

Kon Dimopoulos & Tina Dimopoulos
("Trustee")

as trustee/s for the

The Battlers Super Fund
("the Fund")

**PRODUCT DISCLOSURE STATEMENT
FOR A
SELF MANAGED SUPERANNUATION FUND**

(Superannuation Industry (Supervision) Act 1993 (Cth) and Corporations Act 2001 (Cth)

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**PRODUCT DISCLOSURE STATEMENT
FOR A
SELF MANAGED SUPERANNUATION FUND**

*(Superannuation Industry (Supervision) Act 1993 (Cth) ("SIS Act") and Corporations Act
2001 (Cth) ("Corporations Act"))*

THIS PRODUCT DISCLOSURE STATEMENT is dated and issued on the date specified in **Item 1** of the Schedule (26th August 2008) **by:**

TRUSTEE

The person named and described as the Trustee in **Item 2** of the Schedule ("**the Trustee**"); to

MEMBER

The person named and described as the Member in **Item 3** of the Schedule ("**the Member**").

INTRODUCTION:

- A. The Trustee is the trustee of the superannuation fund named in **Item 4** of the Schedule ("**the Fund**").
- B. The Fund is a regulated self managed superannuation fund and is governed by governing rules within the meaning of the SIS Act.
- C. The Member is or may become a member of the Fund for the purpose of receiving from the Fund certain benefits including, if applicable, a pension of the type specified in **Item 5** of the Schedule ("**the Benefit**").
- D. In accordance with the Governing Rules and with the intent that the giving of this PDS satisfies the requirements of the Corporations Act, the Trustee is required to give this PDS to the Member as soon as practicable and in any event within 3 months of the Member becoming a member of the Fund or at the time of commencing a pension, if an up to date copy of this PDS has not been given to the Member previously. If the member has received this PDS before joining the Fund, the Member should read it before making a decision to join the Fund.
- E. This PDS is given notwithstanding Section 1012D(2A) of the Corporations Act, the operation of which might otherwise exclude the requirement for giving this PDS to the Member, depending on the circumstances of the Member's knowledge of, or access to, the information contained in this PDS.

- F. If the Member leaves the Fund within a few years of joining the Fund the Member may get back less than the amount of contributions paid because of the level of investment returns earned by the Fund and the Fund's charges.
- G. The PDS is not a substitute for financial advice. If the Member wants advice about superannuation products the Member should speak to a financial services licensee or an authorized representative. Any employer-sponsor of the Fund who is not an Australian financial services licensee or an authorised representative must not give the Member financial product advice about the Fund or recommend a superannuation product.

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions Appearing in Context

A word or expression which appears in the context of this PDS to define a fact, person or thing immediately preceding that word or expression shall mean that fact, person or thing.

1.1. Definitions in Governing Rules

Unless the context otherwise requires, a word or expression which is defined in the Governing Rules of the Fund shall have the same meaning where that word or expression appears in this PDS.

1.3 Definitions in the Legislation (specifically SIS Act and Corporations Act)

Unless the context otherwise requires, a word or expression which is defined in the SIS Act, Corporations Act or other related regulations or legislation shall have the same meaning where that word or expression appears in this PDS.

1.4 Interpretation

- (a) This PDS shall be read and construed in conjunction with the Governing Rules.
- (b) If there is any inconsistency between this PDS and any provision of the Governing Rules or any relevant requirement of the SIS Act or Corporations Act, then to the extent of that inconsistency, this PDS, the Governing Rules and/or the legislation shall be interpreted according to the following order of priority:
 - (i) the legislation;

(ii) the Governing Rules; and

(iii) this PDS.

(c) A reference to the "**Schedule**" means a reference to the Schedule at the end of this PDS.

2. **PURPOSE OF THIS PDS**

This PDS describes the main features of the Fund and is aimed at providing you with a summary of the benefits that you are entitled to as a member of the Fund. This PDS will help you to:

- a) decide whether the Fund meets your needs; and
- b) compare the Fund to other financial products you may be considering.

3. **DETAILS OF ISSUER**

3.1 **Trustee**

The Trustee is the issuer of this superannuation product and has contact details specified in **Item 2** of the Schedule.

3.2 **Your need to be a Trustee**

For as long as the Fund operates as a self managed superannuation fund, to become a member of the Fund you will also be required to be an individual trustee, or a director of the trustee company. If you are under 18 or not capable of managing your own affairs, you will need to have a legal personal representative act on your behalf. On your death, someone may act in your place as an individual trustee or director of a corporate trustee until your death benefit commences to be paid.

4. **SUMMARY OF MAIN BENEFITS**

The Fund allows your superannuation benefit to accumulate for your retirement and may provide benefits to your dependants or your estate should you die.

The Fund also provides other benefits, such as total and permanent disability benefits, which are paid in circumstances permitted by the Fund's Governing Rules and the SIS Act.

If the Fund provides a benefit to you as an allocated pension, account based pension, or market linked income stream, then the amount that you can take out each year is

subject to payment limits set by the Government; it may not provide an income stream for the rest of your life; and payments will only be made whilst there is enough money in your account for the allocated pension, account based pension or market linked income stream provided by the Fund.

5. CONTRIBUTIONS

5.1. Rules that Apply for Contributions to the Fund

Contributions can be made to the Fund at anytime for anyone under 65. These are in addition to any contributions made by a person's employer.

If you have reached your 65th birthday you must be working or have worked at least 40 hours over 30 consecutive days in the year. However, this rule is not required to be satisfied for contributions made for Superannuation Guarantee or industrial award purposes.

Contributions can be made by you or on your behalf up until age 75. However, from age 75 contributions are permitted only if they are made for purposes of an industrial award or the Superannuation Guarantee.

In special circumstances contributions can be accepted after the relevant age where the trustee of the fund is prepared to exercise discretion to accept contributions late.

5.2. How Can Contributions be made to the Fund?

Contributions may be made in cash or in some cases by transferring assets to the Fund. There are restrictions on the types of assets that can be transferred to a superannuation fund from a related party. Generally, the types of assets that can be transferred in these circumstances are:

- a) In-house assets where the Fund will continue to have no more than 5% of the Fund's total assets in in-house assets;
- b) Specific assets which are excluded from being in-house assets;
- c) Listed securities (e.g. shares, units or bonds listed on an approved Stock Exchange);
- d) Business real property;
- e) Insurance policies owned by a relevant party except those owned by a member or a relative of a member; and
- f) Investments in widely held trusts.

5.3. Can I rollover benefits into the Fund?

You can rollover benefits you have in another superannuation fund, approved deposit fund or retirement savings account to the Fund at any time.

5.4 Can I split my Contributions with my Spouse?

As a member of the Fund, you are able to make a request to the Trustee to split an amount of your benefit to your spouse. However, there are restrictions on your ability to split and on the maximum amount of the split, as follows:

- (a) The requested split amount must be in respect of "splittable contributions", which are essentially contributions that are; made on or after 1 January 2006; or amounts allocated from surplus by the Trustee on or after 1 January 2006 to meet an employer's liability to make contributions; but does not comprise certain amounts including an amount that has been rolled over or transferred; certain superannuation lump sums and termination payments; and amounts that have been received by the receiving spouse as a contribution split.
- (b) Your receiving spouse who is to receive the split must be:
 - (i) under preservation age; or
 - (ii) between preservation age and age 65 providing they have not permanently retired;
- (c) the maximum splittable amount that you can request be transferred to your spouse's account for amounts contributed or allocated during the 2006/07 financial year must not be greater than an amount generally representing the aggregate of:
 - (i) 100% of undeducted contributions made on or after 1 July 2006 and before 6 April 2007;
 - (ii) 85% of deductible contributions made on or after 1 July 2006; and
 - (iii) 85% of surpluses allocated to your account on or after 1 July 2006 to meet your employer's liability to make contributions;
- (d) the maximum splittable amount that you can request be transferred to your spouse's account for amounts contributed or allocated during the 2008/09 and later financial years is the lesser of 85% of concessional contributions made to the fund for the financial year and the concessional contributions cap for that year;

- (e) Your request (application) to split must be made:
 - (i) Within the next financial year after the year in which the splittable contributions have been made to your account in the Fund; or
 - (ii) The financial year in which your application is made if your entire benefit is to be rolled over or transferred in that year.
- (f) If you intend to claim a tax deduction for any personal superannuation contributions you must make the election to claim the deduction before the application to split the contribution with your spouse.
- (g) You can only make one application to split in each year.

The Trustee must give effect to your split request as soon as practicable and in any event within 90 days of receiving the request.

5.5 Taxation

- (a) Under the rules of the Fund any amount may be contributed to the Fund by you or on your behalf. Tax deductions for contributions are available for eligible employees and unsupported persons, such as people who are self-employed or receive a small amount of employment income.
- (b) Taxable contributions are generally taxed in the fund at a rate of 15%. Whilst there is no limit to the amount that can be claimed as a tax deduction, however, where certain contribution thresholds are exceeded tax deductible and non-deductible contributions may be taxed at a penalty tax rate that may exceed the maximum personal tax rate. Therefore, it may not be tax effective to contribute more than the thresholds.
- (c) Tax offsets may also be available to a person who contributes to superannuation on behalf of their low income spouse.
- (d) Where the superannuation fund does not hold the tax file number of a member tax may be deducted at the maximum personal tax rate of 46.5%.
- (e) Contributors should obtain advice from a qualified professional concerning the tax consequences of any contribution that they make to the Fund.

6. INVESTMENTS OF THE FUND

6.1. Trustee's Investment Powers

The Governing Rules permit the Trustee to make a wide range of investments that are consistent with the Fund's investment strategy and subject to the Fund meeting the requirements of the investment standards in the SIS Act.

6.2 Investment Strategy

The trustees of all superannuation funds are required to have an investment strategy which takes into account the circumstances of the whole fund.

When deciding on the Fund's investment strategy the Trustee must take into account the:

- (a) risk associated with buying, holding and selling different types of investments;
- (b) Fund returns and the level of the risk of the investment;
- (c) diversification of Fund assets;
- (d) time the investments will be held by the Fund to reach the desired potential; and
- (e) liquidity of the Fund so that liabilities for the Fund can be met in a timely manner.

Depending on the circumstances of the Fund the investment strategy decided by the Trustee will take into account your circumstances as well as those for the Fund. This will depend on:

- (a) the level of risk involved with particular investments;
- (b) your situation – for example whether you are in the accumulation phase or the retirement phase;
- (c) whether the Fund can meet its liabilities when they fall due – for example, will the Fund be able to pay tax, fees and lump sum or pension benefits at the right time.

A copy of the current investment strategy is available to be provided to you upon your request to the Trustee.

Labour standards, environmental, social or ethical considerations are generally not taken into account in the selection, retention or realisation of the Fund's investments.

6.3 Investment Risks

The risk associated with the investments of the Fund is generally the relationship between the investment and their potential returns. Each investment of the Fund generally has different risk and return profiles. Investments that earn higher returns usually carry higher risk and their value may rise and fall much more than those with lower risk. For example, more stable investments such as cash earn lower long term returns but their capital value and returns are less likely to fluctuate.

Benefits in the strategy are not guaranteed and the value of the investment may rise or fall.

6.4 Member Choice of Investment Strategy

The Trustee may either now or in the future offer you a choice of an investment strategy or strategies. If you are offered a choice of strategies you can choose one strategy or a combination of the strategies offered to you.

To meet changes in your need you may alter your choice of strategies, if member choice is offered.

6.5 Member Choice of Investments

The Fund also permits the Trustee to have particular Fund investments kept in your name when requested. It is up to the Trustee to decide whether any investment you have selected is suitable in the circumstances. Any income, costs and charges associated with the nominated investment will be credited or debited to your account.

7. BENEFITS

7.1 The Amount of your Benefit

After you have been accepted as a member, the Fund will keep an account in your name. Your account may be credited with:

- (a) any contributions;
- (b) proceeds of insurance policies;
- (c) transfers or rollovers from other superannuation funds, approved deposit funds and retirement savings accounts;
- (d) the Member's share of the Fund income; and
- (e) other amounts and those are determined by the Trustee.

Your account may be debited with:

- (a) transfers or rollovers to other superannuation funds, approved deposit funds and retirement savings accounts;
- (b) benefits paid to you, your dependants or your legal personal representative;
- (c) costs of any insurance policy;
- (d) costs associated with the Fund's operation;
- (e) any taxes and surcharge; and
- (f) other amounts and those are determined by the trustee.

The amount of your benefit is the amount standing to your credit in your account and may include the proceeds of any insurance policies.

The Fund may keep a number of accounts in your name at the same time for ease of administration. This may include an accumulation account and a pension account.

Generally, benefits can only be paid when you permanently retire after reaching your preservation age, become totally and permanently incapacitated or die. Benefits may also be paid in other circumstances permitted under the SIS legislation.

7.2 How Can Benefits be paid?

Your benefits can be paid as a lump sum or pension or a combination of both. Subject to certain restrictions in the SIS legislation, your benefit may be paid in cash or as a transfer of assets or you can rollover the benefit to another complying superannuation fund, approved deposit fund or retirement savings account.

7.3 When Can Your Benefits be paid?

Superannuation is a long term investment and the Commonwealth Government has placed restrictions on when a person can have access to benefits. Benefits can generally only be paid from the Fund when certain conditions of release are satisfied. These include when you:

- (a) have ceased gainful employment and have reached your preservation age (see below);
- (b) have reached age 60 and ceased a gainful employment;
- (c) have reached age 65, irrespective of whether you have permanently retired;

- (d) are unable to work because of permanent or temporary incapacity;
- (e) are experiencing severe financial hardship (subject to the relevant legislation being met);
- (f) satisfy the release of benefits on compassionate grounds (subject to the relevant legislation being met); or
- (g) die.

Some benefits may be accessed earlier than these times.

7.4 Preservation

Your preservation age depends on your date of birth as shown in the following table:

Date of Birth	Preservation Age
Before July 1960	55
July 1960 – June 1961	56
July 1961 – June 1962	57
July 1962 – June 1963	58
July 1963 – June 1964	59
After June 1964	60

Once you reach your preservation age you can commence a pension which has restricted commutation rules without ceasing gainful employment. These are referred to as 'non-commutable pensions'.

Preserved benefits can be paid earlier than your preservation age; however, the benefit can only be paid as a non-commutable pension for life.

7.5 No Compulsory Payment

There is no longer any requirement for you to compulsorily withdraw your superannuation benefit from your fund during your lifetime. On your death, benefits must be paid as soon as practicable, usually within 3 months, as a lump sum, pension or a combination of both.

7.6 Rollovers and Other Withdrawals from the Fund?

You can rollover your benefit to another complying superannuation fund, approved deposit fund or retirement savings account at any time.

Also, you can cash the part of your benefit that is an unrestricted non-preserved benefit. Under the SIS Act a benefit may be split into three categories as follows:

- (a) Unrestricted Non preserved benefits – These amounts can be cashed at any time.
- (b) Restricted Non Preserved benefits – These amounts can only be cashed if you meet a condition of release or you leave the service of a contributing employer as explained in the section “When Can Your Benefits be Paid?”
- (c) Preserved benefits – These amounts can only be cashed on meeting a condition of release as explained in “When Can Your Benefits be Paid?”

Note: Since July 1999 all contributions made to a superannuation fund are fully preserved. From 1 July 2004 employer ETPs rolled over to a superannuation fund are preserved until a condition of release is met. Rolled over benefit retain their preservation status. However, all earnings on benefits are fully preserved.

It is also possible to withdraw benefits from the Fund if you are a temporary resident in Australia on certain temporary visas and you have permanently left Australia.

7.7 Who Receives Your Death Benefit?

When you join the Fund you will be asked whether you would like to nominate who should receive your superannuation benefits on your death. Under the SIS Act nominations are limited to your spouse, children of any age and dependants who rely on you for maintenance and support or someone with whom you have an interdependency relationship. In addition, you may also nominate the legal personal representative of your estate.

If your nomination is not a valid binding death benefit nomination the Trustee may have regard to the nomination but is not bound to follow it. The nomination is simply a statement of your wishes. However, if you have provided a valid binding nomination the Trustee must pay the death benefit to those nominated and in the proportions as directed.

It is important to review your nomination if your circumstances should change. To remain valid your binding nomination must be updated at least every three years. The Trustee recommends that you should seek professional advice in relation to making a binding nomination.

If you don't make a binding death benefit nomination, the trustee may pay benefits to your spouse children, people who are dependants at the time of your death or your legal personal representative. The payment will be made at the Trustee's discretion; however, the Trustee can have regard to any non-binding nomination that you have made.

The Trustee has a discretion as to whether any death benefit is paid as a lump sum, pension, annuity or a combination. However, this is subject to the SIS legislation which in certain circumstances requires a death benefit to be paid as a lump sum.

7.8 Superannuation Splitting on Marriage Breakdown

Superannuation benefits may be split between spouses on marriage breakdown. Couples that have separated can agree on splitting the superannuation interest before, during or after the marriage breakdown. If no agreement can be reached, the Family Court is able to make orders concerning the superannuation interest.

The Trustee may be required to provide information so that a superannuation agreement may be properly negotiated.

Any costs and/or legal fees associated with the Trustee implementing agreements or orders for flagging and/or splitting of superannuation interests may be deducted from the balance of your member account in the Fund.

The rules for marriage breakdown do not apply to de facto or same sex relationships.

8. PENSIONS

8.1 What Type of Pensions can be paid?

Allocated pensions, account based pensions, market linked income streams, fixed term income streams and lifetime income streams or pensions as agreed with the trustee are available to be paid from the Fund, subject to certain restrictions in the SIS legislation. In particular circumstances these pensions can be fully or partially commuted to lump sums.

8.2 Account Based Pensions

- (a) An Account based pension is an income stream. The level of income is at the option of the pensioner but must be at least equal to the minimum limit set by government regulation and paid at least once each year. The minimum limit depends on the person's age and the balance of the pension account at 1 July in each year. There is no maximum limit to the amount of the pension except where it is taken as a transition to retirement pension. Where an account based pension commences during a year then the minimum amount is pro rated on a daily basis accordingly. If the account based pension ceases and is converted to a lump sum or transferred to another income stream during a year then you may be required to take a pro rata payment on conversion or transfer.

- (b) Where the account based pension is taken as a non-commutable pension an upper limit equal to 10% of the account balance on which the minimum pension was calculated applies.

8.3 Allocated Pensions

- (a) **Note: Since 19 September 2007, it is no longer possible to commence an allocated pension from a superannuation fund.**
- (b) An allocated pension is an income stream. The level of income paid is at the option of the pensioner but must be within certain maximum and minimum limits set by government regulation. Different regulations apply to allocated pensions that commenced before 1 January 2006, and allocated pensions that commenced on or after 1 January 2006. The annual limits also depend on your age and the balance in your account at 1 July each year. Where an allocated pension commences part-way through a year the limits are pro rated on a daily basis accordingly. If the allocated pension ceases and is converted to a lump sum or transferred to another income stream during a year then you may be required to take a pro rated payment on conversion or transfer.
- (c) Allocated pensions must be paid at least once a year. However, if your pension has commenced on or after 1 June in a financial year there is no requirement to commence the first payment until after 1 July but a payment must be made before the end of that financial year.

8.4 Fixed Term Income Stream

- (a) A fixed term income stream is a pension that is payable for a predetermined period. Under the legislation the commencement age of the pension and the period used depends on when the pension commenced.
- (b) If the fixed term pension commenced before 20 September 2004 it could only commence after you reached age pension age or service pension age for Veteran Affairs purposes. Fixed term pensions are payable for a term equal to your life expectancy (rounded up) or at least 15 years if your life expectancy is longer. The level of income that you receive is calculated by an actuary each year and depends on the amount you had to commence the pension, its term, the investments used to support the pension and the level of indexation (yearly increases in the amount of the income stream).
- (c) A fixed term position commencing on or after 20 September 2004 can start at any age providing you satisfy a condition of release. You can select the term of the pension between your life expectancy and your life expectancy assuming you are 5 years younger (rounded up) at the time the pension commences. If the pension provides a reversion to your spouse and he or she has a life expectancy which is

greater than yours, the period of the pension is between your spouse's life expectancy and their life expectancy assuming they are 5 years younger (rounded up). The level of income you receive uses factors published by the government and depends on the amount you had to commence the pension and the level of indexation (yearly increases in the amount of the income stream).

- (d) Where a fixed term income stream commences part-way through a year the annual amount payable is pro rated on a daily basis or as determined in your pension agreement. If you decide to commute or transfer your fixed term income stream to another income stream during a year then you may be required to take a pro rata payment on transfer.
- (e) There are a number of limitations if you wish to stop the payment of your fixed term income stream. You can only commute your fixed term income stream (i.e. convert your fixed term income stream to a lump sum or to start another pension):
 - (i) if the commutation is to rollover your fixed term income stream to commence another fixed term income stream, a lifetime income stream or a market linked income stream that meet certain rules. The amount of the commutation cannot exceed the amount in the pensioner's account immediately before the commutation;
 - (ii) within 6 months of commencement. However, this is not available if you have commenced your fixed term income stream from the commutation of another life time, fixed term or market linked income stream;
 - (iii) on your death or the death of the reversionary pensioner, whichever is the later. The amount remaining is paid to dependants of the pensioner or to your estate or the estate of the reversioner as appropriate;
 - (iv) to pay any superannuation surcharge liability of the pensioner.
- (f) Prior to the abolition of the Reasonable Benefit Limits (RBL) from 1 July 2007, a fixed term income stream was counted to determine whether a person's benefits were measured against their pension RBL. Fixed term income streams that commence prior to 20 September 2004 are assets test exempt for Social Security purposes. However, for fixed term income streams that commence from 20 September 2004, 50% of the purchase price of the pension will be counted for assets test purposes.

- (g) Fixed Term Income Streams can only commence to be paid directly from self managed superannuation funds to people who were members of the fund prior to 12 May 2004 and the income stream must commence to be paid before 1 January 2006. A self managed superannuation fund will be required to purchase a fixed term income stream from a life insurance company for members who joined the fund after 11 May 2004 and for all members who commenced a fixed term income stream on or after 1 January 2006.

8.5 Lifetime Income Streams (Complying)

- (a) A Lifetime income stream can commence at any time, usually after you have reached preservation age. It is payable for your lifetime and that of a reversionary beneficiary, if applicable. The level of income that you receive is calculated by an actuary each year and depends on the amount you have to commence the pension, the term of the pension, the investments used to support the pension, the level of indexation (yearly increases in the amount of the income stream) and whether your dependants will receive a pension in the event of your death.
- (b) Where a lifetime income stream commences part-way through a year the annual amount payable is pro rated on a daily basis or as determined in your pension agreement. If you decide to commute or transfer your lifetime income stream to another income stream during a year then you may be required to take a pro rata payment on transfer.
- (c) There are a number of limitations if you wish to stop the payment of your lifetime income stream. You can only commute your lifetime income stream (i.e. convert your lifetime income stream to a lump sum or to start another pension):
 - (i) if the commutation is to rollover you lifetime income stream to commence another lifetime income stream, a market linked income stream or a fixed term income stream that meet certain rules. The amount of the commutation cannot exceed the amount in the pensioner's account immediately before the commutation;
 - (ii) within 6 months of commencement. However, this is not available if you have commenced your lifetime income stream from the commutation of another life time, fixed term or market linked income stream.
 - (iii) on your death or the death of the reversionary pensioner, whichever is the later. The amount remaining is paid to dependants of the pensioner or to your estate of the state of the reversioner as appropriate;

- (iv) to pay any superannuation surcharge liability of the pensioner.
- (d) A lifetime income stream may have a guarantee period of 20 years. If you die within the guarantee period the pension may be paid to your surviving spouse, other dependants or to your estate.
- (e) Prior to the abolition of RBLs from 1 July 2007, a lifetime income stream was counted to determine whether a person's benefits were to be measured against their pension RBL. Lifetime income streams that commence prior to 20 September 2004 are assets test exempt for Social Security purposes. However, for lifetime income streams that commence from 20 September 2004, 50% of the purchase price of the income stream will be counted for assets test purposes.
- (f) Lifetime Income Streams can only commence to be paid directly from self managed superannuation funds to people who were members of the fund prior to 12 May 2004 and the income stream must commence to be paid before 1 January 2006. A self managed superannuation fund will be required to purchase a lifetime income stream from a life insurance company for members who joined the fund after 11 May 2004 and for all members who commence a lifetime stream on or after 1 January 2006.

8.6 Lifetime Income Stream (Commutable)

A Lifetime Income Stream (Commutable) is similar to the complying lifetime income stream, but provides greater flexibility to the pensioner to commute the pension into a lump sum. However, unlike the complying lifetime income stream, the commutable income stream cannot be assessed against the higher pension RBL.

8.7 Market Linked Income Stream

- (a) A market linked income stream (also referred to as Term Allocated Pensions (TAPs) or Growth Pension) may commence to be paid from all types of superannuation funds. The level of income is at the option of the pensioner but must use set criteria set by the government regulation. The annual pension payable is calculated by using the balance in your account at 1 July each year divided by a pension valuation factor. The pension valuation factor is published by government regulation.
- (b) The pensioner may alter the amount payable in each year by up to plus or minus 10% of the market linked pension payments determined in accordance with the calculation in the legislation to provide the pensioner with more flexibility to manage their income payments from year to year.

- (c) the rules apply to a market linked income stream depend on whether it commenced prior to 1 January 2006 or, on or after 1 January 2006.
- (d) Where a market linked income stream commences part-way through a year the pension amount is pro rated on a daily basis or as determined in your pension agreement. If you decide to commute or transfer your market linked income stream to another income stream during a year then you may be required to take a pro rata payment on transfer.

(e) *Market Linked Income Streams Commencing before 1 January 2006*

The level of income for a market linked income stream that commenced prior to 1 January 2006 is calculated by using a period based on you life expectancy at the time you commence the market linked pension and your life expectancy five years younger than you age at the time the pension commences. By using life expectancy five years younger your pension payment is lower, however, would be expected to last for a longer period. If you decide on a market linked pension that is also payable to your spouse on your death then a period based on the longest life expectancy, or life expectancy five years earlier, of you or your spouse at the time the pension commences is used to determine the level of income payable.

(f) *Market Linked Income Streams Commencing on or after 1 January 2006*

The level of income for a market linked income stream that commences on or after 1 January 2006 is based on a fixed term which is determined when you commence the market linked pension ("commencement day"). The fixed term must be for any period (in whole years) that is:

- (i) not less than your life expectancy on the commencement day; and
- (ii) not more than the number of years being the greater of any of the following as chosen by the pensioner:
 - (A) the difference between age 100 and the pensioner's age on the commencement day; or

- (B) where the following is greater than (A) above – your life expectancy assuming you were five years younger on the commencement day; or
- (C) if you decide to have a market linked pension paid to your spouse as a reversionary beneficiary on your death – the term of the market linked income stream can be a term that is:
 - (I) the difference between age 100 and the reversionary beneficiary's age on the commencement day; or
 - (II) where the following is greater than (I) above – the life expectancy of your reversionary beneficiary assuming they were five years younger on the commencement day.

(g) *Limitations on a Commutation of a Market Linked Income Stream*

There are a number of limitations if you wish to stop the payment of your market linked income stream. You can only commute your market linked pension (i.e. convert your market linked income stream to a lump sum or to start another pension):

- (i) if the commutation is to rollover your market linked income stream to commence another market linked income stream, a life time income stream or a fixed term income stream that meet certain rules. The amount of the commutation cannot exceed the amount in the pensioner's account immediately before the commutation;
 - (ii) within 6 months of commencement. However, this is not available if you have commenced your market linked pension from the commutation of another life time, fixed term or market linked income stream;
 - (iii) on your death or the death of the reversionary pensioner, whichever is the later. The amount remaining is paid to dependants of the pensioner or to your estate or the estate of the reversioner as appropriate;
 - (iv) to pay any superannuation liability of the pensioner.
- (h) Market linked pensions must be paid at least once each year. However, if your pension has commenced on or after 1 June in a financial year there is no requirement to commence the first payment until after 1 July but a payment must be made before the end of that financial year.

- (i) **From 20 September 2007 it is not possible to commence a market linked income stream unless it is from the rollover or fixed term income stream and it meets certain new minimum payment requirements. Also, market linked income stream that commence from 20 September 2007 will not receive the 50% assets test exemption for Centrelink purposes.**

8.8 Non-commutable Pensions (also known as Transition to Retirement Income Stream)

- (a) When a member reaches their preservation age and has not met a condition of release they may choose to commence certain types of pension, with limited commutation rules. The limited commutation rules apply between preservation age and the member satisfying another condition of release.
- (b) Under the limited commutation rules a non-commutable account based pension or non-commutable allocated pension may be commuted prior to a person satisfying a condition of release if it is to:
 - (i) cash an unrestricted non-preserved component of the benefit;
 - (ii) pay the contributions surcharge;
 - (iii) give effect to a payment split under the family law;
 - (iv) return the benefit to accumulation phase; or
 - (v) rollover the benefit to purchase another income stream.
- (c) Note: Where an account based pension is taken as a non-commutable pension the maximum amount of the payment in any year must not exceed 10% of the pension account balance at commencement of the pension and at each subsequent 1 July.
- (d) If the pension is a non-commutable pension which has commenced between the member's preservation age and meeting another condition of release then it can be commuted to:
 - (i) pay an unrestricted non-preserved benefit;
 - (ii) pay a death benefit to the reversionary beneficiary or the pensioner's estate;
 - (iii) pay the contributions surcharge;
 - (iv) give effect to a payment split under the family law;

- (v) return the benefit to accumulation phase or purchase another income stream, if the commutation is within 6 months of commencement and the pension did not commence from the commutation of another lifetime, fixed term or market linked income stream; or
- (vi) rollover the pension to purchase another lifetime, fixed term or market linked income stream.

9. **INSURANCE**

- (a) The trustee may take out insurance to secure your benefit in the Fund. You may also request the trustee to take out insurance on your behalf. You can nominate the type of policy to be effected in these circumstances.
- (b) Typically the insurance will be death insurance, disability insurance or a combination of both. You may be required to give information about your health before being eligible for insurance cover. You would typically be covered from the time that the insurer accepts you under the policy, and would cease when the policy lapses or you cease to be a member, whichever first occurs.
- (c) The trustee may deduct the cost of premiums from the income account or the member's account.
- (d) In addition to the insurance the Trustee may have in relation to members, the Trustee may also insure the assets of the Fund and maintain trustee liability insurance.

10. **FEES AND CHARGES**

- (a) There are no fees or charges on contributions you make to the Fund or on the benefits paid from the Fund.
- (b) However, the Trustee may incur fees and charges from time to time. The types of expenses expected to be incurred may include:
 - (i) costs, charges and expenses incurred or to be incurred in relation to the acquisition, registration, custody, disposal of or other dealings with the Fund investments;
 - (ii) all fees, wages and expenses of any person engaged by the Trustee, including auditors, actuaries, advisors, investment managers or custodians;
 - (iii) payment of tax by the Trustee in relation to the operation of the Fund and on behalf of any member in connection to the Fund;

- (iv) costs, charges and expenses incurred or to be incurred for the preparation, maintenance and distribution of any accounting records, returns, reports or other documents in relation to the Fund;
 - (v) any other costs, charges and expenses in relation to the Fund's management and administration.
- (c) if you wish to compare the impact of the fees and charges that may apply in your circumstances the Australian Securities and Investments Commission (ASIC) has a calculator to assist you. It is available on the internet from www.fido.gov.au and is useful when considering moving funds.
 - (d) You may also incur charges when you obtain advice in connection with an advisor recommending a particular type of superannuation arrangement. The cost of obtaining this advice would be incurred by you and not by the superannuation arrangement.
 - (e) For as long as the Fund is a self managed superannuation fund, the trustees, and if the trustee is a company, its directors, are not permitted to receive payments for their role as trustees or trustee directors of the Fund.

11. TAXATION

11.1 General

The following general taxation information is based on the understanding of the tax laws and rulings current at the date of issue of this Product Disclosure Statement. It is prudent to seek professional taxation advice on your particular taxation position.

11.1 Tax on Contributions

- (a) All tax deductible personal contributions to the Fund and all employer contributions that are within the concessional contributions cap are taxed in the Fund at 15%. Contributions that are in excess of the concessional contributions cap are taxed at an additional 31.5% and are also counted against your non-concessional contributions cap. Amounts in excess of the non-concessional cap are taxed at 46.5%.
- (b) From 1 July 2007 the concessional contributions cap is \$50,000 p.a. This amount is indexed annually based on charges to Average Weekly Ordinary Time Earnings (AWOTE). However, for a person who is 50 or older a greater concessional contributions cap of \$100,000 p.a. (unindexed) applies until 30 June 2012. From 1 July 2012 the higher cap will revert to the indexed concessional contributions cap.

- (c) From 1 July 2007 the contributions cap for non-concessional contributions is \$150,000 p.a. This amount is indexed based on changes in AWOTE. However, for a person who is under 65 the non-concessional contributions cap is \$450,000 p.a. over a prospective three year period commencing with the year during which the non-concessional contributions cap of \$150,000 is exceeded.
- (d) Members are liable to pay the tax on amounts which are in excess of the contributions caps and are able to obtain the amount of tax to be paid from the superannuation fund.
- (e) Where a tax file number has not been quoted the trustees of the superannuation fund are required to deduct tax from the contribution at the rate of 46.5%.

11.3 Superannuation Contributions Surcharge

The superannuation contribution surcharge (up to 12.5% applied to adjusted taxable incomes more than the minimum threshold for the 2004/2005 financial year) has been abolished for contributions made to a superannuation fund or retirement savings account from 1 July 2005.

Trustees may continue to receive surcharge assessments from the Australian Taxation Office for late reported contributions or amounts rolled into the Fund that include a liability for surcharge.

11.4 Tax on Investment Earnings

Superannuation fund investment earnings are taxed at a minimum rate of 15%. However, in exceptional circumstances investment earnings that are regarded as excessive may be taxed at 47%. There are special rules that apply to capital gains made by the Fund. Where Fund assets are held by the Fund for at least 12 months a maximum tax rate of 10% may apply to taxable capital gains after deducting any capital losses. Any income and capital gains on Fund assets that are used to pay pensions are not taxable.

11.5 Tax on Benefits

- (a) Any benefit payments from the Fund may be taxed depending on the age of the person receiving the benefit, whether it is paid as a superannuation lump sum or income stream and the type of component in the benefit.
- (b) A superannuation benefit may comprise of three components:
 - (i) the tax free component;
 - (ii) a taxable component which includes:

- (A) an element taxed in the fund and/or
 - (B) an element untaxed in the fund.
- (c) In most cases the tax free component is made up of contributions made from after tax income and that part of your superannuation benefit that accrued prior to 1 July 1983. The taxable component is the total amount of the superannuation benefit less the tax free component. It usually consists of tax deductible contributions made on your behalf or by your employer and earnings on all contributions made to the fund. An amount that is untaxed in the fund usually related to the payment from an insurance policy on a member's death or permanent disability where a tax deduction has been granted to the superannuation fund for the insurance premiums paid.
- (d) All lump sums and pensions paid from the Fund after you have reached age 60 are tax free.
- (e) if you receive a lump sum or pension from the Fund and you are under age 60 it may be taxed. No tax will be payable on the tax free component of the lump sum. However, the taxable component may be taxed at up to 15% for someone between their preservation age and age 60. For a person younger than their preservation age who receives a lump sum, tax of 20% is payable on the taxable component of the benefit.
- (f) If you receive a pension from the Fund and you are under age 60 it is taxed as your income and may be reduced by a proportional amount which relates to your contributions to the Fund that were not tax deductible. You may also be eligible for a tax offset on the taxable part of the pension depending on your age and the circumstances in which the pension is paid. The trustee of the Fund is obliged to deduct PAYG tax from the amount of pension paid to you.

12. FURTHER INFORMATION AND COMMUNICATIONS

12.1 Further Information

If you would like further information about the Fund, you may ask for it by contacting the Trustee in writing at its address shown in the Schedule. The Trustee will then provide you with that information if it is available.

The Trustee may also provide you with any and all other information that the Trustee reasonably believes a member would reasonably need to make an informed assessment of:

- (a) the management and financial condition of the Fund; and

- (b) the investment performance of the Fund.

12.2 Trust Deed

You can inspect the Governing Rules (Trust Deed) of the Fund at the office of the Trustee during business hours. The Trust Deed is the legal document which sets out the rights and obligations of the Trustee and Fund members in detail. Should there be any conflict between this PDS and the Trust Deed, the provisions of the Trust Deed shall prevail.

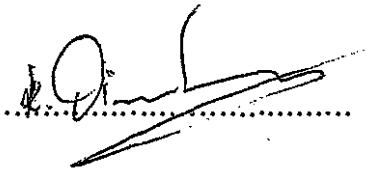
12.3 Annual Reporting

Each year you will be provided with a member report which will show details of your member's account including details of any vested and preserved benefits. Certain other information may be available to you upon request to the office of the Trustee during normal business hours.

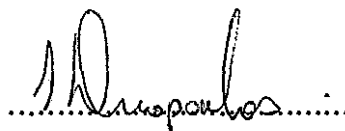
12.4 Dispute Resolution

If you have a complaint concerning the Trustee or your membership of the Fund, you should lodge your complaint in writing to the Trustee. The Trustee will then deal with your complaint in accordance with any applicable dispute resolution system contained in the Fund's Governing Rules and/or under SIS Act.

SIGNED for and on behalf of **THE TRUSTEE** on the Date of this PDS:



Kon Dimopoulos – Trustee



Tina Dimopoulos - Trustee

SCHEDULE

Item 1:

Date of this PDS:

26th August 2008

Item 2:

Trustee:

Kon Dimopoulos & Tina Dimopoulos

Item 3:

Member:

Kon Dimopoulos of
16 Waterman Avenue Vale Park SA 5081
Date of Birth: 29/06/1958
Gender: Male

Item 4:

The Fund:

The Battlers Super Fund

Item 5:

The Benefit:

Account Based Pension