

Member guide

Sunsuper Solutions
Combined Financial Services
Guide and Product Disclosure
Statement (*"Member guide"*)

1 July 2007



 **sunsuper**

Important information

This document is the *Combined Financial Services Guide* and *Product Disclosure Statement* for Sunsuper Solutions. It was prepared on 1 July 2007 by Sunsuper Pty Ltd ABN 88 010 720 840, the issuer and Trustee of the Sunsuper Superannuation Fund (referred to as “the Fund” or “Sunsuper”) (ABN 98 503 137 921, SPIN SSR 0100 AU).

Sunsuper Solutions is a product of the Fund available to employees of participating employers and existing Sunsuper members transferring from other products.

For employers the *Combined Financial Services Guide* and *Product Disclosure Statement* consists of 2 parts:

Part A – this document (including the *Financial Services Guide*)

Part B – the *Investment guide*

Before completing an application, employers should read both documents.

Product Disclosure Statement

The *Product Disclosure Statement (PDS)* describes the main features of Sunsuper Solutions.

You should obtain advice about this product only from a person who is licensed under financial services legislation, or who is an authorised representative of a licensee. Your employer must not give advice about this Fund unless the employer is licensed or is an authorised representative of a licensee. If you require information about a financial services licensee, you should contact the licensee directly.

This offer is available only to people receiving it in Australia. Applications from outside Australia will not be accepted.

The PDS should be read in its entirety before making a decision to acquire or continue to hold the product. Further information about the Fund, such as the Trust Deed that governs the Fund, is available on request by contacting our Customer Service Hotline on 13 11 84. The Trustee will provide all information it believes is needed to make an informed assessment of the management and financial condition of the Fund and the investment performance of the Fund.

Sunsuper Solutions members can apply for additional features through the *Sunsuper Investment guide* and the *Sunsuper Insurance guide*. Details are outlined on pages 15 and 29.

The level of investment returns earned by the Fund and the Fund's charges may mean it is possible for you to leave the Fund and get back less than you paid in.

In this document all forecasts and estimates are based on assumptions which may change. If those assumptions change, our forecasts and estimates may also change.

If you have a complaint about the operation of the Fund, there is a process for dispute resolution. See page 47 for further information.

Financial Services Guide

The *Financial Services Guide (FSG)* on page 53 outlines important information about:

- the services the Trustee offers you
- assisting you in deciding whether to use any of those services
- how the Trustee and its associates are paid for the provision of financial advice
- any potential conflict of interest the Trustee may have, and
- the Trustee's internal and external dispute resolution procedures and how you access them.

Statutory details

Sunsuper Pty Ltd
ABN 88 010 720 840
Australian Financial Services
Licence No. 228975
Registrable Superannuation Entity
Licence No. L0000291
Sunsuper Superannuation Fund
ABN 98 503 137 921
Superannuation Product Identification
No. SSR 0100 AU
RSE Registration No. R1000337

General advice disclaimer

This Member guide contains general investment concepts only and does not take into account the investment objectives, financial situation or needs of any particular individual. Any advice contained in this document is general advice and does not take into account any particular person's objectives, financial situation or needs. Because of this, you should consider the appropriateness of

the advice, having regard to your own particular objectives, financial situation and needs before acting on any advice. You need to apply the concepts to your own situation before making an investment decision.

Protecting your privacy

Sunsuper respects the privacy of the information you give us. We have a formal privacy policy that sets out how we do this. You will receive a copy of this with your *welcome letter*. If you require a copy before completing your *Membership application* form or require additional copies, simply visit www.sunsuper.com.au or call 13 11 84.

Keeping you informed

From time to time we might change information in this *Member guide* that is not materially adverse. At any time you can get updated information simply by visiting our website at www.sunsuper.com.au or by calling us on 13 11 84. We will send you a free paper copy of any updated information on request.

However, if the change to the information is materially adverse, we will notify you in writing or issue a *Supplementary Product Disclosure Statement*.

Contacting Sunsuper

Contacting Sunsuper is easy:

Call 13 11 84
(+61 7 3121 0700
if you are overseas)

Web www.sunsuper.com.au

Mail GPO Box 2924
Brisbane Qld 4001

Fax 07 3016 7722

What is this guide about?

Your Sunsuper *Member guide* gives you all the important information you need to understand your super.

Yes, we know there's a lot of it. So, in the next ten pages we give you some simple info about super and a quick summary of what's in the rest of this guide, also called a *Product Disclosure Statement* or a *PDS*, which you should read before you invest in Sunsuper Solutions.

We understand super because it's what we do. However, we know not everyone finds it as interesting as we do. But, your super is important and we think you should spend at least a little bit of time understanding what Sunsuper offers you, so you can make decisions and choose options that will help you make the most of your super.

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Financial Services Guide

Sunsuper made simple



Welcome to Sunsuper

At Sunsuper we make super, super simple. That means you can look after your life, while we look after your super.

Who are we?

Sunsuper has been taking care of members' superannuation needs since 1987. We now look after the super of more than 900,000 Australians. The total money Sunsuper has invested for all members has been growing at an average rate of almost 30% each year for the past decade. In fact, in May 2007 we had over \$12 billion invested for our members. You can check our website to find out the latest figure.

What do we do?

We're one of Australia's largest and fastest growing super funds. We are what is sometimes called an Industry Fund and our profit-for-members philosophy means we give profits back to our members through lower fees and improved services.

When it comes to super, many people want a fund that offers security, flexibility, strong long-term returns, low fees, insurance cover and an impressive track record to back it all up. A fund they can trust to look after their super, so they can get on with their life. Sunsuper provides all of this.

But don't just take our word for it.

Award winning

Sunsuper is recognised as one of Australia's leading superannuation funds by three separate independent ratings organisations. Sunsuper was also named 'Industry Fund of the Year' in the AFR Smart Investor Blue Ribbon Awards 2006.

Why choose Sunsuper Solutions?

Need help?

Call us on 13 11 84.

Simple, because we offer all the features many people are looking for: security, performance, affordability, service and simplicity.

Join Sunsuper today, it's simple.

All you need to do is:

1. read this *Member guide*
2. fill in your *Membership application* form, which you can find on page 49
3. give your completed *Membership application* form to your employer to send to us with their first payment for you, or mail it to us yourself at:

Sunsuper
GPO Box 2924
Brisbane Qld 4001

Page 36 has more information about joining Sunsuper.

Sunsuper Solutions members can access additional features through the *Sunsuper Investment guide* and *Sunsuper Insurance guide*. Details are outlined on pages 15 and 29.

How does super actually work?

Superannuation is a type of investment designed to help you save for your retirement. Money can be paid in by your employer, by you and sometimes even by the Federal Government. Your super fund invests the money in your account for you. Pretty simple so far.

To pay for the cost of looking after your super, fees come out of your account. And because it's an investment, the Government also takes out some tax. But because the Government wants us to save for retirement, super is not taxed as much as other types of investments. Sometimes your super gives you insurance cover in case you die or become disabled. Payment for that insurance also comes out of your account.

So, money goes in. It changes with investment earnings (which may be positive or negative) and some comes out along the way to pay for the things we explained earlier. Then when you retire, it's there waiting for you. And that's it really. Simple.

Super can also help support you and your family if you die or become disabled before retirement, as the amount of money in your super account is added to any insurance you are entitled to.

Member Online shows you what comes in and out of your Sunsuper account.

Super spouse

If you have a spouse, you can help them save for retirement by making contributions to a super fund on their behalf. See page 38 for details.

Who can contribute to your super?

Your employer	Your employer pays a percentage of your salary as a super contribution.
You	Most people will struggle to reach their retirement goals without adding to their super. So maybe it's a good idea to pay some of your own money into Sunsuper.
Government	Take advantage of the Government's co-contribution scheme if eligible and get a tax-free boost to your super.
Other funds	Combining or rolling over all your super to one fund may save you money, reduce your paperwork and allow you to focus on one investment strategy. Plus, it makes it simple to keep track of your super. Lost your super? We'll help you find it. See page 37 for details.

Investing your super

(find out more on pages 13-21)

Sunsuper offers a range of professionally managed investment options, so you can choose the investment mix best suited to you. Invest in one option, or spread your money across a range - it's totally up to you.

You can choose from the 5 Sunsuper options outlined in this guide.



If you don't make an investment choice, we'll invest your super in the Sunsuper Balanced option.

Or, if you have at least \$1,000 in your account, you can take a different approach and choose from the full range of investment options.

Need help to work out which investment option to choose? Get a copy of the *Investment guide* from our website or tick the box on the *Membership application* form and we'll send you the *Investment guide*.



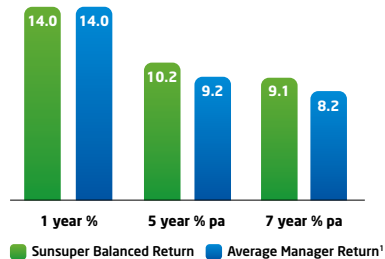
You can also speak with a qualified Sunsuper Member Advice Specialist who can give you advice at no cost, quickly over the phone, to help you get your super right.

If it's something more complex, you can meet with one of the Sunsuper Financial Services financial planners who can give you advice on your more complex retirement needs. See page 9 for more information.

For the 2006 calendar year, Sunsuper's Balanced option returned an impressive 14%.

And, over the longer term, Sunsuper has recorded a top quarter result for the 5 and 7 years ending 31 December 2006¹. For more details on investment performance, visit our website or call us on 13 11 84.

Past performance is not a reliable indication of future performance.



Returns to 31 December 2006 are after investment fees and taxes.

¹ Source: InTech Super Survey

Your insurance

(find out more on pages 22-29)

As a member of Sunsuper Solutions, you are eligible for automatic standard insurance cover of up to \$228,000 if you are female and up to \$120,000 if you are male for Death and Total and Permanent Disability (TPD). The amount of cover you receive depends on your age and gender.

Need help with insurance? Get a copy of the ***Insurance guide.***

Have you got the right amount of insurance?

Insurance is a safety net for the unexpected. Members can apply for additional insurance cover for Death, TPD and Income Protection at very competitive rates. When you apply for additional cover that is above your standard cover, the entire amount of cover will convert to additional rates. In some cases additional rates may be lower than the rates charged for standard cover. If you think you are over-insured, you can ask to reduce or cancel your cover.

It's important to remember that, if something happens to you, your benefit is made up of any insurance you are entitled to plus any money in your super account. So when you work out how much insurance you need, remember to include your super account balance.

To help work out how much insurance cover is right for you, get a copy of our *Insurance guide* or call 13 11 84 to speak with a qualified Sunsuper Member Advice Specialist.

Tick the box on the *Membership application* form and we'll send you an *Insurance guide*. This guide provides information on additional Death and TPD insurance as well as Income Protection insurance and how you can apply for it.



Fees

(find out more on pages 30-35)

With Sunsuper you pay no entry fees and no commissions.

Sunsuper's fees are among the lowest and fairest you will find, but it is important you understand the fees that relate to your super account, especially if you are comparing Sunsuper with other funds. Work out exactly how much you will pay in different funds, and remember you will pay fees on your super every year until you retire. Over a number of years that can make a huge difference. You should particularly read the consumer advisory warning on page 30.

Administration fee

At Sunsuper we charge a single low administration fee of just \$1.30 per week, no matter how much money you have invested with us.

Investment fees

If you invest in the 5 Sunsuper options outlined in this guide, you pay an estimated base investment fee of between 0.30% pa and 0.59% pa of your account balance. In addition, a performance fee is sometimes paid when an investment manager achieves a return on your money over an agreed target.

Make sure you understand all of the fees and costs you are paying by reading this section.

Other stuff

Tax. That's right, like on most good things, you have to pay some tax. But one of the great things about super is that the tax you pay is often a lot less than you would pay on most other forms of investment. Find out more on page 40.

Paying money in. There are a number of different ways money can find its way into your super account. You can pay in your own money but there are some other sources it can come from as well. Find out more on page 36.

Beneficiaries. It's not nice to think about it but if you die, there are things you can do now to help your super and any insurance benefit find their way to the people you'd like to get them. Find out more on page 44.

How to get your super. Super is designed to be there for your retirement. That means there are some rules about when and how you can access it. Retirement might seem a long way away but there are things that can happen in the meantime... like changing jobs. Find out more on page 42.

Need help?

Sunsuper can help you get the advice you need, whether you have a simple question about super, or would like to consider your total financial situation.

Our team of qualified Member Advice Specialists* can give you advice at no cost, quickly over the phone, to help you get your super right.

If it's something more complex, you can meet with one of the Sunsuper Financial Services financial planners* who can give advice on all aspects of your super.

At Sunsuper Financial Services costs are low. You pay a genuine low fee for service, there are no hidden charges and our financial planners are paid a salary and not commissions based on business placed.

Sunsuper Financial Services planners don't only recommend Sunsuper. They can provide you with advice on a range of financial products and services. And if you get advice about your Sunsuper account, the fee can be deducted from your account balance.

*Our financial planning services are provided by either Sunsuper Pty Ltd or Sunsuper Financial Services Pty Ltd (ABN 50 087 154 818, AFSL 227867), a wholly owned subsidiary of Sunsuper. Full financial planning services are only provided by Sunsuper Financial Services.

Government co-contribution

Why not let the Government top up your super by taking advantage of their co-contribution scheme, where you could be eligible for up to \$1,500 tax free?

It's important to remember that a voluntary after-tax contribution must be made before 30 June each year to ensure your co-contribution is received for that financial year.

For more details on the Government's co-contribution scheme, visit our website to download the factsheet or call 13 11 84.



Member banking services

Sunsuper is focused on helping our members reach their financial goals.

Sunsuper offers its members access to discounted home loan products and general banking services through its interest in Members Equity Bank. For more details please contact Members Equity Bank on 13 15 63 or visit www.membersequitybank.com.au.

Fees and charges apply. Terms and conditions available on request. Applications are subject to credit approval. Members Equity Bank Pty Ltd, ABN 56 070 887 679, AFSL 229500.

Keeping you informed

You can check out your account whenever you like through Member Online on our website, or explore the simple to read Learning Centre exclusive to Sunsuper members. You can register for Member Online by ticking the box on your **Membership application** form.

We place great importance on effective communication with our members. And we also want to make it easy for you to stay up to date with how your super is growing. So throughout the year, we'll send you:

Your 30 June annual statement – showing you important information about your account including your account balance, contributions, fees, earnings, where you have invested, your insurance cover and who you have nominated to receive your benefit if you die.

On the spot – our member magazine providing you with an update of investment markets, the economy and other topical issues affecting your super.

Sunsuper's Annual Report – keeping you up to date with the management, financial condition and investment performance of Sunsuper.

Our website is also jam-packed with helpful information about your super. Visit www.sunsuper.com.au and keep up to date with the latest investment performance, issues affecting your super and retirement planning tips.

And if you feel like seeing us face to face, come along to one of our free member seminars. See our website for details.

Learn how to manage your money more efficiently, get the best from your super and plan for your retirement.



Sunsuper for life

As your life changes, we can change with you. By sticking with Sunsuper you can keep a single account with low fees, maintain your investment strategy and stay protected with insurance cover as your circumstances change.

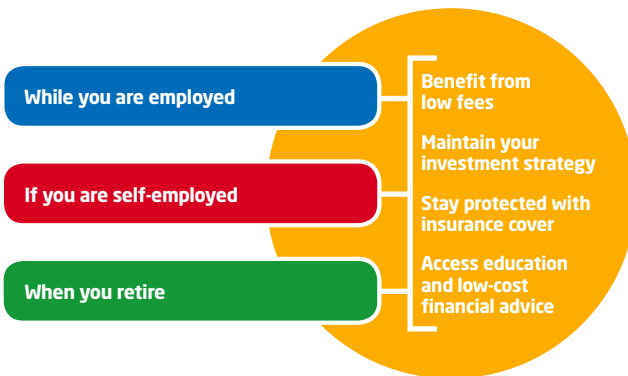
Under *Choice of Fund*, a job change does not mean you have to leave Sunsuper. If you are eligible for *Choice*, you can tell your new employer where you'd like your super paid. Even if you're not eligible for *Choice*, you may be able to move the money you've built up in other funds into Sunsuper.

So the next time you change jobs you can give your new employer your Sunsuper details, just as you give them your bank account details for your pay.

As your needs change, you can also apply to increase the amount or type of insurance cover you have. You can even change the way your money is invested. And, if you have a spouse, you can start up an account for them in Sunsuper Personal and pay money into super for their retirement.

Then, when you are retiring, you can make the transition a little easier by transferring your super into a Sunsuper pension and paying yourself a regular income stream from your super savings to fund your retirement.

While you're busy looking after your life, we'll look after your super.



Sunsuper in detail



Investing your super

Sunsuper offers you a wide range of investment options. These options invest with a range of highly rated investment managers selected by Sunsuper and its investment consultants.

Sunsuper has adopted a philosophy of active investment management. We have a strong belief that this approach will result in returns higher than returns from indexed managers, even after active management fees are taken into account.

In addition to expecting our managers to outperform their benchmarks through active management, we expect all of our managers to:

- have world class professional investment processes;
- complement each other's processes and styles; and
- be cost effective.

For the Sunsuper options outlined in this guide, we also aim to add value through short- to medium-term changes to the option's asset allocation.

Multi-manager

The options outlined in this guide use a combination of investment managers within the one investment option, providing diversification across investment managers and reducing the risk of exposure to any one investment manager or style.

Growth and defensive assets

Investments are generally divided into two groups: defensive assets and growth assets. Within each group are a number of asset classes.

Defensive assets such as cash and fixed interest have lower returns over the long term, but are generally more stable and predictable from year to year.

Growth assets such as property and shares have provided higher returns in the past and are expected to continue doing this over the long term, but tend to fluctuate more in value in the short term.

Defensive assets and growth assets can also incorporate alternative assets. Some examples of Sunsuper's alternative assets are infrastructure funds, private equity funds, hedge funds and opportunistic property funds.

Active investment management

Active managers believe that the broad market can be beaten by picking higher performing securities or asset classes, despite the higher fees involved.

Indexed (or passive) managers believe that the broad market cannot be consistently beaten. They aim to replicate the performance of a broad market index such as the S&P/ASX 300 for Australian shares.

Investing your super (continued)

The relationship between risk and return

Investing money generally involves taking on some risk. The risk many people focus on is the chance they could lose some of their money. There are, however, many types of risk to consider when investing.

Generally, growth assets like shares and property will provide greater returns over the longer term than defensive assets like fixed interest and cash.

But the trade-off is the higher short-term risk of loss associated with achieving these higher returns. So, with investments that regularly rise and fall in value, there is the risk of the value of your investment falling over some periods of time. But if you choose investments to avoid this possibility, you could face another risk.

Choosing overly conservative investments could mean your long-term returns don't keep pace with inflation and the purchasing power of your money actually goes backwards.

Or, you could find your returns underperform other investments meaning you have missed the opportunity to make more from your investment.

The key to successful investing is to find a comfortable balance of risk and return to suit your particular long- and short-term needs. Some of the key risks to be aware of are explained in this table.

Type of risk	How it can affect the value of your super
Volatility	Volatility, or the short-term fluctuations in the value of your investment, is the risk most commonly considered. Volatile investments tend to frequently rise and fall over the short term. If you know that over the long term the value should rise, short-term fluctuations in price may be of less concern.
Inflation risk	The risk of not earning enough on your investments to keep ahead of inflation.
Currency risk	The risk that the value of your investment will be affected by changing currency exchange rates.
Interest rate risk	The risk that, if interest rates rise or fall, the value of your investment will change.
Legislative risk	The risk that governments may change legislation, which in turn may affect the value of your investment, your access to your super and the tax treatment of your super.
Market risk	The risk that the market as a whole declines, not just a specific asset security, leading to a change in the value of your investment.
Security specific risk	The risk that a specific investment declines sharply in value, for example through bankruptcy of a company.
Economic and political risk	The risk that when countries and regions are shaken by political change, economic crisis or war, the value of your investment can be affected.
Opportunity risk	The risk of missing out on an opportunity to invest in assets with greater potential for growth, by tying your money up in one investment.

Diversification – a great way to manage risk

When investing, it makes sense not to put all your eggs in one basket. Diversification, or spreading your money across a number of different investments, reduces your portfolio's reliance on the performance of any one investment. If your portfolio is diversified and one investment falls in value, others that are performing well may make up for the loss.

There are many ways to diversify. The five investment options outlined in this guide offer diversification by investing in more than one asset class and investing with multiple investment managers within each asset class.

Make your choice

The following pages contain specific information about the Sunsuper diversified investment options.

When working out which option is right for you, it is important to consider your own needs and circumstances. Factors such as time to retirement, the other investments you have, your tolerance to risk and what your needs are in retirement, can all have an impact on which options will suit you best.

Let us know your choice by completing the Investment choice section of your *Membership application* form.

You can invest in one option, or spread your money across a range; it's up to you.

If you do not make a choice, then your money will automatically be invested in the Sunsuper Balanced option.

We provide performance information as a guide to you. For the latest investment performance figures for each option, visit our website at www.sunsuper.com.au or call us on 13 11 84.

Past performance is not a reliable indication of future performance.

Additional investment options

If you have at least \$1,000 or more in your account, you can take a different approach and choose from Sunsuper's full range of investment options.

For more information, get a copy of the *Sunsuper Investment guide* from our website or by ticking the box on your *Membership application* form.



Investing your super (continued)

Read the important investment information on pages 18 to 21.

Explanations

INVESTMENT OBJECTIVES

Investment in: page 13 explains growth and defensive assets.

Style: page 13 defines active investment management and multi-manager.

Performance objective: page 18 explains real returns.

Expected outcome: page 18 explains the positive return expectations.

INVESTOR PROFILE

These profiles provide a guide for the type of investor the option suits.

The time horizon indicates the time you might expect to wait to meet the performance objectives, based on estimates of risk and return.

INVESTMENT MIX

This section provides a breakdown of the asset classes the option invests in.

For an explanation of growth and defensive assets (including examples of alternative assets), refer to page 13.

RETURNS

Investment returns are for the year ending 31 December and are after investment fees and taxes.

Past performance is not a reliable indication of future performance.

INVESTMENT FEE

For more information on investment fees and buy/sell spreads, refer to pages 32 to 34.

Estimated fees for 2007/2008.

Actual investment fees may be less than or greater than indicated, but will not be more than the costs incurred by each option.

Sunsuper Conservative

INVESTMENT OBJECTIVES

Investment in: A mixture of growth and defensive assets, with an emphasis on defensive assets.

Style: Multi manager, active.

Performance objective: Real returns of 3% pa after investment fees and taxes.

Expected outcome: Positive returns expected in 13 out of 14 years.

INVESTOR PROFILE

You value security, and are prepared to sacrifice high returns over the long term in exchange for low risks in the short term.

You are comfortable with lower returns that are relatively consistent from year to year.

Generally, your investment time horizon is 2 to 3 years or less.

INVESTMENT MIX

	Benchmark (%)	Allowable range (%)
Defensive assets	70	
Cash	16	5-35
Fixed interest	44	25-60
Alternative assets	10	0-25
Growth assets	30	
Property	5	0-20
Australian shares	14	0-30
International shares	11	0-25
Alternative assets	0	0-10

INVESTMENT RETURNS

For the year ending 31 Dec

2006: 8.9%
2005: 10.2%
2004: 10.1%
2003: 6.3%

For periods ending 31 Dec 2006

3 year average: 9.7% pa

This option commenced in October 2002.

INVESTMENT FEE

Estimated base fee: 0.30% pa
Estimated performance fee: 0% to 0.20% pa
Buy/sell spread: Nil

Sunsuper Moderate

INVESTMENT OBJECTIVES

Investment in: A mixture of growth and defensive assets.

Style: Multi manager, active.

Performance objective: Real returns of 3.5% pa after investment fees and taxes.

Expected outcome: Positive returns expected in 7 out of 8 years.

INVESTOR PROFILE

You seek consistent and moderate returns over the medium to long term, and are willing to accept a moderate level of risk to achieve this.

You would like some exposure to growth assets.

Generally, your investment time horizon is at least 3 to 6 years.

INVESTMENT MIX

	Benchmark (%)	Allowable range (%)
Defensive assets	50	
Cash	7	0-25
Fixed interest	35	10-50
Alternative assets	8	0-25
Growth assets	50	
Property	5	0-20
Australian shares	23	10-35
International shares	15	5-30
Alternative assets	7	0-20

INVESTMENT RETURNS

For the year ending 31 Dec

2006: 11.4%
2005: 12.7%
2004: 12.0%
2003: 6.5%

For periods ending 31 Dec 2006

3 year average: 12.0% pa

This option commenced in October 2002.

INVESTMENT FEE

Estimated base fee: 0.35% pa
Estimated performance fee: 0% to 0.21% pa
Buy/sell spread: Nil

Sunsuper Balanced

INVESTMENT OBJECTIVES

Investment in: A mixture of growth and defensive assets, with an emphasis on growth assets.

Style: Multi manager, active.

Performance objective: Real returns of 4% pa after investment fees and taxes.

Expected outcome: Positive returns expected in 6 out of 7 years.

INVESTOR PROFILE

You would like the value of your investments to stay well ahead of inflation and produce strong growth over the long term. You are prepared to accept some volatility in the returns from year to year.

You would like considerable exposure to growth assets.

Generally, your investment time horizon is at least 5 to 8 years.

INVESTMENT MIX

	Benchmark (%)	Allowable range (%)
Defensive assets	30	
Cash	2	0-25
Fixed interest	23	3-50
Alternative assets	5	0-15
Growth assets	70	
Property	5	0-15
Australian shares	32	20-45
International shares	23	12-35
Alternative assets	10	0-20

INVESTMENT RETURNS

For the year ending 31 Dec

2006:	14.0%	2002:	-1.9%
2005:	15.1%	2001:	4.9%
2004:	13.9%	2000:	8.4%
2003:	10.7%		

For periods ending 31 Dec 2006

3 year average: 14.3% pa
5 year average: 10.2% pa

INVESTMENT FEE

Estimated base fee: 0.49% pa
Estimated performance fee: 0% to 0.24% pa

Buy/sell spread: Nil

Sunsuper Growth

INVESTMENT OBJECTIVES

Investment in: A diversified mixture of mostly growth assets.

Style: Multi manager, active.

Performance objective: Real returns of 5% pa after investment fees and taxes, aiming to outperform returns on shares in the long-term.

Expected outcome: Positive returns expected in 4 out of 5 years.

INVESTOR PROFILE

You want to see your investments grow at a rate significantly ahead of inflation.

You understand that this may mean you see the value of your investments rise and fall from year to year.

Generally, your investment time horizon is at least 10 years.

INVESTMENT MIX

	Benchmark (%)	Allowable range (%)
Defensive assets	10	
Cash	1	0-20
Fixed interest	9	0-25
Alternative assets	0	0-25
Growth assets	90	
Property	8	0-25
Australian shares	40	0-50
International shares	27	20-100
Alternative assets	15	0-50

INVESTMENT RETURNS

For the year ending 31 Dec

2006:	17.5%	2002:	-4.3%
2005:	17.4%	2001:	5.1%
2004:	15.1%	2000:	10.2%
2003:	12.0%		

For periods ending 31 Dec 2006

3 year average: 16.7% pa
5 year average: 11.2% pa

INVESTMENT FEE

Estimated base fee: 0.59% pa
Estimated performance fee: 0% to 0.24% pa

Buy/sell spread: Nil

Sunsuper All Shares

INVESTMENT OBJECTIVES

Investment in: A mixture of Australian and international shares.

Style: Multi manager, active.

Performance objective: Real returns of 5% pa after investment fees and taxes.

Expected outcome: Positive returns expected in 3 out of 4 years.

INVESTOR PROFILE

You want high returns over the long term, substantially ahead of inflation.

You are willing to accept high levels of risk, including falls in the value of your investment from year to year.

Generally, your investment time horizon is at least 9 to 12 years.

INVESTMENT MIX

	Benchmark (%)	Allowable range (%)
Defensive assets	0	
Cash	0	0-20
Fixed interest	0	0-20
Growth assets	100	
Australian shares	50	25-75
International shares	50	25-75

INVESTMENT RETURNS

For the year ending 31 Dec

2006:	16.2%
2005:	18.9%
2004:	17.1%
2003:	7.1%

For periods ending 31 Dec 2006

3 year average: 17.4% pa

This option commenced in October 2002.

INVESTMENT FEE

Estimated base fee: 0.50% pa
Estimated performance fee: 0% to 0.16% pa

Buy/sell spread: Nil

Important investment information

Important information about the Sunsuper options

The expected real returns and positive return expectations shown in the Investment Objectives are based on calculations collectively performed by Russell Investment Group ABN 92 003 066 859 and Sovereign Investment Management ABN 51 093 380 477.

A real return indicates the investment return of an investment option after it has been adjusted for inflation. Expected real returns shown are based on a financial model that compares values between different asset classes. They assume an inflation rate of 2.5%. Expected real returns are after paying investment fees and taxes. They are estimates only, not actual returns, and are not a guarantee of future performance.

The positive return expectations are a modelled average based on Sunsuper's portfolios and using expectations collectively determined by Sunsuper's asset consultants, Russell Investment Group and Sovereign Investment Management.

The expectations also test the incidence of negative returns over rolling one-year periods. These expectations are long-term averages and do not guarantee that a negative return will occur exactly as described.

Currency hedging

Fluctuations in currency can have a significant impact (both positive and negative) on international investments. Hedging an investment portfolio is a way of protecting investors from the effects of these currency fluctuations.

An investment or asset class can be either fully hedged, partially hedged or unhedged.

A fully hedged portfolio is one where all of the portfolio is protected from the effects of currency exchange rates. An unhedged portfolio is not protected from the effects of currency exchange rates while a partially hedged portfolio is partly protected from the effects of currency exchange rates.

Sunsuper has developed a policy, which may be modified in the future, with respect to the hedging of currency for each of the Sunsuper investment options outlined in this guide.

Sunsuper aims to fully hedge (that is, the impact of currency fluctuations are virtually eliminated) the currency exposure from all international fixed interest investments.

Sunsuper varies the strategic level of foreign currency hedging in its investment options with international shares investments. An appropriate hedge is set for each option, taking into account its specific circumstances, asset allocation and risk and return characteristics. Active managers can also vary the level of hedging as a tactical decision to take advantage of expected currency movements.

Can investment options change?

We may add new investment options, close existing investment options or alter any investment option from time to time. We will notify you of any significant change.

If we close an investment option, we will move your account balance in the closed investment option to another investment option we deem to be an appropriate substitute. You will be given the choice (if possible, before the investment option is closed) to select another investment option.

How does Sunsuper use derivatives?

Sunsuper's policy is to allow our investment managers to use derivatives, such as futures, options and swaps, to achieve their investment objectives, particularly for the purpose of managing risk. However, the managers must operate within specific investment guidelines. Our investment managers who invest in derivatives must adopt a Risk Management Statement that is acceptable to Sunsuper. This statement sets out the use of derivatives and the controls in place to protect against improper use of derivatives.

Is your investment guaranteed?

The movement in unit prices, the repayment of capital and the performance of any investment option outlined in this guide are not guaranteed. Investing in a specific investment option does not give any entitlement to the assets underlying that investment option.

What about 'socially responsible' investments?

For the options in this guide, Sunsuper doesn't specifically take into account labour standards or environmental, social or ethical considerations in making investment decisions.

Important investment information (continued)

What is a unit price?

When you invest in an investment option, you buy 'units' in that option. Each unit has a dollar value or 'unit price'. The number of units you buy is equal to the amount you invest (less contributions tax if applicable) divided by the unit price.

When an amount is withdrawn from an investment option, you sell 'units' in that investment option. The number of units you sell is equal to the amount to be withdrawn divided by the unit price.

How and when is a unit price calculated?

Unit prices are generally calculated for each business day for each investment option based on the latest available value of net assets in each option at the close of business for that day. The unit price for a specific business day is normally calculated on the next business day.

To determine the unit price of an investment option, we calculate the total value of the option's assets minus its liabilities, divided by the number of units held by investors in that option. The unit prices include allowances for tax on investment earnings and investment fees (including performance fees where applicable).

How can you calculate your account balance?

Your account balance is calculated by multiplying the number of units you have in each investment option by the unit price for each option. As the unit prices are calculated on a daily basis, the value of your account may change daily.

How can you review unit prices?

Historical unit prices are available at www.sunsuper.com.au.

The unit price for a specific business day will normally display online two business days later.

When are transactions processed?

Contributions

Contributions received by mail or in person at our Brisbane office, or from employers through our online system, by 3pm Brisbane time on a business day will be processed using the unit price for that day. Contributions received after this time will be processed using the unit price for the next business day.

Contributions received through online banking systems on a business day will be processed using the unit price for that day.

Contributions tax, where applicable, is deducted from your contribution prior to the purchase of units in your selected investment option(s).

Switches

Switch requests received by mail or in person at our Brisbane office, or through our online system, by 3pm Brisbane time on a business day will be processed using the unit price for that day. Requests received after this time will be processed using the unit price for the next business day.

A switch involves the selling of units in one investment option and using these proceeds to purchase units in one or more other investment option(s). Your units are sold at the exit unit price and the new units are purchased at the entry unit price (see *What is a buy/sell spread?* on page 34). These two transactions are completed on the same business day.

While we do not normally limit the number of switches you may make, we do monitor accounts for frequent switching activity. Frequent switching between investment options can have adverse effects on the Fund and its members. If we determine that you are switching excessively, we reserve the right to limit the number of switches you can make.

Benefit payments

Benefit payment requests will be processed using the last available unit price for the day we finalise the processing of your request. The processing of benefit payments can be a lengthy process to complete in view of the level of information required and our dependency on external parties, including employers. Given the time required to process benefit payment requests, and the possibility that your investment value may fluctuate during the processing period, you may choose to switch your investment (e.g. to a more stable option like cash) prior to submitting your benefit payment request.

Exceptions

The processing and pricing of contributions, switches and benefit payments may be delayed if we do not receive all the information required to process the transaction, or if we do not receive payment of your contribution.

If for any reason we can't allocate a contribution to an account, including if we can't get all the information we need, we will need to return it. Only the contribution amount we receive will be returned to whoever it was received

from. Any interest earned on the contribution before it was returned will be held in the Fund's reserves for the benefit of members.

We reserve the right to temporarily suspend the processing of member transactions and the calculation of unit prices if we have permission from a regulator, if we are required to by law or on the occurrence of an extraordinary event. An extraordinary event is any significant adverse event that we deem will impact some or all members and may include the suspension of normal trading on any exchange on which securities or derivatives held by an investment option are traded.

To confirm any transactions involving your account, go to our website at www.sunsuper.com.au or call us on 13 11 84.

How are member costs paid?

Insurance premiums and administration fees are deducted from your account by reducing the number of units you hold using the last available unit price.

Administration fees are normally deducted weekly and insurance premiums are normally deducted monthly.

Standard insurance cover is insurance provided automatically to eligible members without the need for health evidence.

You can take advantage of additional low-cost Death, TPD and Income Protection insurance.

You can apply for increased Death and TPD cover up to \$2,000,000 or Death only cover up to \$5,000,000. The Trustee reserves the right to limit the amount of additional cover provided. Any increased cover is subject to acceptance by the insurer. This low-cost cover will keep you protected 24 hours per day, seven days a week. You can also apply for Income Protection cover to provide you with income if you cannot work due to illness or injury for a period of up to 2 years.

Your insurance

Standard insurance cover

Sunsuper Solutions automatically provides eligible members standard insurance cover for:

- Death; and
- Total and Permanent Disability (TPD).

There are a number of different definitions of TPD, as outlined on page 27. The definition to apply to any TPD claim is determined by your employment status at the time you become disabled.

The policy also has Terminal Illness cover which is an amount equivalent to Death cover up to \$2 million.

You benefit from accessing insurance through Sunsuper Solutions by:

- being automatically accepted for standard insurance up to a specified level of cover without having to complete a health questionnaire or undergo a medical examination;
- receiving premium rates that are generally lower than rates you could get privately;

- automatically continuing your Death and TPD cover when you leave your employer.

Insurance cover is provided through a group life policy issued by Suncorp Life and Superannuation Limited ABN 87 073 979 530 to the Trustee of the Sunsuper Superannuation Fund.

In the event of a dispute the policy will override this document.

Automatic standard insurance cover

The table on page 24 outlines the standard insurance cover automatically provided to eligible Sunsuper members.

If you already have automatic standard insurance cover with another super fund, as a result of superannuation contributions from your current employer, and then join Sunsuper, you will not be eligible to claim on the automatic standard insurance cover with Sunsuper where all of the following circumstances apply:

- your death or TPD occurs within 13 months of the date you join Sunsuper;

- you remain entitled to automatic standard insurance cover with another super fund at the date of your death or TPD; and
- your death or TPD results from either a pre-existing condition or illness¹, suicide, attempted suicide or intentional self-inflicted injury.
- you are 'actively employed' by a Sunsuper participating employer at the date cover commences. This means you must be performing your normal paid duties for this employer and they must be making superannuation contributions to Sunsuper on your behalf.

If you have automatic standard insurance cover with Sunsuper, and decide to choose another fund for your future employer contributions, your Sunsuper insurance cover will continue until one of the events occurs that are listed under *When does standard insurance cover stop?* on page 25.

If you change employers or your super fund, you need to assess the impact of any changes to your insurance cover.

Who is eligible?

You are eligible for automatic standard insurance cover if:

- you are between age 15 and 70 (TPD cover is not available from age 65), and

You are not eligible for automatic standard insurance cover if:

- you have previously received a TPD benefit from Sunsuper or any other fund, or
- you have previously cancelled Sunsuper's standard insurance cover.

If you are not eligible for automatic standard insurance cover, you can apply for insurance cover by ticking the box on the *Membership application* form to receive our *Insurance guide*. This application will be subject to acceptance by the insurer (satisfactory evidence of health will be required).

Different insurance cover for different employers

Some employers have arranged insurance cover with Sunsuper for their employees, which is different from the insurance cover outlined here. If this affects you, your employer will provide you with an *Insurance benefits information* sheet detailing the specific insurance cover details. We will also confirm these insurance arrangements when we send you a *welcome letter*.



¹ A pre-existing condition or illness means a mental or physical condition or an illness that you suffered from and:

- you were aware of, or could reasonably have been expected to be aware of; or
 - you received medical treatment for or sought medical advice about;
- at any time during the 12 months before your standard insurance cover commenced with Sunsuper.

Your insurance (continued)

What is the standard insurance cover?

The amount of standard insurance cover you receive depends on your age and gender and will decrease as you get older. Death cover ends when you turn 70 and TPD cover ends at age 65.

How much is the premium for standard insurance cover and when is it paid?

- Death and TPD cover is \$3 per week;
- Death only cover is \$1.50 per week.

Premiums are normally deducted from your account each month.

When does standard insurance cover start?

If you are eligible for standard insurance cover, your insurance will normally start from the date you join a Sunsuper participating employer. If insufficient employment information is provided to Sunsuper when you become a member of the Fund, the insurance start date will be the date you are enrolled as a member.

Premiums must begin being paid within four months of the start date.

Under *Choice of Fund* legislation, the date you choose a super fund can vary significantly from the date you start work with an employer who pays superannuation contributions on your behalf. If you do not choose Sunsuper when first eligible to do so, the insurance start date will be the date you are enrolled as a Sunsuper member (assuming you are eligible for Sunsuper standard insurance).

If you are not eligible for automatic standard insurance cover, the insurance start date will be the date you are accepted by the insurer.

Death and TPD premium \$3.00 per week

Death only premium \$1.50 per week

Age last birthday	Cover (male)	Cover (female)	Age last birthday	Cover (male)	Cover (female)	Age last birthday	Cover (male)	Cover (female)
Up to 30	120,000	228,000	44	60,250	71,250	58	13,250	15,500
31	119,000	214,500	45	57,250	67,500	59	11,250	13,250
32	113,000	181,000	46	54,000	63,500	60	10,250	12,000
33	106,500	149,250	47	50,500	59,750	61	9,250	11,000
34	103,750	135,000	48	47,250	55,750	62	9,000	10,750
35	101,000	121,000	49	43,750	51,500	63	8,750	10,500
36	97,750	117,250	50	40,000	47,250	64	7,750	9,500
37	94,500	111,500	51	32,500	38,500	65*	7,250	9,250
38	92,000	108,500	52	30,750	36,250	66*	6,750	8,750
39	89,250	105,250	53	29,000	34,000	67*	6,250	8,250
40	84,750	100,000	54	24,000	28,500	68*	5,750	7,750
41	78,500	92,500	55	21,250	25,000	69*	5,500	7,000
42	72,000	84,750	56	18,250	21,500			
43	65,250	77,000	57	15,250	18,000			

* Death only cover applies from age 65 onwards.

When does standard insurance cover stop?

Standard insurance cover will stop when:

- you cancel it;
- you turn 70 years of age for Death cover;
- you turn 65 years of age for TPD cover;
- you die;
- you receive a TPD benefit equal to the amount of your sum insured for death;
- you start active duty in the armed forces;
- you commence residence in an overseas country that is not acceptable to the insurer (see page 26);
- your temporary residence in an overseas country agreeable to the insurer exceeds two years (see page 26);
- you withdraw all monies from Sunsuper;
- the policy issued to the Trustee is cancelled or terminated for any reason;
- you are working on a 457 visa and your visa expires;
- you permanently leave the country;

- your account balance is low and inactive (normally this will be when your balance is less than \$1,000 and employer contributions have not been received for 12 months). Where we have a valid address, we will write to you in the ninth month advising the date that your cover will stop. To avoid your cover stopping in this way, you should maintain your account balance above \$1,000 or ensure regular employer contributions are paid into your account;
- the premium is due and there is not enough money in your super account to pay the premium and it remains unpaid for four months.

Can you reduce or cancel standard insurance cover?

If you don't want standard insurance cover, you need to advise us in writing or by calling 13 11 84. The cancellation will be effective from the date your instruction is received. Members can reduce their standard cover by reducing the standard weekly premium in fifty cent increments, with a minimum of \$1 Death only or \$1 Death and TPD.

Can your standard insurance cover re-start?

Where standard insurance cover has stopped because:

- your account balance is low and inactive, and/or
- there is non-payment of premiums (as set out in the paragraph *When does standard insurance cover stop?*), or
- you ceased work with a Sunsuper employer before 31 December 2005,

then the receipt of an employer super contribution will re-start standard insurance cover only from the date of receipt of the contribution.

If you cancelled your standard insurance cover, then evidence of health satisfactory to the insurer will be required before cover can re-start from the date advised by the insurer.

Your insurance (continued)

What happens during unpaid or parental leave?

Death and TPD cover will continue. During the first 12 months of leave, the TPD definition that will generally apply will be the definition that applied while you were working.

If your period of leave continues past 12 months your cover will continue. However, the TPD definition that will generally apply will be as if you have been working less than 15 hours per week on average (see definition A2 on page 27).

You should advise us in writing of the details of your unpaid leave prior to commencing leave, so we can assess any impact on your insurance cover.

Premiums will continue to be deducted from your account during the period of leave. You need to ensure you have enough money in your account during the period of leave to pay your premiums.

Where you temporarily reside overseas during a period of unpaid leave, your cover will continue as described above provided the country of your temporary residence is acceptable to the insurer.

What happens if you travel overseas on paid leave?

Where you travel overseas while on paid leave (annual leave, long service leave) from

your Australian-based employer, your cover continues with no travel restrictions. Premiums will continue to be deducted from your account during the period of leave.

What happens if you temporarily reside overseas?

You can continue your Death and TPD cover, for up to 2 years, while temporarily residing overseas while:

- you remain in the active employ of your Australian-based employer, or
- you are unemployed.

The country of temporary residence must be acceptable to our insurer. You should advise us of details of your overseas residency, if you are going to a country which is not on the *Acceptable countries list*. The list and a fact sheet are available at www.sunsuper.com.au.

The TPD definition used in the event of a claim will depend on your employment status at the time of becoming disabled.

What happens if you leave your employer?

Your existing Death and TPD insurance cover will continue when you leave a Sunsuper employer. Premiums will continue to be deducted from your account balance.

You must let us know if you wish to cancel your Death and TPD insurance cover.

What benefit is paid out if you die or become TPD?

Your Death benefit is the amount of your account balance plus the total amount of your Death cover. Your TPD benefit is the amount of your account balance plus the total amount of your TPD cover.

Any Death or TPD benefit is subject to acceptance of the claim by the insurer.

In limited circumstances you will not be eligible to claim on the automatic standard insurance cover with Sunsuper. See page 22 for details.

In the event of your death, your Death benefit may be paid to your nominated beneficiary(s) (subject to the Trustee's discretion).

What happens if you are employed under the terms of a Class 457 visa?

Employees of a participating employer employed under the terms of a Class 457 visa are eligible for automatic standard insurance cover. Normal automatic acceptance rules apply. In addition to the conditions on page 25, cover will stop on the date the visa expires or the date you permanently exit the country,

whichever is the earlier. Cover is not available for employees employed under the terms of a student or other working visa class.

What happens if you have a terminal illness?

Subject to acceptance by the insurer, your account may be paid a terminal illness benefit. This will be paid to you subject to preservation rules. The benefit paid is the amount of your account balance plus the Death cover (up to a maximum of \$2 million). The remaining amount of Death cover (if any) is then the total Death cover less the amount paid on terminal illness.

What is the definition of Total and Permanent Disablement/ Disability (TPD)?

If you are insured for TPD, the definition of TPD as defined in the insurance policy varies depending on your employment status at the time of becoming disabled.

A. If you are employed

If you are in active employment, TPD means:

A1. *Where, at the date disablement occurred, you were employed 15 hours or more per week (averaged over the 13 week period immediately prior to the date of disablement):*

Definition of TPD is based on your employment status (at time of becoming disabled)

A. Employed		B. Not employed	
Employed 15 or more hours per week	Employed less than 15 hours per week	Not employed, but doing unpaid domestic duties in own residence	Your situation does not fall into any of the previous categories
Definition A1 or C	Definition A2 or C	Definition B1 or C	Definition B2 or C

See page 26 for definitions of TPD that apply during unpaid or parental leave.

- | | |
|---|--|
| <p>(i) you are unable to perform your occupational duties based on the work performed at the time of disablement by reason of an injury or sickness for a period of six consecutive months as a result of the injury or sickness, and</p> <p>(ii) the insurer, after considering all relevant evidence which is reasonably available, then determines that it is unlikely that you will ever again be able to be gainfully employed in your usual occupation, or any other occupation for which you are reasonably suited by education, training or experience,</p> | <p>(i) you are unable to perform your occupational duties based on the work performed at the time of disablement by reason of an injury or sickness for a period of six consecutive months as a result of the injury or sickness, and</p> <p>(ii) the insurer, after considering all relevant evidence, which is reasonably available, then determines that it is unlikely that you will ever again be able to be engaged in any gainful occupation.</p> |
|---|--|

If you have been employed for less than 13 weeks at the date of disablement, then your employment status will be confirmed with your employer. This will be based on your average hours of work per week over your period of employment immediately prior to the date of disablement.

Your insurance (continued)

B. If you are not employed

If you are not employed, TPD means:

B1. Where, at the date

disablement occurred, you were engaged in unpaid domestic duties in your own residence:

- (i) you are under the care of a medical practitioner, and
- (ii) you are unable to perform domestic duties based on the work performed at the time of the disablement as a result of an injury or sickness and you have not engaged in or worked for reward in any occupation for a period of six consecutive months after the occurrence of the injury or sickness, and

(iii) the insurer, after considering all relevant evidence which is reasonably available, then determines that it is unlikely that you will ever again perform your normal domestic duties or will ever again be able to engage in any gainful occupation,

or,

B2. Where, at the date disablement occurred, if your situation does not fall within definitions A1, A2 or B1:

- (i) you are under the care of a medical practitioner, and

(ii) as a result of injury or illness, you become permanently unable to perform the basic activities normally undertaken as part of everyday life. Being unable to undertake any two of the activities listed below will provide evidence of this:

- Bathing - to shower or bathe
- Dressing - to dress and undress
- Using the toilet - including getting on and off
- Feeding - to eat and drink
- Mobility - to get out of bed/ chair or wheelchair
- Continence - to control bladder and bowel function.

C. Regardless of your employment status (either employed or not employed)

Irrespective of whether you were employed or not employed at the date disablement occurred, TPD means you suffer the total and irrecoverable loss of use of:

- two (2) limbs; or
- the sight of both eyes; or
- one (1) limb together with the sight of one (1) eye;

where "limb" means the whole foot or hand.

Additional insurance cover

It's important to review your insurance needs and check whether standard insurance cover is enough. For help in working out how much insurance you need, get a copy of our *Insurance guide*, work through the insurance calculator on our website, or to speak with a Member Advice Specialist call 13 11 84.

Members can apply for Income Protection cover and additional Death and TPD cover as noted on page 22. Any application for additional insurance is subject to acceptance by the insurer. Satisfactory evidence of health will be required.

To be eligible for Income Protection, you need to be permanently employed, between age 15 and 65 and working an average of 15 or more hours per week.

Because of our size, we can negotiate very competitive rates with our insurer. In fact, we think you'll find our rates are much lower than those you could get for yourself if you tried to buy insurance cover privately. Access to these rates is another great benefit of being with Sunsuper.

For example:

Denise is 30 years of age when she joins Sunsuper and female. She is eligible for standard insurance cover.

Standard Insurance

Cover: \$228,000
Cost: \$3 per week

Denise applies for additional Death and TPD cover of \$200,000 (total cover of \$428,000). She advises in her application that she works in a clerical office job. She is in good health and the insurer accepts her application for cover.

Total Insurance

Cover: \$428,000
Total Cost: \$2.89 per week

The factors which determine the cost you will pay for your additional insurance cover are:

- your gender
- your health
- your occupation
- your age
- the amount and basis of cover.

If additional cover is approved, the premium rate previously applied to your standard insurance cover no longer applies and your total cover will convert to a premium based on your occupation classification.

Full details of the additional insurance, including cost, are included in our *Insurance guide*.

How to apply

It's simple. Just tick the box on your *Membership application* form and we'll send you our *Insurance guide*. It contains all the information and forms you will need.



Fees and other costs

Consumer advisory warning

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 fee calculator to help you check out different fee options.

Please note that Sunsuper does not negotiate fees and costs with members.

Fees and other costs

This section shows fees and other costs that you may be charged. These fees and costs may be deducted from your money, from the returns on your investment, or from the fund assets as a whole.

Taxes and insurance costs are set out on pages 24 and 41.

You should read all the information about fees and costs because it is important to understand their impact on your investment.

Fees and costs for each investment option are set out on page 33.

Type of fee or cost	Amount	How and when paid
Fees when your money moves in or out of the Fund		
<i>Establishment fee</i> The fee to open your investment	Nil	n/a
<i>Contribution fee</i> The fee on each amount contributed to your investment - either by you or your employer	Nil	n/a
<i>Withdrawal fee</i> The fee on each amount you take out of your investment	\$40	Deducted from your account balance when you make a partial withdrawal, and from your final withdrawal amount.
<i>Termination fee</i> The fee to close your investment	Nil	n/a

Management costs		
<p>The fees and costs for managing your investment</p> <p>The amount you pay for specific investment options is shown on page 33</p>	<p>For the Sunsuper Balanced investment option:</p> <ul style="list-style-type: none"> • \$1.30 per week administration fee, plus • estimated investment base fee of 0.49% pa of your account balance, plus • estimated investment performance fee of between 0% pa and 0.24% pa of your account balance. <p>For Sunsuper's other investment options outlined in this guide:</p> <ul style="list-style-type: none"> • \$1.30 per week administration fee, plus • estimated investment base fee of between 0.30% pa and 0.59% pa of your account balance, plus • estimated investment performance fee of between 0% pa and 0.24% pa of your account balance. 	<p>Administration fees are deducted from your account balance weekly.</p> <p>Investment fees are deducted daily from the investment option prior to the calculation of daily unit prices.</p>

Service fees¹		
<i>Investment switching fee</i> The fee for changing investment options	Nil	n/a

¹ Other service fees are outlined in the 'Additional explanation of fees and costs' on page 34.

Fees and other costs

(continued)

Additional explanation of fees and costs

All superannuation funds incur investment fees to cover the costs of investing and managing investments for their members. In line with our profit for members philosophy, Sunsuper does not profit from investment fees.

Investment costs can be divided into four broad areas:

1. Costs incurred by Sunsuper to administer the investments.

This includes the cost of custody, consulting, legal, taxation, compliance and Sunsuper's internal costs of implementing, managing and monitoring investments.

2. Costs of external investment management

– being investment fees paid by Sunsuper to investment managers directly appointed by us and investment costs of the investment products in which Sunsuper directly invests.

Typically, the investment costs of the investment products are deducted from the product earnings. If members invested directly in the investment products, these investment costs would be incurred by members.

With over \$12 billion in assets, we are able to negotiate exceptionally competitive investment fees and costs.

3. Underlying costs of external investment management

– being investment costs incurred by investment managers or investment products in appointing underlying investment managers or investing in underlying investment products. The amount of these costs is often difficult to know, or properly assess.

4. Transaction related costs.

These costs include items such as brokerage and stamp duty.

The estimated base and performance fees shown in the investment panels on pages 16 to 17 include:

- All costs incurred by Sunsuper to internally administer the investments (item 1),
- All costs of external investment management under item 2,
- Underlying costs of external investment management where the underlying investments are Australian shares, International shares, property, fixed interest or cash (part of item 3).

The estimated base and performance fees shown in the investment panels on pages 16 to 17 do **not** include:

- Underlying costs of external investment management where the underlying investments are alternative investment products including private equity funds, hedge funds, infrastructure funds and opportunistic property funds (part of item 3),
- Transaction related costs (item 4).

The estimated fees shown in the investment panels on pages 16 to 17 are our best estimates of the investment fees for 2007/2008, based on recent experience and our current expectations for ongoing investment costs. The unit prices (refer to page 20) include an allowance for investment fees.

We report the investment fee in two components, the base fee and the performance fee. The 'Management cost' section of the 'Fees and other costs' table includes investment performance fees. Performance fees are difficult to predict because the level of out-performance by the managers is difficult to predict. The performance fee may exceed the estimated ranges if managers produce exceptional performance.

Investment option	Investment fee	Estimated fee % pa	Per \$50,000 invested
Sunsuper Conservative	Base fee	0.30	\$150
	Performance fee	0 to 0.20	\$0-\$100
Sunsuper Moderate	Base fee	0.35	\$175
	Performance fee	0 to 0.21	\$0-\$105
Sunsuper Balanced	Base fee	0.49	\$245
	Performance fee	0 to 0.24	\$0-\$120
Sunsuper Growth	Base fee	0.59	\$295
	Performance fee	0 to 0.24	\$0-\$120
Sunsuper All Shares	Base fee	0.50	\$250
	Performance fee	0 to 0.16	\$0-\$80

We monitor the ongoing investment costs and for each investment option the investment fees deducted will not be more than the actual investment costs incurred but may differ from our estimates, for example, due to changes in the investment manager mix or investment manager fees.

The estimated fees are also illustrated as a dollar amount per \$50,000 invested. These investment fees do not include the administration fee detailed on the previous page.

Each year we will let you know in the *Annual Report* what the estimated fees for the upcoming year are. We will also let you know what the actual base fee and performance fee has been for the previous financial year.

Performance fees

The normal approach to investment fees has been a fixed asset-based fee – for example 0.5% pa on the money placed with the investment manager, regardless of performance. Sunsuper believes this approach does not always motivate investment managers to do their best for members, because the investment managers get the same fee whether they perform well or poorly.

When Sunsuper pays a performance fee, the investment manager is paid a lower base fee and an additional performance fee if it outperforms a set return objective. A manager could be paid a performance fee for beating a market index by a specified margin or for exceeding a certain rate of return. For example, instead of paying an Australian shares investment manager a fixed asset-based fee of 0.4% of assets, we might pay a base fee of 0.2% of assets plus 10% of any return the manager gets in excess of a market index (e.g. for Australian shares a market index is the S&P/ASX 200 index).

Fees and other costs

(continued)

Service fees

Sunsuper charges for the following extra services we can provide:

- **Adviser service fee**
 - At Sunsuper there are no adviser fees built into the management costs on page 31 because Sunsuper does not pay commissions to advisers. However, if you receive advice from a Sunsuper Financial Services financial planner, Sunsuper Financial Services will charge you a fee. This fee varies depending on the type of advice, but you will be told the fee when you receive the advice. If you receive advice about your Sunsuper investments, the fee can even be deducted from your account balance.
- **Family law legislation fees**
 - Sunsuper will charge reasonable fees for things we are required to do in relation to family law legislation. These fees currently range between \$45 and \$135, depending on the nature of the work.

Tax deduction for administration fees and insurance premiums

Sunsuper receives a tax deduction for your administration fees and insurance premiums. This tax deduction is passed on to you normally as a reduction to any contributions tax payable on employer contributions.

Taxes and insurance costs

Details are set out on page 24 and 41.

Member benefit protection (MBP) of small account balances

If your account balance is less than \$1,000, Sunsuper protects your interests by making sure administration fees do not exceed your investment returns. The MBP amount is calculated annually and on leaving Sunsuper. This MBP amount is added back into your account balance to cover any administration fees in excess of your investment return. However, tax, investment fees and insurance premiums paid by Sunsuper are still deducted. (Note: the law allows minimum fees (up to \$10) to be charged when low or negative returns apply.)

Negotiability of fees

We work hard to keep our fees low. Because we don't make a profit from our fees, Sunsuper's fees and costs are not negotiable.

Changes to fees and costs

Sunsuper has the right to change fees and costs. We will let you know in our *Annual Report* what the actual investment fees have been. For other fees, we will let you know at least 30 days beforehand if we plan to alter fees.

What is a buy/sell spread?

Investment options have an entry unit price and an exit unit price. When money is invested in an investment option, the entry unit price is used to buy units in the investment option. When money is withdrawn from an investment option, the exit unit price is used.

The difference between the entry and exit unit prices is called a buy/sell spread. The buy/sell spread is the cost charged by some investment managers for transaction costs in buying and selling the underlying assets of the investment option. For some of the investment options, this cost is passed on to you.

We do not add a margin to the buy/sell spreads charged by the investment managers.

The buy/sell spread at 1 July 2007 for the five options detailed in this guide is nil, but a buy/sell spread does apply to some options detailed in the *Investment guide*.

The buy/sell spread for each investment option may vary from time to time to reflect the buy/sell spread charged by the relevant investment managers. We will let you know the latest buy/sell spreads each year in our *Annual Report*.

Example of annual fees and costs for the Sunsuper Balanced option

This table gives you an example of how the fees and costs in the Sunsuper Balanced investment option can affect your superannuation investment over a 1 year period. You should use this table to compare with other superannuation products.

The management costs shown in this example are the actual management costs for the year ended 30 June 2006. Remember, this is an example and the actual fee charged in any year may be different.

	EXAMPLE - the Sunsuper Balanced investment option, based on actual fees for 2005-06	Balance of \$50,000 with total contributions of \$5,000 during the year
Contribution fees	\$0	\$0
PLUS Management costs	0.58% pa (being 0.45% pa investment base fee + 0.13% pa investment performance fee) plus \$67.60 (\$1.30 per week)	For every \$50,000 you have in the Fund you will be charged: <ul style="list-style-type: none"> • investment base fees of \$225, plus • investment performance fees of \$65, plus Administration fee of \$67.60, regardless of your account balance.
EQUALS Cost of fund		If you put in \$5,000 during a year and your balance was \$50,000, for that year you will be charged fees of: \$357.60. ¹ The actual cost to you will depend on the investment option you choose and the performance of that option.

¹ Additional fees may apply. If you make a withdrawal from your account, a withdrawal fee of \$40 will be deducted.

Joining and contributing

Becoming a member

Sunsuper Solutions is a product of the Sunsuper Superannuation Fund. If you are not already a Sunsuper member, to join Sunsuper Solutions you need to work for an employer who agrees to register with Sunsuper as a participating employer. Registering with Sunsuper is an easy process: call us on 13 11 84 to find out how.

If you are self-employed or work for an employer who does not wish to register with Sunsuper, you can join Sunsuper Personal and enjoy many of the same features.

It is important we get complete and accurate information from you. We need:

- full name (first and last names)
- Tax File Number (TFN)
- gender (male or female)
- date of birth
- address, and
- date you began employment with your employer.

Completing and returning the *Membership application* form in the back of this guide is the easiest way for you to give us the information we need.

When we have the required details and your application is accepted, you will become a member of Sunsuper.

If for any reason we can't allocate a contribution to an account, including if we can't get all the information we need, we will need to return it. Only the contribution amount we received will be returned to whoever it was received from. Any interest earned on the contribution before it was returned will be held in the Fund's reserves for the benefit of members.

Accessing your member details

Once you become a member, we will send you a *welcome letter*, which includes:

- your membership card
- an *Insurance guide* if you requested additional cover
- an *Investment guide* if you requested access to our full range of investment options
- our latest *Annual Report* and investment magazine *On the spot*
- a copy of our privacy policy.

Making your super grow

As we've explained earlier, your super is subject to investment returns. But, apart from that, there are three main ways money can come into your super account.

1. Employer contributions

Under current legislation, your employer is required to pay an amount equal to 9% of your base earnings into your super account up to age 70. This requirement is known as the Superannuation Guarantee (SG). Employers who do not make these payments have to pay a fine known as the Superannuation Guarantee Charge (SGC) to the Australian Taxation Office.

2. Combining your existing super funds

If you have more than one super account, combining (or rolling over) all of your super may save you money, reduce your paperwork and allow you to focus on one investment strategy. Just complete a *Super transfer* form, return it to us along with an appropriately certified copy of your identification, and we'll do the rest. You can get a copy of the *Super transfer* form by visiting our website or calling us on 13 11 84.

3. As an individual – voluntary contributions

You might want to increase the amount you invest in super by making your own contributions.

There are two types of voluntary contributions: salary sacrifice and after-tax contributions. Each is treated differently for tax purposes.

Salary sacrifice means you 'sacrifice' part of your before-tax (gross) salary as a super contribution. For more details on salary sacrifice, speak to your employer or download the factsheet from our website.

After-tax contributions are those made to your super fund from your after-tax (net) salary on a regular or one-off basis.

Contribution caps

There are caps on the amount of contributions you and your employer can make into your account each year.

Employer contributions

Employers and the self-employed can claim a full deduction for all super contributions (including salary sacrifice contributions) provided the employee is under age 75. Contributions up to a cap of \$50,000 will be taxed at 15%. Contributions above the cap will be taxed at 46.5% (includes Medicare levy of 1.5%). This cap will be indexed to AWOTE

(Average Weekly Ordinary Time Earnings) and the actual increase will only occur in increments of \$5,000. However during the years of 2007/2008 to 2011/2012, for people aged 50 and over, there is a transitional arrangement that allows contributions up to \$100,000 per year.

You should take this into account when deciding how much of your pay to salary sacrifice into super.

Voluntary after-tax contributions

The amount of 'after-tax' money you can pay into super will be capped at \$150,000 pa. To be eligible to make an after-tax contribution you must be under age 65. If you are between 65 and 74 you need to meet a 'work test' in the financial year in which you contribute. (See page 41 for more details.) This cap will always be three times the annual limit for employer contributions. (\$50,000 for 2007/2008)

If you are under age 65, the \$150,000 limit can be averaged over three years to make a larger one-off payment of up to \$450,000.

Your super fund may be unable to accept contributions exceeding the limit. If you pay more than the allowable limit then excess contributions will be taxed at 46.5%.

Lost your super?

It's estimated there is nearly \$8 billion in lost super 'out there'.

If you have lost super, your details may be recorded on the ATO's Lost Member Register which you can access by either visiting the ATO's website at www.ato.gov.au/super or calling the ATO on 13 10 20. You can conduct your own search by contacting the ATO 'SuperSeeker' service direct. You will need to provide your date of birth and Tax File Number.

The Australian Taxation Office has developed 'SuperMatch' to help funds put members back in touch with their lost super.

Sunsuper intends to use the Super matching services provided by the ATO and AUSfund (see page 46) to search the lost member registers on your behalf and we will contact you if we find any of your super. Providing us with your Tax File Number will help us search more thoroughly. If you don't want us to search on your behalf please call 13 11 84.

Joining and contributing (continued)

How to make voluntary contributions

There are 4 main ways to make your own contributions to Sunsuper:

1. Payroll deduction – ask your employer if they can arrange for you to have an amount deducted from your salary, which is forwarded to Sunsuper together with your employer contributions. This deduction may be on either a salary sacrifice basis or an after-tax basis.
2. Direct debit deposit – arrange to have a regular amount directly debited from your bank or credit union account each month. The *Direct debit request* form is available on our website or by calling 13 11 84.
3. BPAY® deposit – once you have your membership number, call 13 11 84 to get your biller code and reference number to allow you to BPAY your deposit directly to your Sunsuper account.
4. Cheque deposit – you can make a deposit of any amount by cheque attached to Sunsuper's *Direct voluntary contribution* form available on our website.

Transferring from a UK pension scheme

Sunsuper has recently become a Qualifying Recognised Overseas Pension Scheme (QROPS). If you're an Australian resident you can transfer your United Kingdom (UK) pension saving to Sunsuper and you may not pay any extra UK tax. For more information, download our fact sheet at www.sunsuper.com.au or call 13 11 84.

For your spouse

You can help your spouse or de facto living with you save for their retirement by making contributions to a super fund on their behalf. And, if they earn less than \$13,800 pa, you may even be entitled to a tax offset of up to \$540.

For more details on how to make contributions to your super, call 13 11 84.

Rules for making contributions by member's age

Contribution type	Less than 65 ¹	Over 65 ¹ but under 70	70-75	75 and over
Voluntary after-tax	Members, irrespective of their work status may make personal contributions.	Members may make personal contributions if they have been gainfully employed for at least 40 hours in 30 consecutive days during the current financial year.		Not allowed
Spouse	Can be made at any time, irrespective of the employment status of the receiving spouse.	Can be made if the receiving member has been gainfully employed for at least 40 hours in 30 consecutive days during the current financial year.	Not allowed	Not allowed
Employer	An employer can make the following: Mandated employer contributions (including SG and award contributions), and; Additional employer contributions (i.e. over and above the mandated contributions including salary sacrifice).	An employer can make the following: Mandated employer contributions (including SG and award contributions), and; Additional employer contributions if the receiving member has been gainfully employed for at least 40 hours in 30 consecutive days during the current financial year.	Same as over 65 but under 70 but SG contributions are not payable for those aged 70 and over.	Only mandated contributions required under an industrial award or certified agreement can be made. SG contributions are not payable.

¹ Once you turn 65, if you make a contribution, we'll write to you to confirm your continuing eligibility to make contributions to super.



Tax

Super can be a tax-effective way to build up investments to fund your retirement. Understanding how these taxes work will help you maximise your benefits.

This section gives a brief summary of the way superannuation is currently taxed. If you need further information on the taxation of super, we recommend you talk to a financial planner or tax adviser.

Tax File Numbers

When you join Sunsuper, we ask you to provide us with your Tax File Number (TFN). Your TFN is confidential and you don't have to supply it. However, if you don't supply it, you will pay more tax on both contributions and any benefits and you will not be able to make personal contributions.

We use your TFN only for the purposes allowed by law. Having your TFN makes it easier for us to find you to pay your benefits, to trace benefits that may be held for you in other funds and to receive any Government co-contributions you may be eligible for. We will not give your TFN to any other fund if you advise us in writing that you do not want us to do so.

Also, providing us with your TFN means we have a better chance of locating any lost super for you.

You should also be aware your employer is obligated to pass on your TFN to the fund receiving your employment related super contributions.

If you do not have a TFN, contact the Australian Taxation Office on 13 10 20.

Tax on your super

Type of tax		Tax rate	Details
Employer contributions (concessional) – includes salary sacrifice and personal contributions for which a tax deduction is claimed	If TFN supplied	Up to 15% on gross contribution below the concessional contribution cap (see page 37 for cap amounts)	Contributions above the concessional contribution cap will be taxed at 46.5% ¹ . See page 37 for cap amounts.
	If TFN is not supplied	Up to 15% on gross contribution amount plus an additional 31.5% ¹ on gross contribution amount	If you subsequently supply your TFN the fund may claim a tax offset. This offset may then be passed on to the individual.
Voluntary after-tax contributions (non-concessional)	If TFN supplied	No tax on contributions below the non-concessional contributions cap (see page 37 for cap amounts)	Contributions in excess of the non-concessional contributions cap may not be accepted. If accepted, then the excess contribution will be taxed at 46.5%. ¹
	If TFN is not supplied	Contributions cannot be accepted until TFN supplied	
Investment earnings		Up to 15%	This is usually lower than on most other forms of investment income available to you. The actual rate of tax may even be lower than 15% because Sunsuper can offset tax payable with imputation credits from dividends on shares and other rebates. For each financial year, we ensure that for each option the investment tax deducted is not more than the actual tax incurred.
Payments³	Over 60	All components	Tax free
	55-59 ³	Tax free component	Tax free
		Taxable component	Tax free up to threshold ⁴ Amounts above the threshold taxed at 16.5% ¹
	Under 55 ³	Tax free component	Tax free
Taxable component		Taxed at 21.5% ¹	No tax-free threshold.

1 Includes medicare levy of 1.5%.

2 Does not apply to death benefits.

3 For those born after 1/7/1960, age 55 is replaced with your preservation age (see page 43).

4 Applies to taxed element of the taxable component only. Untaxed element is subject to different rules.

5 Indexed to AWOTE in \$5,000 amounts.

Getting your super

When you retire, your superannuation money may be paid to you in a variety of ways, such as a lump sum, a regular pension payment or a combination of these methods. The money is called a superannuation benefit, regardless of how it is paid.

When benefits are paid

Superannuation is a long-term investment and the Government has placed restrictions on when you can access your super benefits.

Super benefits are generally paid when you retire. They may also be paid in the event of your death, if you suffer total and permanent disability, if you are a temporary resident permanently leaving Australia (strict rules apply: refer to www.ato.gov.au for more details), in cases of severe financial hardship (as defined by Government regulations) or on compassionate grounds (as defined by Government regulations).

You may also receive your benefit before retirement if you:

- have reached your preservation age, and
- take the benefit as a non-commutable income stream.

See the *Pension Options Member guide* for more details.

Government regulations define you as retired if you have:

- retired permanently from work and reached your preservation age (refer to the table on the next page), or
- reached the age of 60 and subsequently changed jobs or are not currently employed, or
- reached the age of 65.

Preservation age is the Government specified age at which you can gain access to your superannuation benefits, provided you have permanently retired from the workforce. Preservation age varies according to birth date.

Date of birth	Preservation age
Before July 1960	55
1 July 1960 - 30 June 1961	56
1 July 1961 - 30 June 1962	57
1 July 1962 - 30 June 1963	58
1 July 1963 - 30 June 1964	59
After 30 June 1964	60

All contributions and investment earnings accrued since 1 July 1999 are preserved, which means you cannot access them before your preservation age. Any non-preserved benefits that you had on 30 June 1999 will remain non-preserved, and will be shown on your annual member statement. Non-preserved amounts are either unrestricted (you can access them at any time) or restricted (you can access them only after you have retired or changed employment).

To claim your superannuation benefits, contact us. We will help you (or your dependants) deal with the necessary paperwork.

For more details, or to request the release of your superannuation benefits under special circumstances, call 13 11 84.

Transition to retirement

People who have reached their preservation age and who continue to work may access all or part of their superannuation through a 'non-commutable income stream'. This must be taken as a series of regular payments and cannot be converted or paid out as a lump sum until age 65 or earlier retirement.

See the *Pension Options Member guide* for more details.



Nominating your beneficiary(s)

Who gets your super benefit if you die?

Your super benefit is made up of your super account balance and any insurance benefit to which you or your beneficiary(s) are entitled.

A preferred beneficiary is the person you would like to receive your superannuation and insurance benefits in the event of your death.

It is important you nominate your preferred beneficiary(s) so that we are aware of your wishes. If you are having difficulties in deciding your preferred beneficiary(s), you should speak to a financial planner who can help you to make an informed decision.

Your preferred beneficiary(s) can be:

- **your dependant(s)** (any spouse, any child, any person in an 'interdependent relationship' with you or any other person who the Trustee considers was dependent on you for maintenance or support, at the date of your death); or
- **your legal personal representative** (the executor or administrator of your estate); or

- **a combination of your dependants and legal personal representatives.**

Someone can be in an interdependent relationship with you if:

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

Dependency can also arise where two people have a close personal relationship but don't live together or provide each other with financial support or personal care because of physical, intellectual or psychiatric disability.

When considering who you would like to receive your super benefits, it is important you understand the differences between a payment going directly to a **dependant**, and to the **legal personal representative**.

If a Death benefit is paid directly to one or more of your dependants, the Death benefit does not form part of your estate. Therefore, it is excluded from family provision claims under the family provision legislation operating in the State or Territory in which you died, or from claims of any creditors of the estate.

If the Death benefit is paid to your legal personal representative, the Death benefit forms part of your estate for distribution in accordance with the terms of your will or the intestacy legislation operating in the State or Territory in which you died. As an asset of the estate, the Death benefit can be subject to family provision claims and to claims from any creditors of the estate.

When making your nomination, it is important to note that in most cases, your parents are not considered to be dependants. If they are not dependent on you and you wish your Death benefit to be paid to either or both of your parents, you should seek professional advice about how to arrange your nomination of beneficiary and your will to cater for this.

Please also note that if your beneficiary(s) are not dependants for tax purposes, they may be required to pay some tax on receipt of the benefit.

In most cases, children over 18 will not be dependants for tax purposes.

Sunsuper Trustee not bound by nomination

In most cases, the Trustee will pay your benefits to your preferred beneficiary(s), but not always. The Trustee has a responsibility to make sure your benefits are distributed in an appropriate manner. At the time of death, your nomination of a preferred beneficiary(s) may no longer be up to date, or you may have dependants (not nominated as your preferred beneficiary(s)) who have a claim to your benefits.

If you do not nominate a preferred beneficiary or you nominate an ineligible preferred beneficiary (i.e. someone that does not fall under the definition of dependant), the Trustee will look for an eligible person to receive the benefit: either a dependant or your legal personal representative.

If you haven't already done so, you should consider making a will which determines how your legal personal representative should handle your estate. You should speak to a solicitor about preparing a will.

Making your nomination

You are asked to nominate your beneficiary(s) on your *Membership application* form when you join. Your preferred beneficiary(s) should be regularly updated to reflect any changes in your personal circumstances, such as getting married, getting divorced, or the birth of any children. We will list your beneficiary(s) on the member statement we provide for you each year.

If you need help to ensure all your current circumstances are taken into consideration when determining your preferred beneficiary(s), it's a good idea to get advice from a qualified financial planner.

Changing your nomination

You can change your nomination at any time. To obtain a *Change of details* form, visit www.sunsuper.com.au, call 13 11 84 or write to:

Sunsuper
GPO Box 2924
Brisbane Qld 4001.

Additional information

What happens when you change employer?

When you stop working for a Sunsuper participating employer, it's important to let us know. Don't assume your employer has already informed us.

If you stop working with a Sunsuper employer, you can generally:

- stay with Sunsuper: call 13 11 84 to discuss your options
- transfer your benefits to another approved superannuation fund
- rollover your balance to a Sunsuper pension if you qualify for retirement under superannuation legislation.

Don't forget – as a result of *Choice of Fund*, a job change does not mean you have to leave Sunsuper. If you are eligible for *Choice*, you can tell your new employer to pay Sunsuper.

Unclaimed benefits

If you die and we cannot find your beneficiary(s), we classify your money as an unclaimed superannuation benefit, and transfer it to the unclaimed monies section of the Australian Taxation Office (ATO). The ATO can be contacted through their website www.ato.gov.au or by calling 13 10 20.

Eligible Rollover Fund

To protect the value of small accounts, Sunsuper may, at its discretion, transfer member accounts to an Eligible Rollover Fund (ERF) where:

- the member's account balance is low, and
- we have not received any contributions on the member's behalf for at least 2 years.

The ERF currently used by Sunsuper can be contacted as follows:

AUSfund,
Australia's Unclaimed Super Fund
PO Box 2468
Kent Town
SA 5071
Call: 1300 361 798

If your account balance is transferred to AUSfund:

- You will no longer be a member of Sunsuper Solutions.
- You will become a member of AUSfund and be subject to its governing rules. You should refer to the AUSfund Product Disclosure Statement (PDS) for details of its features. If Sunsuper can provide AUSfund with your contact details, AUSfund will provide you with its own Product Disclosure Statement (PDS) that outlines all the operational details of their fund.

- Investment earnings credited to your account will vary depending on the interest rate declared by the Trustee of AUSfund. You should refer to the AUSfund PDS, website and annual report for details of these investment earnings.
- A different fee structure will apply. AUSfund does not charge entry or exit fees. AUSfund is required to 'member protect', that is administration fees (not including Government fees and investment fees) can not be greater than the return credited in any financial year. Member protection does not apply to some account balances such as those under \$50, as no administration fee is deducted from such accounts and no returns are credited. AUSfund has a different fee structure. AUSfund accounts of \$50 or more attract an administration levy of \$10 per year or part-year. Indirect investment costs are deducted from the gross investment returns before interest rates are declared. You should refer to the AUSfund PDS for details of the fees which may apply.

- AUSfund has one diversified investment strategy and therefore doesn't provide investment choice. Rates of return are not guaranteed and investment returns provided to AUSfund members will be dependant on the performance of the underlying investment markets.
- AUSfund does not offer insured benefits in the event of death or disablement.

You can contact AUSfund directly to claim your benefit or to transfer it to another superannuation fund. You can access the AUSfund PDS at www.unclaimedsuper.com.au

The trustee of AUSfund is Industry Funds Investments Limited, ABN 17 006 883 227, AFSL 229881.

Family Law and Superannuation

The superannuation of married couples who have separated or divorced can be divided either by agreement or court order, to allow part or all of a superannuation benefit to be transferred from one spouse to the other.

There may be tax consequences as a result of splitting a super benefit, and you should seek advice from your tax advisor.

Sunsuper is required to make any payment from your account in accordance with a superannuation agreement or court order. Your account can also be flagged, which prevents us from making most types of payments from the account. For more details, call 13 11 84.

Reserves

The Trustee maintains a reserve in the Fund for the benefit of members.

The reserve is maintained to:

- help meet the expenses of running the Fund and/or to help protect account balances,
- support the timing differences in respect of actual investment tax and investment fees and the investment tax and investment fees charged to members.
- provide reserves for the management of the operating risks of the Fund.

The Trustee does not maintain a reserve for the purpose of smoothing investment earnings. Members' accounts are credited or debited with the actual earnings of their selected investment options.

The reserves are invested in the Balanced option, however, where significant short term liabilities, such as tax, are known, an amount up to the value of that liability amount may be invested in less volatile investments including cash.

Concerns and complaints

If you are unhappy with our service or super fund, we offer a complaint resolution process at no cost to you. Contact us to discuss your complaint:

Customer Service Hotline:
13 11 84

Customer Service Fax:
07 3016 7722

Sunsuper Complaints Officer
GPO Box 2924
Brisbane Qld 4001

www.sunsuper.com.au.

We will do everything within our power to resolve the issue as quickly as possible. If you are still not happy or SunsUPER has not responded within 90 days, you can contact the Superannuation Complaints Tribunal (SCT). This is an independent body set up by the Federal Government to help resolve complaints through conciliation.

Additional information

(continued)

They may be contacted by writing to:

The Secretariat
Superannuation Complaints
Tribunal
Locked Bag 3060
GPO Melbourne Vic 3001

Important information you should know about making a complaint to the SCT

The scope of matters that the SCT can deal with is limited by legislation, and it is possible that the SCT cannot deal with the matter. The SCT will advise you if they deal with a complaint, and if so, what information is required.

The SCT can only deal with complaints where:

- The complaint is a member or former member of Sunsuper, or a person acting on behalf of a member or former member of his/her estate.
- The complaint relates to a Trustee decision or action in respect of a particular member of the fund, not the general management of the fund, and
- The complaint has first been dealt with under Sunsuper's internal complaint resolution procedures.

Access to the SCT is free of charge.

Cooling-off period for employers

Employers have a 14-day period to decide if Sunsuper Solutions is right for them and their employees. The 14-day period starts on the day an employer receives confirmation that we have received their initial contributions, or 5 days after the first employees are admitted as members of Sunsuper, whichever happens first.

During this period, employers may cancel their application to become a participating employer of Sunsuper. Any contributions made by the employer for their employee will be adjusted for tax (if payable), for changes to investment values during the period in which the employer was a participating employer (if any), and for reasonable administration costs and rolled over to an approved fund of the employers' choice. Employers must nominate an alternative fund within 1 month of requesting cancellation.

Employers wishing to cancel their application to become a participating employer of Sunsuper must do so in writing to:

Sunsuper
GPO Box 2924
Brisbane Qld 4001

Anti-Money Laundering and Counter-Terrorism Financing Act

The new *Anti-Money Laundering and Counter-Terrorism Financing Act* (AML/CTF Act), in force from 12 December 2006, imposes significant new obligations on Sunsuper and other financial services entities.

Under the Act, Sunsuper is obligated to obtain and verify the identity of a member or a beneficiary before processing any benefit payment, transfer, rollover or payout instruction. This obligation commences on 12 December 2007.

Sunsuper must also monitor and report suspicious matters and transactions, including international funds transfers, to the Australian Transaction Reports and Analysis Centre (AUSTRAC). This obligation commences on 12 December 2008. The Privacy Act and the AML/CTF Act restricts third party access to the information Sunsuper provides to AUSTRAC.

Sunsuper is obligated to fully comply with the Act and the penalties for non-compliance are significant.

Additional information

(continued)

Ratings agency information

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- (a) Chant West has not considered any individual's objectives, financial situation or particular needs; and
- (b) individuals need to consider whether the advice is appropriate in light of their goals, objectives and current situation.

Chant West has given and has not withdrawn its written consent to the inclusion in this PDS of the references to Chant West and the inclusion of the PersonalSuper™ Ratings logo or rating in the form and context in which they are included. Chant West has not authorised or caused the issue of this PDS and does not make, or purport to make, any statement in this PDS, other than as noted above.

SuperRatings and Rainmaker have also given their consent and have not withdrawn it in relation of the inclusion of references to their ratings throughout this guide. They do not make, or purport to make, any statement in this guide other than these references.

Financial Services Guide

Sunsuper Pty Ltd ABN 88 010 720 840
Australian Financial Services
Licence No: 228975
30 Little Cribb St
Milton Qld 4064

Dated: 1 July 2007

What is a Financial Services Guide?

This *Financial Services Guide* (FSG) is an important document we are required by law to give you before we can provide you with any financial service/s. The FSG provides you with information about Sunsuper Pty Ltd ('Sunsuper', 'we', 'us' or 'our') and is designed to help you decide whether to use the financial services we provide.

This FSG also provides important information about:

- the services we offer,
- assisting you in deciding whether to use any of those services,
- how we and our associates are paid,
- any potential conflict of interest we may have, and
- our internal and external dispute resolution procedures and how you access them.

What kinds of financial services are you authorised to provide and what kinds of financial products do those services relate to?

We are licensed to deal in the following financial services and to provide product advice in:

Superannuation

If we provide you with general advice, the advice provided will be of a general nature only prepared without taking into account your objectives, financial situation or needs. Because of this, you should consider the appropriateness of the advice, having regard to your objectives, financial situation and needs before acting on it.

If we provide you with personal advice we will tell you we have taken into account your objectives, financial situation or needs. We will also provide you with a Statement or Record of Advice disclosing the advice and the basis of the advices we have provided to you.

If we provide you with a service that relates to the acquisition, or the possible acquisition, of an interest in a particular fund, you should obtain a Product Disclosure Statement (PDS) relating to the product and consider the PDS before making any decision about whether to acquire the product.

We provide these financial services in relation to the Sunsuper Superannuation Fund. From time to time, we may approve financial services in relation to other superannuation products on a one-off basis.

Who is responsible for the financial services provided?

Sunsuper Pty Ltd is licensed under the Corporations Act to provide the services outlined in this FSG. Sunsuper is responsible for any financial services provided to you, including the distribution of this FSG.

Do you have relationships or associations with a financial product issuer?

We do not act as a representative of any other product issuer in relation to the services we provide.

However, we may refer you to our wholly owned subsidiary, Sunsuper Financial Services Pty Ltd, ABN 50 087 154 818, AFSL No. 227867, or external providers with your permission, for the provision of personal financial services advice.

What information do you maintain in my file and can I examine my file?

We maintain a record of your personal details including your account balance, the investment options in which you have invested and the transactions relating to your account.

We have a privacy policy which ensures the privacy and security of your personal information. A copy of our privacy policy is available on request or on the Sunsuper website.

If you wish to examine your file, please ask us. We will make arrangements for you to do so.

How can I give instructions about my financial products?

Initial instructions are generally provided by completing the *Membership application* form attached to, or accompanying, the PDS. Further instructions can generally be made by phone, in writing or over the internet, depending on the nature of the instructions. Please read the PDS for further information on the options available.

How will I pay for the services provided?

Sunsuper receives fees for managing the Fund which are deducted from members' account balances. All fees and charges are set out clearly in the PDS.

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

Employees and representatives of Sunsuper Pty Ltd, who provide you with advice, are remunerated by way of a salary package, a portion of which is payable on achievement of agreed key performance indicators (KPIs). The calculation of the performance based component of remuneration is based on individual, team, and corporate performance (including meeting service and compliance standards). The payment is not guaranteed and is not based on funds contributed under advice. The Board of Sunsuper determines if the corporate KPIs have been achieved.

In accordance with industry Codes of Practice, we will disclose if we accept any relevant alternative remuneration (eg sponsorship to conferences, gifts, accommodation, entertainment, computer hardware and software). We do not currently accept any such remuneration from external product providers.

Will anyone be paid for referring me to you?

There are no fees payable for referrals made to us.

What should I do if I have a complaint?

If you have a complaint about the service provided to you or the super fund, you can access our internal disputes resolution process at no cost to you. Contact us to discuss your complaint:

Customer Service Hotline: 13 11 84
Sunsuper Complaints Officer
GPO Box 2924
Brisbane Qld 4001

We will do everything within our power to resolve the issue as quickly as possible. If you are still not happy or if Sunsuper has not responded within 90 days, you can contact the Superannuation Complaints Tribunal (SCT).

This is an independent body set up by the Government to help resolve complaints through conciliation. They may be contacted as below:

The Secretariat
Superannuation Complaints Tribunal
Locked Bag 3060
GPO Melbourne Vic 3001
Phone: 1300 780 808

Access to the SCT is free of charge.

Please note that the scope of matters which the SCT can deal with is limited by legislation, and it is possible that the SCT cannot deal with your matter. They will advise you if they will deal with your complaint, and if so, what information you need to supply.



You look after your life. We'll look after your super.

Sunsuper Pty Ltd
ABN 88 010 720 840
AFSL No. 228975
RSE Licence No. L0000291

Sunsuper Superannuation Fund
ABN 98 503 137 921
SPIN SSR 0100 AU
RSE Registration No. R1000337

Contacting us is easy:

Call 13 11 84 (+61 7 3121 0700 when overseas)
Online www.sunsuper.com.au
Mail GPO Box 2924 Brisbane Qld 4001
Fax 07 3016 7722

For 2007, Sunsuper has been recognised as one of Australia's leading superannuation funds by three separate independent rating organisations. We were also named Industry Fund of the Year in the AFR Smart Investor Blue Ribbon Awards 2006.

For important information about the Chant West rating, refer to page 51.

