefits may increase.

If the Fund has a variety of transactions and types of investments, the costs can be relatively higher than a public super fund due to economies of scale.

If you have money in a fund now and plan to transfer that money to this Fund then if you have existing life insurance in that fund you may not be able to obtain life insurance at comparable rates outside the Fund or inside it.

You usually cannot access a super benefit payment from your SMSF until you reach your retirement age. You may be able to access pension payments when you reach 55 years of age subject to superannuation and tax laws.

5. How we invest your money

The Trustee of the SMSF will invest your money. The rules of the Fund permit a very broad range of investments and no particular investment option is offered. The Trustee must determine an investment strategy and should obtain professional advice for that purpose.

Once the investment strategy is determined investments must be made in accordance with that strategy. Professional advice should be sought to determine particular investments.

You, as a Member, are not required to determine how super is invested, however, as a Trustee, or a director of a corporate trustee you must do so. If you as a Member do not request the Trustee to invest in a particular manner the Trustee will invest as the Trustee sees fit and in accordance with the Fund's investment strategy.

WARNING

You must consider:

- (a) the likely investment return; and
- (b) the risk; and
- (c) your investment timeframe

when investing.

Labour standards or environmental, social or ethical considerations are not taken into account in the selection, retention or realisation of investments relating to the superannuation product.

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

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

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

TO FIND OUT MORE

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

As there are no investment options set out in the rules of the SMSF there are no fees detailed here with respect to investment options.

Initial set-up costs will include the costs of the trust deed and initial documentation. As a Trustee or as a director of a corporate Trustee, you will be aware of the costs for your Fund. The Trustees will also need accounting and relevant professional advice. You will be aware of these initial costs as you are a Trustee or a director of a corporate Trustee.

There will also be annual ongoing costs (which are likely to increase each year) such as the ATO supervisory levy (\$180 as at 30 June 2012) accountancy fees to prepare financial accounts, audit fees, preparation and lodgement of annual taxation returns, tax advice and transaction costs on brokerage.

No fees and costs are charged by the Trustee for its services however where others are engaged to carry out work, such as accountants and financial planners and solicitors (and commissions on investments) then those costs are payable by the Trustee and are usually debited to member accounts on a proportionate basis unless, for example, a particular amount is payable owing to a particular investment that has been made as requested by a particular member and for that member only.

Fees and costs of investments are available from the Trustee when an investment has been determined. They are usually set out in a PDS relating to the proposed investment.

7. How super is taxed

A summary of significant tax information is set out below:

When a contribution is made that is tax deductible (a concessional contribution) to the contributor, who may for example be you, if you are self employed or, your employer, if you are an employee, then tax at 15% is payable from your Member account by the Trustees and this is usually paid quarterly to the ATO. The 2012 Federal Budget provided that the tax rate of 15% on concessional contributions will be increased to 30% for the financial year commencing 1 July 2012 if you earn more than \$300,000. The design of this tax has not yet been finalised and is not yet law however it is proposed to apply from 1 July 2012 when and if it is passed by Federal Parliament.

When the Fund earns income on its investments it must pay tax to the ATO. The rate is usually a maximum rate of 15 % on these earnings and your account will be debited with the tax on the earnings on your interest in the Fund. These are usually paid quarterly and annually as appropriate by the Trustee from your Member account. If you commence certain types of pensions, this tax may not be payable.

If you withdraw money from the Fund then lump sum tax may be payable. If you are over 60 all payments are generally tax free. If you are under 60 you may have to pay tax on all or part of your benefit. The amount of tax also depends upon the tax components that make up your superannuation benefit. The tax is taxed on assessment of your tax return however the Trustee makes a decision from your withdrawal benefit and this amount may differ from the tax payable on your assessment.

WARNING

You should provide your tax file number as part of acquiring the superannuation product.

If you do not provide your TFN to the Trustee then the Trustee may be liable for additional income tax (31.5% on top of the 15% tax you already paid) on assessable contributions, such as employer and salary sacrifice contributions. You may miss out on super co-contributions.

The Trustee must return all Member contributions to the person or entity who paid them within 30 days of becoming aware that the Trustee should not have accepted those contributions. The Trustee cannot accept any Member contributions nor contributions made by your spouse on your behalf without your TFN.

Not providing your TFN will make it harder for you to keep track of your super.

If the Trustee pays additional income tax and you later give the Trustee your TFN, the Trustee can normally claim a tax offset for the additional tax paid.

WARNING

There will be taxation consequences if the contribution caps applicable to superannuation are exceeded.

Contribution caps are legal maximum limits on the amount of contributions that may be made by you and others for you.

Contributions in excess of the respective caps are taxed at different rates. The amount of tax you pay on the excess amount depends on which cap you exceed. The concessional contributions cap is 31.5% (in addition to the 15% paid by the super fund). The non-concessional contributions cap is 46.5%.

Any concessional contributions made into your super fund over the concessional cap will also count towards your non-concessional contributions cap.

More information about contribution caps and key superannuation rates and thresholds can be found at www.ato.gov.au. See the publication "Key superannuation rates and thresholds".

8. Insurance in your super

The SMSF does not offer an insurance cover option at this time. Speak to the Trustee if you desire insurance and the Trustee should seek professional advice.

9. How to open an account

You join the fund by signing the application to the Trustee for membership. Contributions must be paid to the Trustee to commence your membership. There is no cooling-off period applicable to joining the Fund.

You may make a complaint in writing or verbally to the Trustee whose contact details are shown on this form.